

## IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO SATISFY ALL OF THE FOLLOWING CRITERIA (“ELIGIBLE PURCHASERS”): (A) NON-U.S. PERSONS (AS DEFINED IN REGULATION S (“REGULATION S”) UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”)) LOCATED OUTSIDE OF THE UNITED STATES (“U.S.”) AND WHO ARE ALSO NOT “U.S. PERSONS” (AS DEFINED IN THE FINAL RULES IMPLEMENTING THE CREDIT RISK RETENTION REQUIREMENTS OF SECTION 941 OF THE UNITED STATES DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT (THE “U.S. RISK RETENTION RULES”)) (SUCH PERSONS, “ELIGIBLE NON-U.S. PERSONS”); (B) IF RESIDENT IN THE EUROPEAN ECONOMIC AREA, PERSONS OTHER THAN RETAIL INVESTORS, EACH DEFINED AS A PERSON WHO IS ONE (OR MORE) OF: (i) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MiFID II”); OR (ii) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “IDD”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MiFID II OR (iii) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”); AND (C) NON-RESIDENTS OF CANADA.

THE NOTES ARE NOT ELIGIBLE FOR PURCHASE BY OR USING THE ASSETS OF A BENEFIT PLAN INVESTOR OR ANY OTHER EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED) WHICH IS SUBJECT TO SIMILAR LAWS.

**IMPORTANT: You must read the following before continuing.** The following applies to this preliminary offering circular and documents incorporated by reference herein (together, the “**Offering Circular**”) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS.

THIS OFFERING CIRCULAR HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF THE NOTES IN ANY MEMBER STATE OF THE EEA WILL BE MADE PURSUANT TO AN EXEMPTION UNDER REGULATION (EU) 2017/1129 (THE “**PROSPECTUS REGULATION**”) FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF NOTES (AS DEFINED IN THIS OFFERING CIRCULAR). THIS OFFERING CIRCULAR IS NOT A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS REGULATION. NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE “**PRIIPS REGULATION**”) FOR OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities offered hereby, investors must meet all of the following criteria (“**Eligible Purchasers**”): (A) be non-U.S. persons (within the meaning of each of (x) Regulation S and (y) the

U.S. Risk Retention Rules) (such persons, “**Eligible Non-U.S. Persons**”) outside the U.S.; (B) if resident in a member state of the European Economic Area, be persons other than retail investors in the European Economic Area (“**EEA Retail Investors**”), each defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation; and (C) be non-residents of Canada. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to us that (1) you and any customers you represent are Eligible Purchasers and that the e-mail address that you gave us and to which this Offering Circular has been delivered is not located in the U.S. nor in Canada (and if you are resident in an EEA member state, you are not an EEA Retail Investor) and (2) that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer of securities or solicitation of offers to buy or investment interest in securities in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers (as defined herein) or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of VZ Vendor Financing B.V. (the “**Issuer**”) in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers, the Issuer, VodafoneZiggo Group B.V., VodafoneZiggo Group Holding B.V., Liberty Global Europe Holding II B.V., Liberty Global plc, Vodafone Group plc, Vodafone International or any person who controls them or any director, officer, employee or agent of theirs or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

**Restrictions:** Any securities to be issued will not be registered under the U.S. Securities Act or the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Notwithstanding the foregoing, prior to the expiration of a Distribution Compliance Period (as defined in Regulation S under the U.S. Securities Act) commencing on the Issue Date (as defined herein), the securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, except pursuant to another exemption from the registration requirements of the U.S. Securities Act.

Solely for the purposes of the product approval process of each manufacturer, the target market assessment in respect of the Notes described in this Offering Circular has led to the conclusion that: (i) the target market for such Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of such Notes to eligible counterparties and professional clients are appropriate. The target market and distribution channel(s) may vary in relation to sales outside the EEA in light of local regulatory regimes in force in the relevant jurisdiction. Any person subsequently offering, selling or recommending such Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

This communication is directed solely at persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (iii) are persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services Markets Act 2000 (“**FSMA**”)) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This Offering Circular must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this Offering Circular or any of its contents.

SUBJECT TO COMPLETION, DATED 22 OCTOBER 2019

CONFIDENTIAL  
PRELIMINARY OFFERING CIRCULAR

NOT FOR GENERAL CIRCULATION  
IN THE UNITED STATES OR TO U.S. PERSONS



€400,000,000 % Vendor Financing Notes due 2024  
issued by  
VZ Vendor Financing B.V.

VZ Vendor Financing B.V., a company incorporated under the laws of the Netherlands with registered number 76130592 (the “**Issuer**”), is offering an aggregate principal amount of €400,000,000 % vendor financing notes due 2024 (the “**Notes**”) on or about 2019 (the “**Issue Date**”). The Notes will bear interest at the rate per annum equal to % as described herein. The Notes will mature on 31 January 2024 (the “**Maturity Date**”). Interest on the Notes will be payable semi-annually in arrear on 15 April and 15 October of each year, commencing on 15 April 2020, subject to adjustment for non-business days (each, an “**Interest Payment Date**”).

On or following the Issue Date, the net proceeds of the issuance of the Notes plus any upfront payments payable by VZ Financing I B.V. (the “**New VFZ Facilities Borrower**”) under the New VFZ Facilities Agreement (as defined herein), will be used by the Issuer to finance the purchase of VFZ Accounts Receivable (as defined herein) pursuant to the Framework Assignment Agreement (as defined herein). It is expected that the Issuer will complete its initial purchases of new and existing VFZ Accounts Receivable by 31 March 2020. To the extent that there are not sufficient VFZ Accounts Receivable available for purchase on the first Value Date (as defined herein) falling on or after the Issue Date, the Issuer will advance any excess proceeds from the issuance of the Notes to the New VFZ Facilities Borrower, as the borrower under the New VFZ Facilities Agreement, as Excess Cash Loans (as defined herein) under the Excess Cash Facility (as defined herein) pursuant to the New VFZ Facilities Agreement. On the Issue Date, the Issuer will also fund the Subscription Proceeds (as defined herein) under the Issue Date Facility (as defined herein) to the New VFZ Facilities Borrower, pursuant to the New VFZ Facilities Agreement.

The Notes will be subject to tax redemption and illegality redemption. Additionally, the Notes may be redeemed at any time prior to 2020, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the redemption date and a “make-whole” premium as further described in Condition 6(d) (“**Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Make-Whole Redemption Event**”). The Notes may also be redeemed at any time on or after 2020, at the redemption prices described in Condition 6(e) (“**Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption Event on or after 2020**”), plus accrued and unpaid interest to the redemption date. Each of the foregoing redemptions are subject to the relevant provisions of Condition 6 (“**Redemption, Purchase and Cancellation; Approved Exchange Offer**”) under “**Terms and Conditions of the Notes**”.

On or prior to 30 days after the Issue Date and following the determination of VodafoneZiggo (as defined herein) that the Issuer is required to be consolidated into the financial statements of the Group (as defined herein), the Issuer may redeem all, but not some, of the Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the applicable redemption date as further described in Condition 6(f) (“**Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption Event**”).

Following a change of control as defined under the New VFZ Facilities Agreement, the New VFZ Facilities Borrower will be required to offer to prepay the New VFZ Facilities Loans (as defined herein). Following receipt of such prepayment offer, the Issuer will launch a consent solicitation to set (i) the Maturity Date of the Notes as the New Maturity Date (as defined herein) and (ii) the redemption price of the Notes on the New Maturity Date at 101% of the principal amount of the Notes (“**Accelerated Redemption Price**”), plus accrued and unpaid interest to the New Maturity Date, in accordance with the relevant provisions of Condition 6 (“**Redemption, Purchase and Cancellation; Approved Exchange Offer**”). If holders of more than 50% of the aggregate principal amount of Notes consent to the foregoing requests, the Issuer will inform the New VFZ Facilities Borrower that it accepts the prepayment offer, and the New VFZ Facilities Borrower will prepay the New VFZ Facilities Loans at par, plus accrued and unpaid interest thereon, together with a payment equal to 1% of the principal amount of the Excess Cash Loans and Interest Facility Loans so prepaid. Following such prepayment, the Issuer will redeem all of the Notes on the New Maturity Date at the Accelerated Redemption Price, plus accrued and unpaid interest to the New Maturity Date. Additionally, the Notes may be redeemed prior to the Maturity Date in connection with an Approved Exchange Offer (as defined herein). See Conditions 6(k) and 6(l) (“**Redemption, Purchase and Cancellation; Approved Exchange Offer—Approved Exchange Offer**”).

The Issuer is dependent upon payments it receives in respect of the Assigned Receivables (as defined herein) and under the Framework Assignment Agreement, the New VFZ Facilities Agreement, the Expenses Agreement (as defined herein) and the related agreements to make payments on the Notes. The Issuer will apply payments it receives in respect of the Assigned Receivables, the Framework Assignment Agreement, the New VFZ Facilities Agreement, the Expenses Agreement and such related agreements, including in respect of principal and interest, to make payments on the Notes in accordance with Condition 7 (“**Payments**”). Payment of principal and interest will be limited to the amount of funds available from time to time for that purpose in accordance with the terms of the Trust Deed (as defined herein).

The Notes will be limited recourse and senior obligations of the Issuer. The Notes will be secured by the security granted over the following (collectively, the “**Notes Collateral**”): (i) the Issuer’s rights, title, benefit and interest in, to and under the Assigned Receivables; (ii) the Issuer’s rights under all contracts, agreements, deeds and documents to which it is or may become a party or in respect of which it has or may have any right, title, benefit or interest (including, without limitation, the New VFZ Facilities Agreement, the Expenses Agreement, the Framework Assignment Agreement and the Issue Date Arrangements Agreement (as defined herein)); (iii) the Issuer Transaction Accounts (as defined herein), and all amounts at any time standing to the credit thereto; and (iv) all other present and future property, assets and undertakings of the Issuer, in favour of BNY Mellon Corporate Trustee Services Limited (the “**Security Trustee**”) for the benefit of the Secured Parties (as defined herein) pursuant to the Notes Security Documents (as defined herein). None of VodafoneZiggo Group B.V. (“**VodafoneZiggo**”) nor any of its subsidiaries will guarantee or provide any security or any other credit support to the Issuer with respect to its obligations under the Notes. Other than under the limited circumstances described herein, Noteholders (as defined herein) will not have a direct claim on the cash flow or assets of VodafoneZiggo or any of its subsidiaries, and neither VodafoneZiggo nor any of its subsidiaries has any obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments, other than the obligations of (i) the Obligors (as defined herein) to make payments to the Issuer in respect of the Assigned Receivables, (ii) the Obligors to make payments to the Issuer in respect of the New VFZ Facilities Agreement or (iii) VZ Financing I B.V. to make payments to the Issuer under the Expenses Agreement, and in each case of (i) to (iii) above, any agreements related thereto to which they are party.

Subject to certain conditions, the Issuer will be entitled, at its option and without the consent of the Noteholders, to issue further Notes (the “**Further Notes**”) having the same terms and conditions (except as to issue date and initial interest paid in respect of their first interest period) as, and being fungible with, the Notes. The expression “**Notes**” shall in this Offering Circular, unless the context otherwise requires, include the Notes as well as any “**Further Notes**”.

This Offering Circular does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 as amended or superseded (the “**Prospectus Regulation**”). The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Regulation.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any other jurisdiction. The Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act (“**Regulation S**”) to investors who satisfy all of the following criteria (“**Eligible Purchasers**”): (A) non-U.S. persons (within the meaning of Regulation S who are also not “U.S. persons” (within the meaning of the final rules implementing the credit risk retention requirements of Section 941 of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**U.S. Risk Retention Rules**”)) (such persons, “**Eligible Non-U.S. Persons**”); (B) persons other than retail investors in the European Economic Area, each defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation; and (C) non-residents of Canada. Each purchaser of a Note will make (or, in the case of a resale, be deemed to make) certain acknowledgments, representations, warranties and certifications. For a description of certain restrictions on transfer, see “**Plan of Distribution**” and “**Transfer Restrictions**”.

The Notes are expected to be delivered to investors in book-entry form through Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream**”), on or about the Issue Date. It is expected that delivery of the Notes to investors will be made in book-entry form through Euroclear and Clearstream on or about the Issue Date.

There is currently no public market for the Notes. Application will be made for the Notes to be listed on the Official List of Euronext Dublin and to be admitted for trading on the Global Exchange Market thereof, which is not a regulated market (pursuant to the provisions of Directive 2004/39/EC). There is no assurance that the Notes will be listed on the Official List of Euronext Dublin and admitted for trading on the Global Exchange Market thereof.

Particular attention is drawn to the Section of this Offering Circular entitled “**Risk Factors**”.

Issue price for the Notes: %

Joint Active Bookrunners

Citigroup

Credit Suisse

Joint Bookrunners

Crédit Agricole CIB

RBC Capital Markets

The date of this Offering Circular is

2019.

**You should rely only on the information contained in this Offering Circular, or incorporated by reference herein. Neither the Issuer or VodafoneZiggo nor any of the Initial Purchasers has authorized anyone to provide you with different information. Neither the Issuer or VodafoneZiggo nor any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where this offer is not permitted. You should not assume that the information contained in this Offering Circular is accurate at any date other than the date on the front of this Offering Circular.**

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Neither the Issuer nor VodafoneZiggo has authorized any dealer, salesperson or other person to give any information or represent anything to you other than the information contained in this Offering Circular. You must not rely on unauthorized information or representations.

This Offering Circular does not offer to sell or ask for offers to buy any of the securities in any jurisdiction where it is unlawful, where the person making the offer is not qualified to do so, or to any person who cannot legally be offered the securities.

The information in this Offering Circular is current only as of the date on the cover page, and may change after that date. For any time after the cover date of this Offering Circular, VodafoneZiggo does not represent that its affairs are the same as described or that the information in this Offering Circular is correct, nor does VodafoneZiggo imply those things by delivering this Offering Circular or selling securities to you. VodafoneZiggo will not guarantee or provide any credit support to the Issuer with respect to its obligations under the Notes.

The information contained in this Offering Circular is current only as of the date on the cover page, and may change after that date, and the information incorporated by reference into this Offering Circular is current only as of the date of such incorporated document, and may change after that date. For any time after the cover date of this Offering Circular, we do not represent that our affairs are the same as described or that the information in this Offering Circular is correct, nor do we imply those things by delivering this Offering Circular or selling securities to you. For any time after the date of any incorporated document, we do not represent that our affairs are the same as described or that the information in such incorporated document is correct, nor do we imply those things by delivering this Offering Circular or selling securities to you.

The Issuer and the Initial Purchasers are offering to sell the Notes only in places where offers and sales are permitted. The Issuer is offering the Notes in reliance on exemptions from the registration requirements of the U.S. Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The Notes have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the “SEC”) or any other securities commission or regulatory authority, nor has the SEC or any such securities commission or authority passed upon the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offense in the United States.

This Offering Circular is a confidential document that is being provided for informational use solely in connection with consideration of a purchase of the Notes to investors who satisfy all of the following criteria (“**Eligible Purchasers**”): (A) non-U.S. persons (within the meaning of Regulation S under the U.S. Securities Act (“**Regulation S**”), who are also not “U.S. persons” (within the meaning of the final rules implementing the credit risk retention requirements of Section 941 of the United States Dodd-Frank Wall Street Reform And Consumer Protection Act (the “**U.S. Risk Retention Rules**”)) (such persons, “**Eligible Non-U.S. Persons**”); (B) persons other than retail investors in the European Economic Area, each defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation; and (C) non-residents of Canada, in each case, acting in offshore transactions in reliance on Regulation S. Its use for any other purpose is not authorized. This Offering Circular may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents be disclosed to anyone other than to person considering a purchase of the Notes in offshore transactions described above.

This Offering Circular is for distribution only to persons who (i) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This Offering Circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer target market assessment) and determining appropriate distribution channels.

This Offering Circular has been prepared on the basis that any offer of the Notes in any Member State of the European Economic Area (the "**EEA**") will be made pursuant to an exemption under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") from the requirement to publish a prospectus for offers of Notes. This Offering Circular is not a prospectus for the purposes of the Prospectus Regulation. Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for the Issuer or any of the Initial Purchasers to produce a prospectus for such offer. None of the Issuer, VodafoneZiggo or the Initial Purchasers has authorized, nor do any of them authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the Initial Purchasers which constitute the final placement of the Notes contemplated in this Offering Circular.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and all other applicable securities laws. See "*Transfer Restrictions*".

The Issuer and VodafoneZiggo have prepared this Offering Circular solely for use in connection with this offering and for applying to Euronext Dublin for the Notes to be listed on its Official List and for trading on its Global Exchange Market. You may not distribute this Offering Circular or make copies of it without the Issuer's and VodafoneZiggo's prior written consent other than to people you have retained to advise you in connection with this offering.

You are not to construe the contents of this Offering Circular as investment, legal or tax advice. You should consult your own counsel, accountant and other advisers as to legal, tax, business, financial and related aspects of a purchase of the Notes. You are responsible for making your own examination of VodafoneZiggo and your own assessment of the merits and risks of investing in the Notes. None of the Issuer, VodafoneZiggo or the Initial Purchasers is making any representation to you regarding the legality of an investment in the Notes by you.

The information contained in this Offering Circular has been furnished by the Issuer and VodafoneZiggo and other sources the Issuer and VodafoneZiggo believe to be reliable. No representation or warranty, express or implied, is made by the Initial Purchasers as to the accuracy or completeness of any of the information set out in this Offering Circular, and nothing contained in this Offering Circular is or shall be relied upon as a promise or representation by the Initial Purchasers, whether as to the past or the future. This Offering Circular contains summaries, believed to be accurate, of some of the terms of specified documents, but reference is made to the actual documents, copies of which will be made available by the Issuer and VodafoneZiggo upon request, for the complete information contained in those documents. Copies of such documents and other information relating to the issuance of the Notes will also be available for inspection at the specified offices of the Issuer. All summaries of the documents contained herein are qualified in their entirety by this reference.

The Issuer (except as noted in the following paragraph) and VodafoneZiggo accept responsibility for the information contained in this Offering Circular, or incorporated by reference herein. VodafoneZiggo has made all reasonable inquiries and confirmed to the best of its knowledge, information and belief that the information contained in this Offering Circular, or incorporated by reference herein, with regard to VodafoneZiggo, each of its subsidiaries and affiliates, and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Circular are honestly held, and that it is not aware of any other facts the omission of which would make this Offering Circular or any statement contained herein misleading in any material respect.

The Issuer accepts responsibility for the information contained in this Offering Circular (except in relation to the information in respect of VodafoneZiggo, each of its subsidiaries and affiliates, and industry, statistical and market-related data included herein, for which VodafoneZiggo takes sole responsibility). To the best of the knowledge and belief of the Issuer, the information contained in this Offering Circular for which it takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, none of the Initial Purchasers accepts any responsibility for the contents of this Offering Circular or for any statement made or purported to be made therein. The Initial Purchasers accordingly disclaim all and any liability, whether arising in tort or contract or otherwise which they might otherwise have in respect of this Offering Circular or any such statement. Neither the Initial Purchasers, nor any of their affiliates, agents, directors, officers and employees accepts any responsibility to any person for any acts or omissions of the Issuer, VodafoneZiggo or any of their affiliates, agents, directors, officers or employees relating to this offering, this Offering Circular or any other document executed in connection with this offering. The Initial Purchasers are only acting for the Issuer in connection with the transactions referred to in this Offering Circular and no one else and will not be responsible to anyone other than the Issuer for providing the protections offered to clients of the Initial Purchasers or for providing advice in relation to the offering, the transactions or any arrangement or other matter referred to herein.

No person is authorized in connection with any offering made pursuant to this Offering Circular to give any information or to make any representation not contained in this Offering Circular, and, if given or made, any other information or representation must not be relied upon as having been authorized by the Issuer, VodafoneZiggo or the Initial Purchasers. The information contained in this Offering Circular is current at the date hereof. Neither the delivery of this Offering Circular at any time nor any subsequent commitment to enter into any financing shall, under any circumstances, create any implication that there has been no change in the information set out in this Offering Circular or in either the Issuer's or VodafoneZiggo's affairs since the date of this Offering Circular.

The Issuer reserves the right to withdraw this offering of Notes at any time, and the Issuer and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to you less than the full amount of Notes subscribed for by you.

The distribution of this Offering Circular and the offer and sale of the Notes may be restricted by law in some jurisdictions. Persons into whose possession this Offering Circular or any of the Notes come must inform themselves about, and observe any restrictions on the transfer and exchange of the Notes. See "*Plan of Distribution*" and "*Transfer Restrictions*".

This Offering Circular does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this Offering Circular. You must also obtain any consents or approvals that you need in order to purchase any Notes. None of the Issuer, VodafoneZiggo or the Initial Purchasers is responsible for your compliance with these legal requirements.

The Notes are subject to restrictions on resale and transfer as described under "*Plan of Distribution*" and "*Transfer Restrictions*". By purchasing any Notes, you will be deemed to have made certain acknowledgments, representations and agreements as described in those sections of this Offering Circular.

If issued, the Notes will initially be available in book-entry form only. The Notes will be represented on issue by one or more Global Notes (as defined herein), which will be delivered through Euroclear and Clearstream (together, the "**Clearing Systems**" and each a "**Clearing System**"). Interests in the Global Notes will be exchangeable for definitive notes only in certain limited circumstances. See "*Book-Entry Clearance Procedures*" and "*Form of the Notes*".

## STABILIZATION

IN CONNECTION WITH THIS OFFERING, CITIGROUP GLOBAL MARKETS LIMITED (THE "**STABILIZING MANAGER**") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE ISSUE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

## NOTICE TO U.S. INVESTORS

Each purchaser of Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Offering Circular under “*Transfer Restrictions*”. The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act or any other applicable securities laws, pursuant to registration or an exemption therefrom. Please refer to the section of this Offering Circular entitled “*Transfer Restrictions*”. The Notes may not be offered to the public within any jurisdiction. By accepting delivery of this Offering Circular, you agree not to offer, sell, resell, transfer or deliver, directly or indirectly, any note to the public.

## PROHIBITION OF OFFERS TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation. This Offering Circular has been prepared on the basis that any offer of notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. This Offering Circular is not a prospectus for the purposes of the Prospectus Regulation.

## PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of the product approval process of each manufacturer, the target market assessment in respect of the Notes described in this Offering Circular has led to the conclusion that: (i) the target market for such Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of such Notes to eligible counterparties and professional clients are appropriate. The target market and distribution channel(s) may vary in relation to sales outside the EEA in light of local regulatory regimes in force in the relevant jurisdiction. Any person subsequently offering, selling or recommending such Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

## NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS

In relation to each member state of the EEA (each, a “**Member State**”), each Initial Purchaser has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the relevant Initial Purchaser or Initial Purchasers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation; provided that no such offer of the Notes shall require the publication by the Issuer or any Initial Purchaser of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for the Issuer or the Initial Purchasers to publish a prospectus, pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Initial Purchasers have authorized, nor do the



Issuer or any Initial Purchaser authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this Offering Circular.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 and includes any relevant implementing measure in any Member State.

Each subscriber for or purchaser of the Notes in the offering located within a Member State will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of the Prospectus Regulation. The Issuer, the Initial Purchasers and their affiliates, and others will rely upon the trust and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Initial Purchasers of such fact in writing may, with the consent of the Initial Purchasers, be permitted to subscribe for or purchase the Notes in the offering.

### NOTICE TO CERTAIN EUROPEAN INVESTORS

**Austria.** This Offering Circular has not been or will not be approved and/or published pursuant to the Austrian Capital Markets Act (*Kapitalmarktgesetz*) as amended. Neither this Offering Circular nor any other document connected therewith constitutes a prospectus according to the Austrian Capital Markets Act and neither this Offering Circular nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria. No steps may be taken that would constitute a public offering of the Notes in Austria and the offering of the Notes may not be advertised in Austria. Any offer of the Notes in Austria will only be made in compliance with the provisions of the Austrian Capital Markets Act and all other laws and regulations in Austria applicable to the offer and sale of the Notes in Austria.

**Germany.** The Notes may be offered and sold in Germany only in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) as amended, the Commission Regulation (EC) No 809/2004 of 29 April 2004 as amended, or any other laws applicable in Germany governing the issue, offering and sale of securities. This Offering Circular has not been approved under the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or the Prospectus Regulation and accordingly the Notes may not be offered publicly in Germany.

**France.** This Offering Circular has not been prepared in the context of a public offering in France within the meaning of Article L. 411-1 of the *Code Monétaire et Financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the “AMF”) and therefore has not been submitted for clearance to the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and offers and sales of the Notes will only be made in France to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) and/or to a closed circle of investors (*cercle restreint d’investisseurs*) acting for their own accounts, as defined in and in accordance with Articles L. 411-2 and D. 411-1 of the *Code of Monétaire et Financier*. Neither this Offering Circular nor any other offering material may be distributed to the public in France.

**Italy.** None of this Offering Circular or any other documents or materials relating to the Notes have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa (“CONSOB”). Therefore, the Notes may only be offered or sold in the Republic of Italy (“Italy”) pursuant to an exemption under article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of February 24, 1998, as amended (the “Financial Services Act”) and article 35-bis, paragraph 3, of CONSOB Regulation No. 11971 of May 14, 1999, as amended. Accordingly, the Notes are not addressed to, and neither the Offering Circular nor any other documents, materials or information relating, directly or indirectly, to the Notes can be distributed or otherwise made available (either directly or indirectly) to any person in Italy other than to qualified investors (*investitori qualificati*) pursuant to article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time, acting on their own account.

**Ireland.** No action may be taken with respect to the Notes in Ireland otherwise than in conformity with the provisions of (a) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the

“**MiFID Regulations**”), including, without limitation, Regulation 5 (*Requirement for Authorisation*) thereof or any codes of conduct made under the MiFID Regulations and the provisions of the Investor Compensation Act 1998 (as amended), (b) the Companies Act 2014 (as amended, the “**Companies Act**”), the Central Bank Acts 1942 to 2015 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989, (c) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (the “**Irish Prospectus Regulations**”) and any rules issued under Section 1363 of the Companies Act by the Central Bank of Ireland and (d) the Market Abuse Regulations (EU 596/2014) (as amended) and any rules or guidance issued by the Central Bank of Ireland under Section 1370 of the Companies Act.

This Offering Circular has been prepared on the basis that, to the extent any offer is made in Ireland, any offer of the Notes will be made pursuant to one or more of the exemptions in Regulation 9(1) of the Irish Prospectus Regulations from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in Ireland of the Notes which are subject of the offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Issuer, VodafoneZiggo or the Initial Purchasers to publish a prospectus pursuant to Regulation 12 of the Irish Prospectus Regulations or supplement a prospectus pursuant to Regulation 51 of the Irish Prospectus Regulations, in each case, in relation to such offer. None of the Issuer, VodafoneZiggo or the Initial Purchasers have authorized, or do authorize, the making of any offer of the Notes in circumstances in which an obligation arises for the Issuer, VodafoneZiggo or the Initial Purchasers to publish or supplement a prospectus for such offer.

**Grand Duchy of Luxembourg.** This Offering Circular has not been approved by and will not be submitted for approval to the Luxembourg Supervision Commission of the Financial Sector (*Commission de Surveillance du Secteur Financier*) for purposes of a public offering or sale in Luxembourg. Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Offering Circular nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Act of 10 July 2005 on prospectuses for securities, as amended (the “**Prospectus Act**”) and implementing the Prospectus Regulation. Consequently, this Offering Circular and any other Offering Circular, prospectus, form of application, advertisement or other material may only be distributed to (i) Luxembourg qualified investors as defined in the Prospectus Act and (ii) no more than 149 prospective investors, which are not qualified investors.

**Spain.** This offering or this Offering Circular have not been registered with the Comisión Nacional del Mercado de Valores and therefore the Notes may not be offered, sold or distributed in Spain by any means, except in circumstances which do not qualify as a public offer of securities in Spain in accordance with article 30 bis of the Securities Market Act (“*Ley 24/1988, de 28 de julio del Mercado de Valores*”) as amended and restated, or pursuant to an exemption from registration in accordance with article 41 of the Royal Decree 1310/2005 (“*Real Decreto 1310/2005, de 4 de noviembre por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*”).

**Switzerland.** The Notes offered hereby are being offered in Switzerland on the basis of a private placement only. This Offering Circular does not constitute a prospectus within the meaning of Art. 652A of the Swiss Federal Code of Obligations.

**United Kingdom.** This Offering Circular is for distribution only to, and is only directed at, persons who (i) are investment professionals, as such term is defined in Article 19(5) of the Financial Promotion Order, (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This Offering Circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this Offering Circular or any of its contents.

## DOCUMENTS INCORPORATED BY REFERENCE

We incorporate by reference certain information posted by us on the website of Liberty Global as set forth below, which means that we can disclose important information to you by referring you to those documents. The information that is incorporated by reference is considered to be part of this Offering Circular:

We incorporate by reference into this Offering Circular the following documents posted on the website of Liberty Global (<https://www.libertyglobal.com/investors/vodafoneziggo-group-holding/>):

- the 2018 Annual Report (as defined herein); and
- the 2019 Financial Statements (as defined herein).

Except to the extent expressly incorporated by reference into this Offering Circular, the website of Liberty Global and the information included therein does not constitute, and should not be considered, a part of this Offering Circular.

Any statement contained in a document that is incorporated by reference will be modified or superseded for all purposes to the extent that a statement contained in this Offering Circular, or in any other document that was subsequently posted on our website and incorporated by reference, modifies or is contrary to that previous statement. Any statement so modified or superseded will not be deemed a part of this Offering Circular, except as so modified or superseded.

You should rely only upon the information provided in this Offering Circular or incorporated by reference herein. We have not authorized anyone to provide you with different information. You should not assume that the information in this Offering Circular or any document incorporated by reference is accurate as of any date other than that on the front cover of the document.

## CURRENCY PRESENTATION AND DEFINITIONS

In this Offering Circular: (i) “euro,” “Euro” or “€” means the single currency of the member states of the European Union (“E.U.”) participating in the third stage of economic and monetary union pursuant to the Treaty on the Functioning of the E.U., as amended or supplemented from time to time, and (ii) “U.S. dollar,” “dollar,” “US\$” or “\$” means the lawful currency of the United States. VodafoneZiggo’s consolidated financial results are reported in euro. Unless otherwise indicated, convenience translations into euro or any other currency have been calculated at the 30 June 2019 market rate.

### Definitions

As used in this Offering Circular:

**“30 June 2019 Consolidated Financial Statements”** means VodafoneZiggo’s unaudited condensed consolidated financial statements as of 31 June 2019 and 2018 and the notes thereto included in this Offering Circular or incorporated by reference herein.

**“31 December 2018 Consolidated Financial Statements”** means VodafoneZiggo’s audited consolidated financial statements as of 31 December 2018 and 2017 and the notes thereto, which through the 2018 Annual Report are incorporated by reference herein.

**“2018 Annual Report”** refers to the 2018 Annual Report of VodafoneZiggo Group B.V. as of and for the year ended 31 December 2018, which includes, among other sections, the 31 December 2018 Consolidated Financial Statements, a description of our business, independent auditors’ report and management’s discussion and analysis of financial condition and results of operations, incorporated by reference herein and as available on <https://www.libertyglobal.com/investors/vodafoneziggo-group-holding/> as of 14 March 2019.

**“2019 Financial Statements”** refers to the unaudited 30 June 2019 Condensed Consolidated Financial Statements which includes a management’s discussion and analysis of financial condition and results of operations, incorporated by reference herein and as available on <https://www.libertyglobal.com/investors/vodafoneziggo-group-holding/> as of 27 August 2019.

**“2020 Senior Secured Notes”** refers to the 3.625% Senior Secured Notes due 2020 issued by Ziggo BV.

**“2020 Senior Secured Notes Redemption”** means the expected redemption in full of the outstanding aggregate principal amount of the 2020 Senior Secured Notes with the proceeds from the 2030 Senior Secured Notes.

**“2024 Senior Notes”** refers to the 7.125% Senior Notes due 2024, originally issued by LGE Holdco VI B.V. on 11 November 2014 and assumed by Ziggo Bond Company.

**“2025 Senior Notes”** refers, collectively, to the Original 2025 Senior Notes and the Additional Euro 2025 Senior Notes.

**“2025 Senior Secured Notes”** refers to the 3.750% Senior Secured Notes due 2025, originally issued by Ziggo Secured Finance and assumed by Ziggo BV.

**“2025 Senior Secured Notes Redemption”** means the expected redemption in full of the outstanding aggregate principal amount of the 2025 Senior Secured Notes with the proceeds from the 2030 Senior Secured Notes.

**“2027 Dollar Senior Secured Notes”** refers to the 5.500% Senior Secured Notes due 2027, originally issued by Ziggo Secured Finance and assumed by Ziggo BV.

**“2027 Euro Senior Secured Notes”** refers to the 4.250% Senior Secured Notes due 2027, originally issued by Ziggo Secured Finance and assumed by Ziggo BV.

**“2027 Senior Secured Notes”** refers, collectively, to the 2027 Dollar Senior Secured Notes and the 2027 Euro Senior Secured Notes.



**“2027 Senior Notes”** refers to the 6.000% Senior Notes due 2027, originally issued by Ziggo Bond Finance and assumed by Ziggo Bond Company.

**“2030 Dollar Notes”** refers to the 4.875% Senior Secured Notes due 2030 issued by Ziggo B.V.

**“2030 Euro Notes”** refers to the 2.875% Senior Secured Notes due 2030 issued by Ziggo B.V.

**“2030 Senior Secured Notes”** refers to the 2030 Dollar Notes and 2030 Euro Notes.

**“ABC B.V.”** refers to Amsterdamse Beheer- en Consultingmaatschappij B.V., a private limited liability company incorporated under the laws of the Netherlands.

**“Additional 2025 Euro Senior Notes”** means the 4.625% Senior Notes due 2025, issued by Ziggo Bond Company on 17 May 2019.

**“Accelerated Maturity Event”** has the meaning assigned to such term in Condition 6(h) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Accelerated Maturity Event”*).

**“Account Bank”** means The Bank of New York Mellon, London Branch, a banking corporation organized and existing under the laws of the state of New York, acting through its branch office at One Canada Square, London E14 5AL, England in its capacity as account bank under the Agency and Account Bank Agreement, or any successors or assigns thereunder.

**“Accounts Payable Management Services Agreement”** or **“APMSA”** means (i) the accounts payable management services agreement originally dated 23 February 2015, as amended and restated on 14 December 2016 and as most recently amended and restated on 2 April 2018, between, *inter alios*, the Initial Platform Provider and VodafoneZiggo as Buyer Parent, and (ii) following an SCF Platform Addition, (A) the amended and restated accounts payable management services agreement originally dated 23 February 2015, as amended and restated on 14 December 2016 and as most recently amended and restated on 2 April 2018, between, *inter alios*, the Initial Platform Provider and VodafoneZiggo as Buyer Parent and (B) any other accounts payable management services agreement (or equivalent) to be entered into between, *inter alios*, a Successor Platform Provider and VodafoneZiggo as Buyer Parent, in each case of (i) and (ii), as amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement), or otherwise modified from time to time.

**“Administrator”** means The Bank of New York Mellon, London Branch, a banking corporation organized and existing under the laws of the state of New York, acting through its branch office at One Canada Square, London E14 5AL, England in its capacity as administrative agent under the Agency and Account Bank Agreement, or any successor thereunder approved or appointed by the Issuer.

**“Agency and Account Bank Agreement”** means the agreement to be entered into on the Issue Date between, *inter alios*, the Issuer, the Administrator and the Account Bank, as amended and restated from time to time.

**“Agent”** means, as the context requires, the Registrar, Paying Agent, Transfer Agent, Administrator and/or Account Bank.

**“Applied Discount”** means (i) in the context of the APMSA, the discount amount that the Platform Provider will deduct from the Certified Amount in case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement and (ii) in the context of the Framework Assignment Agreement, the discount amount that the Platform Provider will deduct from the Certified Amount in the case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement, *less* the Platform Provider Processing Fee.

**“Appointee”** means any attorney, agent, delegate or other person properly appointed by the Notes Trustee and/or the Security Trustee in accordance with the Trust Deed to discharge any of its functions or advise it in relation thereto.

**“Approved Exchange Offer”** has the meaning assigned to such term in Condition 6(l) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Approved Exchange Offer”*).

**“Approved Platform Receivable”** means a Receivable which has been given the status “approved” by a Buyer Entity in an Electronic Data File posted by that Buyer Entity to the SCF Platform Website pursuant to the terms of the Accounts Payable Management Services Agreement.

**“Articles of Association”** means the articles of association (*statuten*) of the Issuer as may be in force from time to time.

**“Assigned Receivables”** means, at any time of determination, any VFZ Accounts Receivable, in respect of which there has been an assignment of such VFZ Accounts Receivable from the Platform Provider to the Issuer pursuant to the terms of the Framework Assignment Agreement and the relevant Assignment Framework Note.

**“Assignment”** means the selling and assigning by the Platform Provider of all of its rights, title and interest in and to the relevant Payment Obligations (and the Receivables related thereto, solely to the extent that such Receivables have been acquired by the Platform Provider) at the relevant Purchase Price Amounts to the Issuer pursuant to the relevant Assignment Framework Note, which shall happen immediately, and without further action on the part of any person or entity, upon payment by the Issuer to the Platform Provider of the relevant Requested Purchase Price Amount (which may be adjusted pursuant to the terms of the Framework Assignment Agreement) on the relevant Value Date.

**“Assignment Framework Note”** means an assignment framework note in the form set out in Schedule 1 (“*Form of Assignment Framework Note*”) to the Framework Assignment Agreement.

**“Assignment Notice”** means an assignment notice substantially in the form set out in Schedule 2 (“*Form of Assignment Notice*”) to the Framework Assignment Agreement, or any other notice as agreed between the relevant parties.

**“Basic Terms Modification”** has the meaning assigned to such term in Condition 1 (“*Definitions and Principles of Construction—General Interpretation*”).

**“Benefit Plan Investor”** means (I) an employee benefit plan (as defined in Section 3(3) of ERISA), that is subject to the provisions of part 4 of subtitle B of Title I of ERISA, (II) an individual retirement account or other plan or arrangement to which Section 4975 of the Code applies or (III) any entity whose underlying assets include “plan assets” (within the meaning of 29 C.F.R. Section 2510/3-10 (as modified by Section 3(42) of ERISA)) by reason of any such plan’s investment in such entity.

**“Business Day”** or **“business day”** means each day that is not a Saturday, Sunday or other day on which banking institutions in Amsterdam, The Netherlands, New York, U.S.A., or London, England are authorized or required by law to close.

**“Buyer Entity”** has the meaning assigned to such term under “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”.

**“Buyer Parent”** means VodafoneZiggo in its capacity, under the Framework Assignment Agreement and the Accounts Payable Management Services Agreement, as parent of the Buyer Subsidiaries.

**“Buyer Subsidiary”** has the meaning assigned to such term under “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”.

**“Certified Amount”** means, with respect to a Payment Obligation, the Outstanding Amount of such Payment Obligation on the Certified Amount Fixed Date.

**“Certified Amount Fixed Date”** means the earliest to occur of (i) the date of the Initial Transfer, and (ii) the date falling three Business Days prior to the Confirmed Payment Date of that Payment Obligation.

**“Clearing Systems”** or **“Clearing System”** means Euroclear and/or Clearstream, as appropriate.

**“Clearstream”** means Clearstream Banking, S.A..

**“Code”** means the United States Internal Revenue Code of 1986, as amended.

**“Collected Amount”** has the meaning assigned to such term under *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes”*.

**“Collected Premium Amounts”** has the meaning assigned to such term under *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes”*.

**“Collected Principal Amount”** has the meaning assigned to such term under *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes”*.

**“Committed Principal Proceeds”** means the amount available to the Issuer from time to time for the purchase of VFZ Accounts Receivable equal to an amount representing the net proceeds of the Notes offered hereby, *plus* the net proceeds of the issuance of any Further Notes *plus*, in each case, any upfront payments payable by the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement in connection therewith. On the Issue Date, the Committed Principal Proceeds will equal €400.0 million.

**“Conditions”** means the terms and conditions of the Notes as set out in the Section of this Offering Circular entitled *“Terms and Conditions of the Notes”*.

**“Confirmed Payment Date”** means, with respect to a Payment Obligation, the date (which cannot be changed) specified as the date of payment in the Electronic Data File in respect of the Receivable that was designated as “approved” which led to that Payment Obligation arising.

**“Covenant EBITDA”** means the calculation of the “EBITDA” metric specified by VodafoneZiggo’s debt agreements.

**“Credit Note”** has the meaning assigned to such term under *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes”*.

**“Definitive Note”** means each note issued or to be issued in definitive, fully registered form in, or substantially in, the form set out in the Trust Deed.

**“Direct Participants”** means Noteholders who, as accountholders, hold their interests in Global Notes directly through Euroclear or Clearstream.

**“Discounted Payments Purchase Agreements”** means the agreements entered into, from time to time, each between the Platform Provider and the Supplier named therein, as may be amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement) or otherwise modified from time to time (including pursuant to an SCF Platform Addition).

**“Distribution Compliance Period”** means the 40-day period prescribed by Regulation S commencing on the later of (a) the date upon which Notes are first offered to persons other than the Initial Purchasers and any other distributor (as such term is defined in Regulation S) of the Notes and (b) the Issue Date.

**“Dodd-Frank Act”** means the United States Dodd-Frank Wall Street Reform and Consumer Protection Act.

**“EEA”** means the European Economic Area.

**“Electronic Data File”** means an electronic file substantially in the form set out in Schedule 4 to the Accounts Payable Management Services Agreement.

**“Eligible Non-U.S. Persons”** means non-U.S. persons (with the meaning of Regulation S), who are also not “U.S. persons” (within the meaning of the U.S. Risk Retention Rules).

**“ERISA”** means the United States Employee Retirement Income Security Act of 1974, as amended.

**“EU Insolvency Regulation”** means Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings.

**“EURIBOR”** means the Euro Interbank Offered Rate.

“**Euroclear**” means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

“**Excess Arrangement Payment**” has the meaning assigned to such term under “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”.

“**Excess Cash Facility**” means the revolving facility to be made available by the Issuer to the New VFZ Facilities Borrower (as defined herein) under the New VFZ Facilities Agreement pursuant to Clause 2.1 thereof.

“**Excess Cash Loans**” means loans to be made under the Excess Cash Facility pursuant to the New VFZ Facilities Agreement.

“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

“**Existing Credit Agreement**” refers to the senior facilities agreement dated 5 March 2015, between, among others, The Bank of Nova Scotia as facility agent, Ziggo BV and Ziggo Financing Partnership as borrowers, certain lenders party thereto and ING Bank N.V. as security agent, as amended or supplemented from time to time, as described under “*Description of Other Indebtedness of VodafoneZiggo—Existing Credit Facility*”.

“**Existing Credit Facility**” refers collectively to the facilities granted from time to time under the Existing Credit Agreement.

“**Existing Notes**” means, collectively, the Existing Senior Notes and the Existing Senior Secured Notes.

“**Existing Senior Notes**” means, collectively, the 2025 Senior Notes and the 2027 Senior Notes.

“**Existing Senior Secured Notes**” means, collectively, the 2020 Senior Secured Notes, the 2025 Senior Secured Notes, the 2027 Senior Secured Notes and the 2030 Senior Secured Notes.

“**Expenses Agreement**” means the agreement to be entered into on the Issue Date between VZ Financing I B.V. and the Issuer.

“**Extraordinary Resolution**” has the meaning assigned to such term in Condition 1 (“*Definitions and Principles of Construction—General Interpretation*”).

“**FATCA**” means

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any agreement pursuant to the implementation of paragraph (a) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction; or
- (c) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) or (b) above.

“**Fitch**” means Fitch Ratings Inc., or its successors and assigns.

“**Foundation**” means Stichting Trade Finance, who holds the Shares of the Issuer.

“**Framework Assignment Agreement**” means (i) the framework assignment agreement dated on or about the Issue Date between, *inter alios*, the Issuer, the Initial Platform Provider and VodafoneZiggo, and (ii) following an SCF Platform Addition, (A) the framework assignment agreement dated on or about the Issue Date between, *inter alios*, the Issuer, the Initial Platform Provider and VodafoneZiggo, and (B) any receivables assignment agreement (or equivalent) to be entered into between, *inter alios*, the Issuer, a Successor Platform Provider and VodafoneZiggo, in each case of (i) and (ii), as may be amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement) or otherwise modified from time to time, and pursuant to which the Issuer will purchase eligible VFZ Accounts Receivable from the Platform Provider. As used herein, the term “**Framework Assignment Agreement**” may also refer to, as the context may require, the Framework Assignment Agreement and the Assignment Framework Notes.

“**FSMA**” means the Financial Services and Markets Act 2000 of the United Kingdom.



**“Further Notes”** means the further vendor financing notes which the Issuer will be entitled, at its option and without the consent of the Noteholders, to issue, having the same terms and conditions (except as to issue date and initial interest paid in respect of their first interest period) as, and being fungible with, the Notes.

**“Global Exchange Market”** means the Global Exchange Market of Euronext Dublin.

**“Global Note”** means any Regulation S Global Note or Rule 144A Global Note.

**“Group”** means VodafoneZiggo and its consolidated subsidiaries.

**“Group Priority Agreement”** refers to the priority agreement, between, among others, ABC B.V., Ziggo Bond Company and ING Bank N.V., as security agent, dated 12 September 2006 (as amended and restated on 6 October 2006, 17 November 2006, 28 March 2013, 14 November 2014 and as further amended, restated or otherwise modified or varied from time to time).

**“Holdco Priority Agreement”** refers to the priority agreement dated 27 January 2014 (as amended on 20 February 2014, as amended and restated on 4 July 2014 and as further amended, restated or otherwise modified or varied from time to time) between, among others Zesko B.V., Ziggo Bond Company, Deutsche Trustee Company Limited, as security agent, and certain parties as obligors thereunder.

**“Indirect Participants”** means Noteholders who hold their interests in Global Notes indirectly through Direct Participants.

**“ING”** means ING Bank N.V., together with its successors and permitted assigns.

**“Initial Purchasers”** means, collectively, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Cr dit Agricole Corporate and Investment Bank and RBC Europe Limited, who have agreed to subscribe to the Notes.

**“Initial Platform Provider”** means “ING Bank N.V., in its capacity as provider and the administrator of the SCF Platform, together with its successors and permitted assigns.

**“Initial Transfer”** means a sale and assignment of a Parent Payment Obligation and the related Receivable from the Supplier to the Platform Provider through the SCF Platform.

**“Interest Facility”** means the revolving facility to be made available by the Issuer to the New VFZ Facilities Borrower pursuant to Clause 2.2 of the New VFZ Facilities Agreement.

**“Interest Facility Loans”** means loans to be made under the Interest Facility pursuant to the New VFZ Facilities Agreement.

**“Interest Payment Date”** means the days on which interest on the Notes will be payable in euro semi-annually in arrears: 15 April and 15 October of each year, commencing on 15 April 2020 subject to adjustment for non-business days.

**“Interest Proceeds Account”** means the account in the name of the Issuer, the details of which are set forth in the Agency and Account Bank Agreement, held with the Account Bank through which the Issuer will finance the payment of interest on the Notes and fund Interest Facility Loans to the New VFZ Facilities Borrower. See *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes”*.

**“Investment Company Act”** or **“ICA”** means the United States Investment Company Act of 1940, as amended.

**“ISIN”** means International Securities Identification Number.

**“Issue Date”** means 2019.

**“Issue Date Arrangements Agreement”** means the agreement to be entered into on the Issue Date between the New VFZ Facilities Borrower, the Foundation and the Issuer as further discussed under *“Summary of Principal Documents”*.

**“Issue Date Facility”** means the term facility to be made available by the Issuer to the New VFZ Facilities Borrower pursuant to Clause 2.3 of the New VFZ Facilities Agreement.

**“Issue Date Facility Loan”** means any loan to be made under the Issue Date Facility pursuant to the New VFZ Facilities Agreement, and together, the **“Issue Date Facility Loans”**.

**“Issue Date Shares”** has the meaning assigned to such term under *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—The Issuer”*.

**“Issuer”** means VZ Vendor Financing B.V., a company incorporated under the laws of the Netherlands with registered number 76130592.

**“Issuer Collection Account”** means the account in the name of the Issuer, the details of which are set forth in the Agency and Account Bank Agreement, held with the Account Bank, into which the Issuer will receive payments on Assigned Receivables and amounts under the New VFZ Facilities Agreement (with any such payments being immediately credited to the Interest Proceeds Account or the Principal Proceeds Account, as applicable).

**“Issuer Event of Default”** has the meaning assigned to such term in Condition 10 (*“Issuer Events of Default”*).

**“Issuer Management Agreement”** means the agreement entered into on or prior to the Issue Date between the Managing Director and the Issuer.

**“Issuer Transaction Accounts”** means the Issuer Collection Account, the Interest Proceeds Account and the Principal Proceeds Account.

**“Italy”** means the Republic of Italy.

**“JV Service Agreement”** means a framework and a trade name agreement entered into in connection with the formation of the VodafoneZiggo JV, whereby Liberty Global and Vodafone will charge VodafoneZiggo fees for certain services to be provided to VodafoneZiggo by the respective subsidiaries of the Liberty Global and Vodafone.

**“JV Transaction”** means certain transactions entered into in connection with the contribution by Vodafone International of the Vodafone NL Group to Ziggo Group Holding B.V. (being the predecessor to VodafoneZiggo), including transactions whereby (i) Liberty Global Europe Holding B.V. contributed and transferred Ziggo Group Holding B.V. (being the predecessor to VodafoneZiggo) and its subsidiaries to the VodafoneZiggo JV, (ii) Vodafone International contributed and transferred the Vodafone NL Group to the VodafoneZiggo JV, and (iii) each of Liberty Global Europe Holding B.V. (now Liberty Global Europe Holding II B.V.) and Vodafone International own a 50% interest in the VodafoneZiggo JV, in each case, as originally agreed between Liberty Global Europe Holding B.V. and Vodafone International.

**“Liberty Global”** means Liberty Global plc, with or without its consolidated subsidiaries, as the context requires.

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

**“Luxembourg”** means the Grand Duchy of Luxembourg.

**“Managing Director”** means TMF Management B.V., having its registered office at Herikerbergweg 238, 1101 CM Amsterdam, the Netherlands, in its capacity as Managing Director under the Issuer Management Agreement, or any successor or substitute managing directors of the Issuer in accordance with the terms of the Issuer Management Agreement.

**“Maturity Date”** means (i) initially, 31 January 2024 and (ii) following an Accelerated Maturity Event, the New Maturity Date.

**“Meeting”** has the meaning assigned to such term in Condition 13 (*“Meeting of Noteholders”*).

**“Minimum Issuer Capitalization Amount”** means an amount, calculated by the Administrator, equal to 1/300<sup>th</sup> of the aggregate principal amount of the Notes.

**“Moody’s”** means Moody’s Investors Service, Inc., or its successors and assigns.

**“New Maturity Date”** means the date that is one Business Day following the Change of Control Prepayment Date (as defined in the New VFZ Facilities Agreement).

**“New VFZ Facilities”** means the Excess Cash Facility, the Interest Facility and the Issue Date Facility.

**“New VFZ Facilities Agreement”** means the agreement to be entered into on the Issue Date between, *inter alios*, the New VFZ Facilities Borrower as the borrower and the Issuer as the lender, as amended, amended and restated, supplemented or otherwise modified from time to time. See *“Summary of Principal Documents”* and *“Annex A: New VFZ Facilities Agreement”*.

**“New VFZ Facilities Borrower”** means VZ Financing I B.V., in its capacity as the borrower under the New VFZ Facilities Agreement.

**“New VFZ Facilities Guarantors”** means the New VFZ Facilities Borrower, VodafoneZiggo and VZ Financing II B.V., each in their capacity as guarantor under the New VFZ Facilities Agreement.

**“New VFZ Facilities Loans”** means the Excess Cash Loans, the Interest Facility Loans and any Issue Date Facility Loans.

**“New VFZ Facilities Obligor”** means the New VFZ Facilities Borrower and the New VFZ Facilities Guarantors, and **“New VFZ Facilities Obligor”** means any of them.

**“Non-call Period”** means the period from the Issue Date to (but excluding) 2020.

**“Noteholders”** means registered holders of the Notes.

**“Notes”** means the €400.0 million % vendor financing notes due 2024 issued on or about the Issue Date.

**“Notes Collateral”** means (i) the Issuer’s rights, title, benefit and interest in, to and under the Assigned Receivables; (ii) the Issuer’s rights under all contracts, agreements, deeds and documents to which it is or may become a party or in respect of which it has or may have any right, title, benefit or interest (including, without limitation, the New VFZ Facilities Agreement, the Expenses Agreement, the Framework Assignment Agreement and the Issue Date Arrangements Agreement); (iii) the Issuer Transaction Accounts, and all amounts at any time standing to the credit thereto; and (iv) all other present and future property, assets and undertakings of the Issuer.

**“Notes Secured Obligations”** has the meaning assigned to such term in Condition 1 (*“Definitions and Principles of Construction—General Interpretation”*).

**“Notes Security Documents”** means the documents evidencing the security interests granted over the Notes Collateral (including, without limitation, the Trust Deed) and any other agreement or instrument from time to time governing a grant of a security interest permitted under the Trust Deed or the provisions of the Conditions to secure the obligations under the Notes.

**“Notes Trustee”** means BNY Mellon Corporate Trustee Services Limited, a limited liability company registered in England and Wales, whose registered office is at One Canada Square, London, E14 5AL, England in its capacity as notes trustee under the Trust Deed, and any successors or assigns thereunder.

**“Original 2025 Dollar Senior Notes”** means the 5.875% Senior Notes due 2025, originally issued by Ziggo Bond Company on 29 January 2015 and assumed by Ziggo Bond Company.

**“Original 2025 Euro Senior Notes”** means the 4.625% Senior Notes due 2025, originally issued by Ziggo Bond Finance on 29 January 2015 and assumed by Ziggo Bond Company.

**“Obligor”** means, with respect to each VFZ Account Receivable, any person who owes a Payment Obligation in respect of such VFZ Account Receivable, or any payment undertaking related to such VFZ Account Receivable, to the Platform Provider or the Issuer pursuant to the Framework Assignment Agreement or any SCF Platform Documents, in any case, related to such VFZ Account Receivable, whether such obligation forms the whole or any part of such VFZ Account Receivable. On the Issue Date, the Obligors will be the Buyer Parent, together with each of the Obligor Subsidiaries.

**“Obligor Enforcement Notification”** means a notice informing an Obligor of an Assignment pursuant to the Framework Assignment Agreement.

**“Obligor Subsidiaries”** means VZ Financing I B.V., a company incorporated in the Netherlands with registered number 70536163 and with its registered office at Boven Vredenburgpassage 128, 3511WR Utrecht, the Netherlands; VZ Financing II B.V., a company incorporated in the Netherlands with registered number 70537364 and with its registered office at Boven Vredenburgpassage 128, 3511WR Utrecht, the Netherlands; and any additional “Designated Buyer Subsidiary” (as defined in the Accounts Payable Management Services Agreement) that accedes to the Accounts Payable Management Services Agreement in accordance with its terms, each in its capacity as a “Buyer Subsidiary” under the Accounts Payable Management Services Agreement.

**“OECD”** means the Organization for Economic Co-operation and Development.

**“Offering Circular”** means this Offering Circular dated 22 October 2019.

**“Official List”** means the Official List of Euronext Dublin.

**“Original 2025 Senior Notes”** means, collectively, the Original 2025 Dollar Senior Notes and the Original 2025 Euro Senior Notes.

**“Outstanding Amount”** means, with respect to a Payment Obligation, an amount equal to (i) the gross amount of the Approved Platform Receivable in respect of which the Payment Obligation arose, less (ii) the sum of all Credit Notes allocated to that Payment Obligation pursuant to the terms of the APMSA.

**“Parent Payment Obligation”** means an independent and primary obligation of the Buyer Parent to pay to the Relevant Recipient the Certified Amount on the Confirmed Payment Date under the APMSA.

**“Participants”** means Direct Participants together with Indirect Participants in the Clearing Systems.

**“Paying Agent”** means The Bank of New York Mellon, London Branch whose registered office is at One Canada Square, London E14 5AL, England, and any successors or assigns.

**“Payment Obligation”** means an independent and primary obligation of the Buyer Parent (and, following an SCF Transfer in respect of such Payment Obligation, of each Obligor Subsidiary on a joint and several basis) to pay to the Relevant Recipient the Certified Amount (as defined in “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”) on the Confirmed Payment Date under the APMSA.

**“Platform Provider”** means (i) the Initial Platform Provider and/or the Successor Platform Providers, as applicable.

**“Platform Provider Processing Fee”** means the processing fee due to the Platform Provider as specified in the APMSA, which will initially be 0.20%.

**“Poland”** means the Republic of Poland.

**“Premium”** has the meaning assigned to such term under “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”.

**“Principal Proceeds Account”** means the account in the name of the Issuer, the details of which are set forth in the Agency and Account Bank Agreement, held with the Account Bank through which the Issuer will finance its periodic purchases of VFZ Accounts Receivable available through the SCF Platform, Excess Cash Loans to the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement and the ultimate



repayment of principal on the Notes. See “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”.

“**Priorities of Payment**” means the Pre-Enforcement Priority of Payments as set out in Condition 3(e) (“*Status, Priority and Security—Pre-Enforcement Priority of Payments*”) and the Post-Enforcement Priority of Payments as set out in Condition 3(f) (“*Status, Priority and Security—Post-Enforcement Priority of Payments*”).

“**Prospectus Regulation**” means regulation (EU) 2017/1129 of the European Parliament and of the council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, to the extent implemented in a member state of the European Economic Area, and includes any relevant implementing measure in such member state.

“**Purchase Price Amount**” means, in relation to any VFZ Account Receivable, an amount equal to the Outstanding Amount of such VFZ Account Receivable less the Applied Discount calculated as at the relevant Assignment Date.

“**Purchase Price Return Amount**” has the meaning assigned to such term under “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”.

“**QIB**” has the meaning set forth in Rule 144A.

“**Qualified Purchaser**” has the meaning specified in Section 2(a)(51) of the Investment Company Act and Rules 2a51-1, 2a51-2 and 2a51-3 under the Investment Company Act.

“**Rating Agencies**” means Moody’s, S&P, and Fitch, or any of their respective successors or assigns.

“**Ratings Trigger Event**” means that the Platform Provider’s long-term corporate credit rating is withdrawn, suspended or downgraded below any two of the following:

- (a) a rating of “Baa3” (or the equivalent) or lower from Moody’s or any of its successors or assigns;
- (b) a rating of “BBB-” (or the equivalent) or lower from S&P’s or any of its successors or assigns; and/or
- (c) a rating of “BBB-” (or the equivalent) or lower from Fitch or any of its successors or assigns.

“**Recast E.U. Insolvency Regulations**” means Council Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

“**Receivable**” means an amount of money payable by an Obligor to a Supplier as a result of an existing business relationship, evidenced by an invoice, and includes all rights attaching thereto under the relevant contract to which such invoice relates and the SCF Platform Documents.

“**Receiver**” means a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, examiner, curator or other similar official (other than any party, including without limitation the Notes Trustee, the Security Trustee and the Administrator, appointed or otherwise acting pursuant to or in connection with the Transaction Documents).

“**Registrar**” means The Bank of New York Mellon SA/NV, Luxembourg Branch acting out of its offices at 2-4 Rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, and any successors or assigns.

“**Regulation S**” means Regulation S promulgated under the U.S. Securities Act.

“**Regulation S Global Note**” means one or more permanent global notes in fully registered form without interest coupons representing the Notes offered hereby and sold to non-U.S. persons in offshore transactions in reliance on Regulation S.

“**Relevant Recipient**” means, with respect to a Payment Obligation:

- (a) the Supplier to whom the Receivable which the Payment Obligation arose in respect of is payable to; or
- (b) following transfer (in accordance with the terms of the Accounts Payable Management Services Agreement) of the Payment Obligation from that Supplier to the Platform Provider, the Platform Provider; or

- (c) following transfer of the Payment Obligation from the Platform Provider to a Transferee (as defined in the Accounts Payable Management Services Agreement) or one Transferee to another Transferee, the Transferee to whom the Payment Obligation has most recently been transferred.

**“Requested Purchase Price Amount”** has the meaning assigned to such term in *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes”*.

**“Rule 144A”** means Rule 144A promulgated under the U.S. Securities Act.

**“Rule 144A Global Note”** means one or more permanent global notes in fully registered form without interest coupons representing the Notes offered hereby and sold pursuant to Rule 144A.

**“S&P”** means Standard & Poor’s Ratings Services, or its successors and assigns.

**“SCF Bank Account”** means the bank account or accounts maintained by the Platform Provider in relation to the SCF Platform and used for receipt of payments by the Platform Provider pursuant to the terms of the APMSA, as notified to the Buyer Parent by the Platform Provider, and which shall be an account in the Netherlands (or as otherwise agreed with the Buyer Parent).

**“SCF Platform”** means the online system, managed by the Platform Provider and administered under the terms of the APMSA and the Discounted Payments Purchase Agreements, to facilitate vendor financing provided by the Platform Provider and other participating funding providers, including the Issuer, and made available to VodafoneZiggo and certain of its subsidiaries (including the Buyer Subsidiaries), together with any additional online system approved by VodafoneZiggo or a Buyer Subsidiary pursuant to an SCF Platform Addition and any replacement online system approved by VodafoneZiggo or a Buyer Subsidiary pursuant to an SCF Platform Replacement.

**“SCF Platform Addition”** means the addition of another online system established and administered by an additional Platform Provider to facilitate vendor financing made available to VodafoneZiggo and certain of its subsidiaries (including the Obligor Subsidiaries), as approved or appointed by VodafoneZiggo or an Obligor Subsidiary.

**“SCF Platform Addition Documentation”** means the relevant additional Framework Assignment Agreement, together with any amendments, modifications, supplements or additions to any Transaction Document as is reasonably required (in the determination of VodafoneZiggo) to implement an SCF Platform Addition.

**“SCF Platform Documents”** means the APMSA and the Discounted Payments Purchase Agreements.

**“SCF Platform Replacement”** means the replacement of the then-current SCF Platform with another online system established and administered by a successor Platform Provider to facilitate vendor financing made available to VodafoneZiggo and certain of its subsidiaries (including the Buyer Subsidiaries), as approved or appointed by VodafoneZiggo or a Buyer Subsidiary.

**“SCF Platform Website”** means <https://www.ingscfplatform.com/> or such other website address as may be notified by the Platform Provider from time to time.

**“SCF Transfer”** means, in respect of a payment obligation arising in respect of a Receivable that has been given the status “approved” by or on behalf of the relevant Obligor via the SCF Platform, the transfer of such payment obligation to the Platform Provider pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement.

**“SEC”** means the United States Securities and Exchange Commission.

**“Secured Parties”** means each of the following (here stated in no order of priority):

- (a) the Security Trustee and any receiver, manager or other Appointee appointed under the Trust Deed or any Notes Security Document;
- (b) the Account Bank (in its capacity as account bank under the Agency and Account Bank Agreement);

- (c) the Notes Trustee and any Appointee of the Notes Trustee, the Noteholders, the Registrar, Paying Agent, Transfer Agent and Administrator under the Trust Deed and the Agency and Account Bank Agreement; and
- (d) any other person who accedes as a beneficiary of the Notes Security Documents.

**“Security Trustee”** means BNY Mellon Corporate Trustee Services Limited, a limited liability company registered in England and Wales, whose registered office is at One Canada Square, London, E14 5AL, England in its capacity as security trustee under the Trust Deed, and any successors or assigns thereunder.

**“Senior Proceeds Loans”** refers collectively to the facilities granted from time to time under the senior proceeds loan facility agreement dated 5 March 2015 (as amended, supplemented and/or restated from time to time) between, among others, Ziggo Bond Finance, as lender, Ziggo Bond Company (as successor by way of merger to UPC Nederland Holding I B.V.), and Deutsche Trustee Company Limited, as security agent.

**“Senior Secured Proceeds Loans”** refers collectively to the facilities granted from time to time under the senior secured proceeds loan facility agreement dated 5 March 2015 (as amended, supplemented and/or restated from time to time) between, among others, Ziggo Secured Finance and Ziggo Secured Finance Partnership, as lenders, Ziggo BV (as successor by way of merger to UPC Nederland Holding III B.V.), and ING Bank N.V., as security agent.

**“Shares”** has the meaning assigned to such term under *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—The Issuer”*.

**“Shortfall Payment”** has the meaning assigned to such term under *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes”*.

**“Similar Laws”** means U.S. federal, state, local, non-U.S. or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code.

**“Stabilizing Manager”** means Citigroup Global Markets Limited.

**“Subscription Agreement”** means the agreement to be entered into on or about the date of this Offering Circular between the Issuer, VodafoneZiggo and the Initial Purchasers.

**“Subscription Proceeds”** means the proceeds received by the Issuer from the Foundation subscribing for Issue Date Shares.

**“Successor Platform Provider”** means (i) following an SCF Platform Addition, ING Bank N.V. (together with its successors and permitted assigns) and any additional provider and administrator of an additional SCF Platform approved or appointed by VodafoneZiggo or a Buyer Subsidiary (together with such platform provider’s successors and permitted assigns); or (ii) following an SCF Platform Replacement, the successor provider and administrator of the replacement SCF Platform approved or appointed by VodafoneZiggo or an Obligor Subsidiary (together with such platform provider’s successors and permitted assigns), as applicable.

**“Supplier”** means:

- (a) the suppliers permitted to access the SCF Platform Website pursuant to the terms of a Supplier Access Agreement and which are listed in Schedule 2 to the APMSA (as may be updated by the Platform Provider from time to time when any changes to the details set out therein occurs);
- (b) any supplier proposed by the Buyer Parent to the Platform Provider as a supplier and meeting the eligibility criteria set out in Schedule 2 to the APMSA and permitted to access the SCF Platform Website pursuant to the terms of a Supplier Access Agreement from time to time; and
- (c) following an SCF Platform Replacement or SCF Platform Addition, any supplier permitted to access such replacement or additional SCF Platform pursuant to the relevant Supplier Access Agreement.

**“Supplier Access Agreement”** means (i) an electronic agreement entered into by the Platform Provider and each Supplier on substantially similar terms as set out in Schedule 2 to the APMSA; and (ii) following an SCF Platform Replacement or SCF Platform Addition, any agreement entered into by the Platform Provider and each Supplier which governs access to such replacement or additional SCF Platform.

**“Term Loan Refinancing”** as described and defined under *“Summary—Recent Developments—Financing Transactions”*.

**“Transaction Documents”** means, collectively, the Trust Deed (including, for the avoidance of doubt, the Conditions and the other schedules thereto), the Agency and Account Bank Agreement, the Framework Assignment Agreement, the Accounts Payable Management Services Agreement, the Discounted Payments Purchase Agreements, the Issuer Management Agreement, the New VFZ Facilities Agreement, the Expenses Agreement, the Issue Date Arrangements Agreement and the other Finance Documents (as defined in the New VFZ Facilities Agreement).

**“Transactions”** means the issuance of the Notes offered hereby, the application of the proceeds of the Notes as described under *“Use of Proceeds”* (including the purchase of VFZ Accounts Receivable pursuant to the Framework Assignment Agreement and the funding of the New VFZ Facilities Loans pursuant to the New VFZ Facilities Agreement), the making or receiving of payments under the New VFZ Facilities Agreement, the entry into the Transaction Documents and the Issuer’s performance of its obligations thereunder, as further described in *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes”*.

**“Transfer Agent”** means The Bank of New York Mellon, London Branch whose registered office is at One Canada Square, London, E14 5AL and any successors or assigns.

**“Trust Deed”** means the trust deed, to be entered into on the Issue Date, as amended, amended and restated, novated, supplemented or otherwise modified from time to time, governing the Notes between, *inter alios*, the Issuer, the Notes Trustee and the Security Trustee.

**“U.K.”** means the United Kingdom.

**“Upload”** means an upload by an Obligor of an Electronic Data File containing details of Receivables payable to a Supplier onto the SCF Platform.

**“U.S.”** or **“United States”** means the United States of America.

**“U.S. GAAP”** means generally accepted accounting principles in the United States.

**“U.S. Risk Retention Rules”** means the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act.

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended.

**“Value Date”** means, in relation to any Assignment Notice, the “value date” set out therein, which shall be the date falling five Business Days following the receipt by the Issuer of such Assignment Notice, being the date on which the Issuer is due to pay the relevant Requested Purchase Price Amount into the bank account held by the Platform Provider and specified as the receiving account in such Assignment Notice.

**“VFZ Account Receivable”** means, collectively, a Payment Obligation which has been acquired by the Platform Provider and any Receivable relating thereto, solely to the extent that such Receivable has been acquired by the Platform Provider.

**“Vodafone”** means Vodafone Group plc.

**“VodafoneZiggo”** means VodafoneZiggo Group B.V. (formerly known as Ziggo Group Holding B.V.), a direct wholly-owned subsidiary of VodafoneZiggo Group Holding B.V. and a company incorporated under the laws of the Netherlands, having its registered office at Boven Vredenburgpassage 128, 3511 WR Utrecht, The Netherlands and with registered number 61370991, together with its successors and assigns and with or without its consolidated subsidiaries, as the context requires. VodafoneZiggo was formerly known as Ziggo Group Holding B.V.

**“VodafoneZiggo JV”** refers to the 50:50 joint venture among Vodafone and Liberty Global, originally agreed between Liberty Global Europe Holding B.V., a company incorporated under the laws of the Netherlands and a wholly-owned subsidiary of Liberty Global, and Vodafone International, a company incorporated under the laws of the Netherlands and a wholly-owned subsidiary of Vodafone, the formation of which was completed on 31 December 2016.



“**Vodafone International**” refers to Vodafone International Holdings B.V., a private limited liability company incorporated under the laws of the Netherlands.

“**Vodafone NL Group**” refers to Vodafone Libertel B.V. together with its consolidated subsidiaries.

“**Voter**” has the meaning assigned to such term in Condition 13(d) (“*Meeting of Noteholders—Quorum*”).

“**Ziggo Bond Company**” means Ziggo Bond Company B.V., a private limited company incorporated under the laws of the Netherlands, having its registered office at Winschoterdiep 60, 9723 AB Groningen, the Netherlands, registered with the Dutch Commercial Register under number 01180301.

“**Ziggo Bond Finance**” means Ziggo Bond Finance B.V., a private limited liability company incorporated under the laws of the Netherlands, which merged into VodafoneZiggo, with VodafoneZiggo as the surviving company, on 29 December 2018.

“**Ziggo Group Assumption**” means the following transactions which followed the Ziggo Group Combination:

- (i) Ziggo B.V. (the “**Ziggo Senior Secured Notes Fold-In Issuer**”) assumed the 2025 Senior Secured Notes, the 2027 Senior Secured Notes and obligations thereunder and released Ziggo Secured Finance from its obligations under the 2025 Senior Secured Notes, the 2027 Senior Secured Notes and the corresponding indentures and such assumption and release was deemed repayment in full and cancellation of the relevant senior secured proceeds loans (the “**Ziggo Group Senior Secured Notes Assumption**”); and
- (ii) Ziggo Bond Company (the “**Ziggo Senior Notes Fold-In Issuer**”) assumed the Original 2025 Senior Notes, the 2027 Senior Notes and obligations thereunder and released Ziggo Bond Finance from its obligations under the Original 2025 Senior Notes, the 2027 Senior Notes and the corresponding indentures and such assumption and release was deemed repayment in full and cancellation of the relevant Senior Proceeds Loans (the “**Ziggo Group Senior Notes Assumption**”).

“**Ziggo Group Combination**” means the series of transactions including, without limitation, mergers and capital contributions pursuant to which (i) UPC Nederland Holding I B.V. merged with Ziggo Bond Company effective as of 27 February 2018, with Ziggo Bond Company being the surviving corporation in the merger, (ii) UPC Nederland Holding II B.V. merged with ABC B.V. effective as of 28 February 2018, with ABC B.V. being the surviving corporation in the merger, and (iii) UPC Nederland Holding III B.V. merged with Ziggo B.V. effective as of 5 March 2018, with Ziggo B.V. being the surviving corporation in the merger.

“**Ziggo Secured Finance**” means Ziggo Secured Finance B.V., a private limited liability company incorporated under the laws of the Netherlands, which merged with Ziggo Bond Finance, with Ziggo Bond Finance as the surviving company, on 28 December 2018.

In this Offering Circular, the terms “we,” “our,” “our company,” and “us” may refer, as the context requires, to VodafoneZiggo or collectively to VodafoneZiggo and its subsidiaries, unless otherwise stated or the context otherwise requires.

For an explanation or definitions of certain technical and industry terms relating to our business as used herein, see “*Glossary*” starting on page G-1 of this Offering Circular.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### The Issuer's Financial Information

As of the date of this Offering Circular, no financial statements of the Issuer are available. Financial statements will be published by the Issuer on an annual basis beginning with the year ending 31 December 2019, and the Issuer will not prepare interim financial statements. The Group believes that VodafoneZiggo has no variable interest in the Issuer and no ability to control the Issuer, and therefore VodafoneZiggo will not consolidate the Issuer. See *“Risk Factors—General Risks—VodafoneZiggo may be required to consolidate the Issuer into its consolidated financial statements and the Notes may be redeemed on or before 30 days after the Issue Date”*.

### VodafoneZiggo's Financial Information

This Offering Circular includes historical financial data from the 2019 Financial Statements and from the 31 December 2018 Consolidated Financial Statements contained in the 2018 Annual Report. Unless otherwise indicated, the historical consolidated financial information presented herein of VodafoneZiggo and its subsidiaries has been prepared in compliance with accounting principles generally accepted in the United States (“**U.S. GAAP**”). As described in Note 2 to the 31 December 2018 Consolidated Financial Statements contained in the 2018 Annual Report, we adopted Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (“**ASU 2014-09**”) on 1 January 2018 using the cumulative effect transition method. As such, the financial information included in the 2018 Annual Report as of and for 31 December 2017 has not been restated and continues to be reported under the accounting standards in effect for such years.

As described in Note 2 to the 30 June 2019 unaudited Condensed Consolidated Financial Statements, we adopted Accounting Standards Update (ASU) No. 2016-02, Leases (“**ASU 2016-02**”), which, for most leases, results in lessees recognizing right-of-use (“**ROU**”) assets and lease liabilities on the balance sheet. ASU 2016-02, as amended by ASU No. 2018-11, Targeted Improvements, requires lessees and lessors to recognize and measure leases at the beginning of the earliest period presented using one of two modified retrospective approaches. A number of optional practical expedients may be applied in transition. We adopted ASU 2016-02 on 1 January 2019. The main impact of the adoption of ASU 2016-02 relates to the recognition of ROU assets and lease liabilities on our consolidated balance sheet for those leases classified as operating leases under previous U.S. GAAP. We have applied the practical expedients that permit us not to reassess (i) whether expired or existing contracts contain a lease under the new standard, (ii) the lease classification for expired or existing leases or (iii) whether previously capitalized initial direct costs would qualify for capitalization under the new standard. In addition, we have not used hindsight during transition.

The historical consolidated results of VodafoneZiggo are not necessarily indicative of the consolidated results that may be expected for any future period.

VodafoneZiggo's consolidated financial results are reported in euro. Unless otherwise indicated, convenience translations into euro have been calculated at the 30 June 2019 market rate.

### Pro Forma Financial Information

In our “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” included in the 2018 Annual Report, in our discussion and analysis of our results of operations for 2018, as compared to 2017, we present our revenue, expenses, and operating cash flow (“**OCF**”), for 2017 on a *pro forma* basis, giving effect to the adoption of ASU 2014-09 as if such adoption had occurred on 1 January 2017. However, in the discussion and analysis of our results of operations for 2017, as compared to 2016, included in the 2018 Annual Report, we present all amounts for 2017 on a historical basis and all amounts for 2016 on a *pro forma* basis as if the JV Transaction (as discussed in the 2018 Annual Report) had been completed on 1 January 2016.

### Other Financial Measures

In this Offering Circular, we present OCF, which is not required by, or presented in accordance with U.S. GAAP. OCF is the primary measure used by our management to evaluate the operating performance of our businesses. OCF is also a key factor that is used by our management and our supervisory board to evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, OCF is defined as operating income before depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including

legal, advisory and due diligence fees, as applicable, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our internal decision maker believes OCF is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (a) readily view operating trends, (b) perform analytical comparisons and benchmarking between entities and (c) identify strategies to improve operating performance. We believe our OCF measure is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other companies. OCF should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income or loss, net earnings or loss, cash flow from operating activities and other U.S. GAAP measures of income or cash flows. A reconciliation of operating income to OCF is presented under “*Summary Financial and Operating Data of VodafoneZiggo*” in this Offering Circular.

### **Subscriber Data**

Each subscriber is counted as a revenue generating unit (“**RGU**”) for each broadband communication service subscribed. Thus, a subscriber who receives digital cable television, broadband internet and fixed-line telephony services from us (regardless of their number of telephony access lines) would be counted as three RGUs. Mobile subscribers are counted based on the number of subscriber identification module (“**SIM**”) cards in service. The subscriber data included in this Offering Circular, including penetration RGU figures, rates and average monthly subscription revenue earned per average RGU or mobile subscriber, as applicable (“**ARPU**”), are determined by management, are not part of VodafoneZiggo’s financial statements and have not been audited or otherwise reviewed by an outside independent auditor, consultant or expert or by any of the Initial Purchasers.

### **Third-Party Information**

The information provided in this Offering Circular on the market environment, market developments, growth rates, market trends and on the competitive situation in the markets and segments in which we operate are based (to the extent not otherwise indicated) on third-party data, statistical information and reports as well as our own internal estimates.

Market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward-looking and speculative. This Offering Circular also contains estimates made by us based on third-party market data, which in turn is based on published market data or figures from publicly available sources.

Neither we nor the Initial Purchasers have verified the figures, market data or other information on which third parties have based their studies nor have such third parties verified the external sources on which such estimates are based. Therefore neither we nor the Initial Purchasers guarantee nor do we or the Initial Purchasers assume responsibility for the accuracy of the information from third-party studies presented in this Offering Circular or for the accuracy of the information on which such estimates are based.

This Offering Circular also contains estimates of market data and information derived therefrom which cannot be gathered from publications by market research institutions or any other independent sources. Such information is based on our internal estimates. In many cases there is no publicly available information on such market data, for example from industry associations, public authorities or other organizations and institutions. We believe that these internal estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which we operate as well as our position within this industry. Although we believe that our internal market observations are reliable, our estimates are not reviewed or verified by any external sources. We assume no responsibility for the accuracy of our estimates and the information derived therefrom. These may deviate from estimates made by our competitors or future statistics provided by market research institutes or other independent sources. We cannot assure you that our estimates or the assumptions are accurate or correctly reflect the state and development of, or our position in, the industry.

## EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, the period end, average, high and low exchange rates, as published by Bloomberg, of U.S. dollars expressed as euro. The rates below may differ from the actual rates used in the preparation of our consolidated financial statements and other financial information appearing in this Offering Circular. Our inclusion of the exchange rates is not meant to suggest that the euro amounts actually represent such U.S. dollar amounts or that such amounts could have been converted into U.S. dollars at any particular rate, if at all. Unless otherwise indicated, convenience translations into euro or any other currency have been calculated at the 30 June 2019 market rate.

	<u>Exchange rate at end of period</u>	<u>Average exchange rate during period (1)</u>	<u>Highest exchange rate during period</u>	<u>Lowest exchange rate during period</u>
	(U.S. dollars per euro)			
<b>Year ended 31 December</b>				
2014 .....	1.2100	1.3289	1.3925	1.2100
2015 .....	1.0866	1.1100	1.2099	1.0492
2016 .....	1.0547	1.1068	1.1527	1.0384
2017 .....	1.2022	1.1297	1.2027	1.0427
2018 .....	1.1467	1.1809	1.2510	1.1218
<b>Month and Year</b>				
January 2019 .....	1.1448	1.1420	1.1543	1.1304
February 2019 .....	1.1371	1.1346	1.1456	1.1261
March 2019 .....	1.1218	1.1299	1.1413	1.1193
April 2019 .....	1.1215	1.1233	1.1304	1.1132
May 2019 .....	1.1169	1.1183	1.1233	1.1129
June 2019 .....	1.1373	1.1295	1.1399	1.1194
July 2019 .....	1.1076	1.1213	1.1286	1.1076
August 2019 .....	1.0982	1.1122	1.1214	1.0982
September 2019 .....	1.0899	1.1008	1.1073	1.0899
October 2019 (through 21 October 2019) .....	1.1151	1.1024	1.1167	1.0933

(1) The average of the exchange rates on the last business day of each month during the applicable period.

On 21 October 2019, the exchange rate was \$1.1151 per €1.00.

Fluctuations in the exchange rate between the euro and the U.S. dollar in the past are not necessarily indicative of fluctuations that may occur in the future.

## FORWARD-LOOKING STATEMENTS

The information in this Offering Circular, or incorporated by reference herein, contains “forward-looking statements” as that term is defined by the U.S. federal securities laws. These forward-looking statements include, but are not limited to, statements other than statements of historical facts contained in this Offering Circular, including, but without limitation, those regarding our future projected contractual commitments, our future financial condition, results of operations and business, our product, acquisition, disposition and finance strategies, our capital expenditures, subscriber growth and retention rates, competitive, regulatory and economic factors, the maturity of our markets, anticipated cost increases, liquidity, credit risks, foreign currency risks and target leverage levels. In some cases, you can identify these statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “potential”, “predict”, “project”, “should”, and “will” and similar words used in this Offering Circular.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond our control. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. We caution readers not to place undue reliance on these statements, which speak only as of the date of this Offering Circular, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Offering Circular include those described under “*Risk Factors*.”

The following include some but not all of the factors that could cause actual results or events to differ materially from anticipated results or events:

- economic and business conditions and industry trends in the Netherlands;
- the competitive environment in the Netherlands for both the fixed and mobile markets, including competitor responses to our products and services for our residential and business customers;
- fluctuations in currency exchange rates and interest rates;
- instability in global financial markets, including sovereign debt issues and related fiscal reforms;
- consumer disposable income and spending levels, including the availability and amount of individual consumer debt;
- changes in consumer television viewing preferences and habits;
- changes in consumer mobile usage behavior;
- customer acceptance of our existing service offerings, including our cable television, broadband internet, fixed-line telephony, mobile and business service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future;
- the outcome of governmental requests for proposals related to contracts for B2B communication services;
- our ability to manage rapid technological changes;
- our ability to maintain or increase the number of subscriptions to our cable television, broadband internet, fixed-line telephony and mobile service offerings and our average revenue per household;
- our ability to provide satisfactory customer service, including support for new and evolving products and services;
- our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers;
- the impact of our future financial performance, or market conditions generally, on the availability, terms and deployment of capital;
- changes in, or failure or inability to comply with, applicable laws and/or government regulations in the Netherlands and adverse outcomes from regulatory proceedings, including regulation related to interconnect rates;
- government and/or regulatory intervention that requires opening our broadband distribution network to competitors, and/or other regulatory interventions;
- our ability to obtain regulatory approval and satisfy other conditions necessary to close acquisitions and dispositions and the impact of conditions imposed by competition and other regulatory authorities in connection with acquisitions;
- our ability to successfully acquire new businesses and, if acquired, to integrate, realize anticipated efficiencies from, and implement our business plan with respect to the businesses we have acquired or with respect to the formation of the VodafoneZiggo JV;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the Netherlands;
- changes in laws and government regulations that may impact the availability and cost of capital and the derivative instruments that hedge certain of our financial risks;
- our exposure to the U.S. Risk Retention Rules (as defined herein);
- the ability of suppliers and vendors to timely deliver quality products, equipment, software, services and access;



- our ability to secure sufficient and required spectrum for our mobile service offerings in upcoming spectrum auctions;
- the availability of attractive programming for our video services and the costs associated with such programming, including retransmission and copyright fees payable to public and private broadcasters;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- our ability to adequately forecast and plan future network requirements, including the costs and benefits associated with our planned network extensions;
- the availability of capital for the acquisition and/or development of telecommunications networks and services;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire, including in relation to the VodafoneZiggo JV;
- the leakage of sensitive customer data;
- the outcome of any pending or threatened litigation;
- the loss of key employees and the availability of qualified personnel;
- changes in the nature of key strategic relationships with partners and joint ventures; and
- events that are outside of our control, such as political unrest in international markets, terrorist attacks, malicious human acts, natural disasters, pandemics and other similar events and our ability to effectively continue the business after such an event.

The broadband distribution and mobile service industries are changing rapidly and, therefore, the forward-looking statements of expectations, plans and intent in this Offering Circular and the 2018 Annual Report are subject to a significant degree of risk. These forward-looking statements and the above-described risks, uncertainties and other factors speak only as of the date of this Offering Circular and the 2018 Annual Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on any forward-looking statement.

We undertake no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

We disclose important factors that could cause our actual results to differ materially from our expectations in this Offering Circular. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf. When we indicate that an event, condition or circumstance could or would have an adverse effect on us, it means to include effects upon business, financial and other conditions, results of operations and ability to make payments on the Notes.

## **AVAILABLE INFORMATION**

The Issuer is not currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Trust Deed and so long as the Notes are outstanding, the Issuer will furnish periodic information to Noteholders. See "*Terms and Conditions of the Notes*".

## GENERAL DESCRIPTION OF VODAFONEZIGGO'S BUSINESS, THE ISSUER AND THE OFFERING

This general description of VodafoneZiggo's business, the Issuer and the offering highlights selected information contained in this Offering Circular, or incorporated by reference herein, regarding VodafoneZiggo and the Notes. It does not contain all the information you should consider prior to investing in the Notes. You should read the entire Offering Circular, and the documents incorporated by reference herein, carefully, including the 2019 Financial Statements and 2018 Annual Report and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of VodafoneZiggo*" contained in the 2019 Financial Statements and 2018 Annual Report and "*Business of VodafoneZiggo*" contained in the 2018 Annual Report, each incorporated by reference herein, as well as the risks and uncertainties discussed under the captions "*Risk Factors*" and "*Summary Financial and Operating Data*". In this Offering Circular, references to the "company," the "Group," "we," "us" and "our," and all similar references, are to VodafoneZiggo and all of its consolidated subsidiaries, unless otherwise stated or the context otherwise requires.

### VodafoneZiggo's Business

VodafoneZiggo is a leading Dutch company that provides video, broadband internet, fixed-line telephony and mobile services to residential and business customers in the Netherlands. We provide our customers with high-speed broadband internet and fixed-line telephony services transmitted over a hybrid fibre coaxial cable network. As of 30 June 2019, we provided cable services to approximately 9.7 million RGUs. We provide mobile services to our customers as a mobile network operator. As of 30 June 2019, we provided mobile telephony services to 5.0 million mobile telephony customers.

We generated revenue of €1,928.4 million and OCF of €868.8 million for the six months ended 30 June 2019. For our definition of OCF and a reconciliation to operating income, see "*Presentation of Financial and Other Information—Other Financial Measures*" and "*Summary Financial and Operating Data of VodafoneZiggo*" in this Offering Circular.

For further information regarding the business of VodafoneZiggo and the services it provides to customers, see "*Business*" in the 2018 Annual Report.

### VodafoneZiggo's Strategy and Management Focus

Following the formation of the VodafoneZiggo JV, we believe we are able to add value to our customers through each and every connection related to our video, broadband internet, fixed-line telephony and mobile services. We enable our customers to connect with their loved ones and build new meaningful relationships and enjoy fantastic content and entertainment in familiar and refreshing ways thereby creating more satisfying experiences for our customers.

The formation of the VodafoneZiggo JV, of which we are a wholly-owned subsidiary, created a national, fully converged organization in the Netherlands and, as such, we believe we are able to better serve our customers and compete with our key competitors. As a converged company, we are able to create growth opportunities, including quad-play, and cross-selling and upselling opportunities. We are improving customer satisfaction and loyalty to our company and the services we provide. Furthermore, we are leveraging the knowledge and expertise of our ultimate parent companies, Liberty Global and Vodafone, as well as realizing synergies and beginning to integrate and operate as one converged company.

From a strategic perspective, we are seeking to build a broadband communications and mobile business that has strong prospects for future growth.

We strive to achieve organic revenue and customer growth in our operations by developing and marketing bundled entertainment and information and communications services, and extending and upgrading the quality of our networks where appropriate. While we seek to obtain new customers, we also seek to maximize the average revenue we receive from each household by increasing the penetration of our digital cable, broadband internet, fixed-line telephony and mobile services with existing customers through product bundling and upselling.

## The Issuer

The Issuer, VZ Vendor Financing B.V., was incorporated as a limited liability company under Dutch law (*besloten vennootschap met beperkte aansprakelijkheid*) on 16 October 2019, having its official seat in Amsterdam, the Netherlands and registered with the Dutch commercial register under number 76130592. The registered office of the Issuer is at Herikerbergweg 238, Luna ArenA, 1101CM Amsterdam, the Netherlands. The Issuer does not have an authorized share capital. The Issuer has issued 100 ordinary shares of €1 each (the “**Existing Shares**”) and will issue a number of ordinary shares equal to the Minimum Issuer Capitalization Amount (the “**Issue Date Shares**”, together with the Existing Shares, the “**Shares**”), if any, in connection with the offering of the Notes, which are and will be, respectively, fully paid up and held by the Foundation.

The Issuer has, and will have, no material assets other than the Assigned Receivables held from time to time, the balances standing to the credit of the Issuer Transaction Accounts and the benefit of the Transaction Documents to which the Issuer is or may become a party or in respect of which it has or may have any right, title, benefit or interest (including the New VFZ Facilities Agreement, the Expenses Agreement, the Issue Date Arrangements Agreement and the Framework Assignment Agreement), such fees (as agreed) payable to it in connection with the issue of the Notes and the sum of €100 representing the proceeds of its issued and paid up ordinary share capital which is held in the Issuer Transaction Accounts. The Issuer is dependent upon payments it receives in respect of the Assigned Receivables and under the Framework Assignment Agreement, the New VFZ Facilities Agreement, the Expenses Agreement and the related agreements to make payments on the Notes.

None of VodafoneZiggo or its respective subsidiaries have any equity or voting interest in the Issuer, and accordingly, the Issuer will not be consolidated into VodafoneZiggo’s consolidated financial statements. See “*Risk Factors—General Risks—VodafoneZiggo may be required to consolidate the Issuer into its consolidated financial statements and the Notes may be redeemed on or before 30 days after the Issue Date*”.

## Overview of the Structure of the Offering of the Notes

As part of the Transactions, the Issuer intends to issue €400,000,000 aggregate principal amount of the Notes. As more fully described below, the proceeds from the offering of the Notes will be used to purchase eligible payment obligations and accounts receivable relating thereto owing by VodafoneZiggo and certain of its subsidiaries, to make certain loans available to the New VFZ Facilities Borrower and for the other purposes described herein. Defined terms used but not defined herein have the meaning ascribed to them in the “*Definitions*” section.

In the course of their business, VodafoneZiggo and its subsidiaries purchase goods and/or services from suppliers pursuant to the terms of various supply contracts, and those suppliers issue invoices requiring the relevant Buyer Entity (as defined below) to make payment for the purchase of such goods and/or services on the terms specified in the applicable invoice and supply contract. Each invoice evidences an amount payable by a Buyer Entity to a Supplier (as defined below) as a result of an existing business relationship and includes all rights attaching thereto under the relevant contract to which such invoice relates and the SCF Platform Documents (as defined below) (as defined and further described in “*Description of the Receivables*” included elsewhere in this Offering Circular, each, a “**Receivable**” and collectively, the “**Receivables**”). From time to time, a Buyer Entity may upload an Electronic Data File containing details of Receivables payable to a Supplier (as defined in Condition 1 (*Definitions and Principles of Construction*)) on to the SCF Platform (as defined below) (an “**Upload**”). The designation of such uploaded Receivables as “approved” by a Buyer Entity (an “**Approved Platform Receivable**”) will initially give rise to an independent and primary obligation by VodafoneZiggo to make payment or cause payment to be made to the Relevant Recipient on the Confirmed Payment Date (as defined below) in respect of such Approved Platform Receivable (a “**Parent Payment Obligation**”). As permitted in accordance with the terms pursuant to which the relevant assets were acquired and/or services supplied, the relevant Buyer Entity will specify, in such Electronic Data File, the date on which such Parent Payment Obligation and the related Receivable will be paid (which date will be either the payment due date indicated on the original invoice or a date up to 360 days from the payment due date indicated on the original invoice date, each, a “**Confirmed Payment Date**”).

As part of its participation in the SCF Platform, each Supplier has agreed that it will offer to sell Parent Payment Obligations and the related Receivables to the Platform Provider (as defined in Condition 1 (*Definitions and Principles of Construction*)). In such cases, the Platform Provider may purchase the relevant Parent Payment Obligation and such related Receivable from the Supplier at a price intended to be equal to the original face value of the invoice owed to the Supplier (as further described below under “*SCF Platform Documents—Discounted Payments Purchase Agreements*”).

Upon each sale and assignment of a Parent Payment Obligation and the related Receivable from the Supplier to the Platform Provider through the SCF Platform (each, an **“Initial Transfer”**), each Obligor will become jointly and severally liable with each other Obligor to make payment or cause payment to be made to the Relevant Recipient on the Confirmed Payment Date in respect of such Parent Payment Obligation (such Parent Payment Obligation, as enhanced by the joint and several payment undertaking of each Obligor, a **“Payment Obligation”**). Pursuant to the Framework Assignment Agreement (as defined below), the Platform Provider may subsequently offer to sell and assign to the Issuer, on a non-recourse basis, eligible Payment Obligations and the related Receivables (solely to the extent that such Receivables have been acquired by the Platform Provider) (collectively and as further described and defined below, the **“VFZ Accounts Receivable”**).

On or about the Issue Date, the Issuer will use the net proceeds from the offering of the Notes *plus* any upfront payment payable by the New VFZ Facilities Borrower under the New VFZ Facilities Agreement (as defined below) to finance the purchase of eligible VFZ Accounts Receivable pursuant to the terms and conditions of the Framework Assignment Agreement. To the extent that such proceeds from the offering of the Notes exceed the amount of VFZ Accounts Receivable available for purchase by the Issuer on the first Value Date (as defined below) falling on or after the Issue Date, the Issuer will advance any such excess proceeds to the New VFZ Facilities Borrower as a revolving loan under the New VFZ Facilities Agreement (an **“Excess Cash Loan”**, and collectively with other loans advanced under the Excess Cash Facility (as defined below) from time to time, the **“Excess Cash Loans”**).

Following the Issue Date, as VFZ Accounts Receivable purchased by the Issuer (the **“Assigned Receivables”**) are settled on their respective Confirmed Payment Dates (as defined below), the Platform Provider (acting as collection agent for the Issuer under the Framework Assignment Agreement) will receive an amount from the relevant Obligor (a **“Collected Amount”**) towards repayment of an amount equal to the Outstanding Amount (as defined below) relating to such Assigned Receivables. The Issuer will use the Collected Amount, *less* the portion of such Collected Amount comprising Premium (as defined below) (each such difference, a **“Collected Principal Amount”**), to purchase (through the Platform Provider) new VFZ Accounts Receivable, to the extent available for purchase, or to advance such funds to the New VFZ Facilities Borrower as additional Excess Cash Loans. Excess Cash Loans will bear a rate of interest of \_\_\_\_%. The rate of interest on the Excess Cash Loans, together with the interest earned on the Issue Date Facility Loans (as defined below) under the Issue Date Facility (as defined below), is intended to provide the Issuer with the same rate of return in respect of the Committed Principal Proceeds (as defined below) not invested in VFZ Accounts Receivable (including any Retained Collected Amount (as defined below)) as Noteholders will receive in respect of the Notes. Interest on the Excess Cash Loans and the Issue Date Facility Loans will be computed on the basis of a 360-day year comprising twelve 30-day months. From time to time, as further VFZ Accounts Receivable become available for purchase through the SCF Platform, the Issuer will, directly or indirectly, fund such purchases with Collected Principal Amounts and any Purchase Price Return Amounts (as defined below) which are expected to be credited to the Issuer on the relevant Value Date (such amounts, collectively, **“Interim Platform Amounts”**), and to the extent such purchases cannot be fully funded by Interim Platform Amounts, by demanding from the New VFZ Facilities Borrower, on a weekly basis, repayment of a principal amount of Excess Cash Loans then outstanding equal to such shortfall.

The primary sources of payment of interest on the Notes will be:

1. the premium earned by the Issuer on Assigned Receivables (the **“Premium”**), being an amount equal to the difference between (i) the Outstanding Amounts (as further defined and described below under *“Purchases and Collections of VFZ Accounts Receivable—The Framework Assignment Agreement”*) collected upon maturity thereof, less (ii) the Purchase Price Amounts (as further defined and described below under *“Purchases and Collections of VFZ Accounts Receivable—The Framework Assignment Agreement”*) at which such Assigned Receivables are initially purchased by the Issuer; and
2. the interest earned by the Issuer on Excess Cash Loans and the Issue Date Facility Loans made to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement (the **“VFZ Facilities Interest”**).

Additionally, the Issuer may, from time to time, receive interest paid by the Platform Provider on (i) Retained Collected Amounts (being Collected Amounts which have not been paid to the Issuer towards satisfaction of the relevant Outstanding Amount and not been used to purchase further VFZ Accounts Receivable) (such interest, the **“Retained Collected Amount Interest”**); (ii) Excess Requested Purchase Price Amounts (as defined below), being funds transferred to the Platform Provider which have not been applied

towards the purchase of new VFZ Accounts Receivables on the relevant Value Date (such interest, the “**Excess Requested Purchase Price Interest**”); and (iii) funds exceeding the Requested Purchase Price Amount Aggregate Limit (as defined below) of €50.0 million (such excess, the “**Aggregate Amount Excess**”, collectively with the Excess Requested Purchase Price Amounts and Unutilised Collected Amounts (as defined below), the “**Purchase Price Return Amounts**”), and which have not been repaid to the Issuer in accordance with the timeframe set out in the Framework Assignment Agreement (such interest, as further defined and described below, the “**Delayed Aggregate Amount Interest**”, collectively with the Retained Collected Amount Interest and the Excess Requested Purchase Price Interest, the “**Retained Amount Interest**”). The Retained Amount Interest will be calculated in accordance with the Framework Assignment Agreement (as described below) and the Agency and Account Bank Agreement (as described elsewhere in this Offering Circular), and will be deemed to accrue on the basis of a 360-day year comprised of twelve 30-day months.

The Premium, the VFZ Facilities Interest and the Retained Amount Interest are, collectively, the “**Interest Proceeds**”. To the extent the Interest Proceeds earned during an interest payment period are insufficient to fund scheduled payments of interest on the Notes, the deficiency will be made up by the New VFZ Facilities Borrower via a Shortfall Payment (as defined below) to be paid to the Issuer.

The primary sources of repayment of principal on the Notes, on the Maturity Date or at early redemption of the Notes in accordance with the Conditions, will be:

1. the Collected Principal Amounts repaid in respect of Assigned Receivables at their respective maturities; and
2. repayments of Excess Cash Loans and (with respect to repayment of principal on the Maturity Date of the Notes or at early redemption of the Notes in accordance with the Conditions) Issue Date Facility Loans.

Additionally, the Issuer may, from time to time, receive repayments from the Platform Provider of Purchase Price Return Amounts (if any), which will be applied towards repayment of principal on the Notes on the Maturity Date or at early redemption of the Notes in accordance with the Conditions.

Whether in respect of settlement of Assigned Receivables, repayment of loans advanced under the New VFZ Facilities Agreement or funding of any Shortfall Payment, among other payment obligations, the Issuer will ultimately be reliant on funds from the New VFZ Facilities Borrower and certain of its subsidiaries to make payments due under the Notes.

In connection with the Transactions, the Issuer will enter into the following agreements, among others:

1. the Framework Assignment Agreement, pursuant to which the Issuer will periodically use any Excess Cash to purchase available VFZ Accounts Receivable. References to “**Excess Cash**” are to uninvested funds in an amount equal to (i) the Committed Principal Proceeds, *minus* (ii) the Requested Purchase Price Amounts paid by the Issuer (taking into account any Interim Platform Amount) for any Assigned Receivables outstanding as of the relevant determination date;
2. the New VFZ Facilities Agreement, pursuant to which the Issuer will (i) make loans (each, an “**Interest Facility Loan**” and collectively, the “**Interest Facility Loans**”) to the New VFZ Facilities Borrower under the Interest Facility (as defined below), (ii) to the extent that VFZ Accounts Receivable are not available for purchase through the SCF Platform, use Excess Cash to make Excess Cash Loans to the New VFZ Facilities Borrower under the Excess Cash Facility, (iii) make any Issue Date Facility Loans to the New VFZ Facilities Borrower under the Issue Date Facility, and (iv) make certain payments to the New VFZ Facilities Borrower (including any Excess Arrangement Payment (as defined below)), and pursuant to which the New VFZ Facilities Borrower will make certain payments to the Issuer (including any Shortfall Payment);
3. the Expenses Agreement, pursuant to which the Issuer will be entitled to (i) receive reimbursement from the New VFZ Facilities Borrower in respect of certain fees and expenses of the Issuer, including certain fees and expenses in relation to the issuance of the Notes, and (ii) receive certain payments from the New VFZ Facilities Borrower in respect of amounts that may become due and payable in respect of the Notes, including certain fees and expenses in relation to the issuance of the Notes, certain tax liabilities of the Issuer, any Additional Amounts (as defined in the section titled “*Terms and Conditions of the Notes*”), any premiums on redemption of the Notes, and any interest on overdue amounts under the Notes; and



4. the Agency and Account Bank Agreement, pursuant to which The Bank of New York Mellon, London Branch as administrator will agree, among other things, to provide certain portfolio administration and calculation services to and/or on behalf of the Issuer.

The terms of the Expenses Agreement, the New VFZ Facilities Agreement (including the Interest Facility, the Excess Cash Facility and the Issue Date Facility thereunder), the Agency and Account Bank Agreement, the Framework Assignment Agreement and the related SCF Platform Documents are more fully described below under “*New VFZ Facilities*”, “*Purchases and Collections of VFZ Accounts Receivable—The Framework Assignment Agreement*”, “*SCF Platform Documents*”, and “*Summary of Principal Documents*” found elsewhere in this Offering Circular.

### ***Issuer Transaction Accounts***

As part of the Transactions, the Issuer will establish and maintain three dedicated transaction accounts:

1. an “**Issuer Collection Account**”, through which the Issuer will, among other things, receive payments of Collected Amounts on Assigned Receivables, other payments (if any) from the Platform Provider pursuant to the Framework Assignment Agreement, and payments of amounts under the New VFZ Facilities Agreement (with any such payments and amounts so received being immediately credited to the Interest Proceeds Account or the Principal Proceeds Account, as applicable);
2. an “**Interest Proceeds Account**”, through which the Issuer will, among other things, finance the payment of interest on the Notes; and
3. a “**Principal Proceeds Account**” (together with the Issuer Collection Account and the Interest Proceeds Account, the “**Issuer Transaction Accounts**”), through which the Issuer will, among other things, finance its periodic purchases of VFZ Accounts Receivable available through the SCF Platform and the ultimate repayment of principal on the Notes.

### ***The Interest Proceeds Account***

Subsequent to the Issue Date, and from time to time, the Issuer will deposit into the Interest Proceeds Account:

1. upon maturity and repayment of each Assigned Receivable, an amount equal to the Premium earned by the Issuer upon collection (collectively, the “**Collected Premium Amounts**”);
2. any Retained Amount Interest paid by the Platform Provider;
3. any VFZ Facilities Interest;
4. the proceeds from the repayment of any Interest Facility Loan; and
5. any Shortfall Payment paid by the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement.

Subsequent to the Issue Date and from time to time, the Issuer will use the funds available in the Interest Proceeds Account:

1. to fund the payment of interest on the Notes on each scheduled Interest Payment Date or otherwise upon redemption of the Notes;
2. to make Interest Facility Loans to the New VFZ Facilities Borrower on a daily basis; and
3. to fund payment of any Excess Arrangement Payment (as defined below), when due and payable, to the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement.

### ***The Principal Proceeds Account***

On the Issue Date, the Issuer will have an amount available for the purchase of VFZ Accounts Receivable equal to an amount (the “**Committed Principal Proceeds**”) representing the net proceeds of the Notes offered hereby, *plus* the net proceeds of the issuance of any Further Notes (as defined in the Conditions) *plus*, in each case, any upfront payments payable by the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement in connection therewith. On the Issue Date, the Committed Principal Proceeds will equal €400.0

million. On or about the Issue Date, the Issuer will (i) firstly, deposit into the Principal Proceeds Account an amount of the Committed Principal Proceeds equal to the amount required for the purchase of VFZ Accounts Receivable by the Issuer on the first Value Date falling on or after the Issue Date (a “**Requested Purchase Price Amount**”) (or will direct that payment be made directly for such purchase for its account by the common depository for Euroclear or Clearstream (or its nominee) (the “**Common Depository**”), and (ii) secondly, use any remaining Committed Principal Proceeds to fund an initial Excess Cash Loan to the New VFZ Facilities Borrower under the Excess Cash Facility pursuant to the New VFZ Facilities Agreement. Subsequent to the Issue Date, and from time to time, the Issuer will deposit into the Principal Proceeds Account:

1. upon the maturity and repayment of each Assigned Receivable, an amount equal to the Collected Principal Amount on such Assigned Receivable which has been returned to the Issuer upon the ultimate collection of such Assigned Receivable pursuant to the terms of the Framework Assignment Agreement;
2. any Purchase Price Return Amount paid by the Platform Provider to the Issuer pursuant to the terms of the Framework Assignment Agreement; and
3. the principal amount of any Excess Cash Loans or (with respect to the final repayment date) Issue Date Facility Loans repaid by the New VFZ Facilities Borrower.

Subsequent to the Issue Date and from time to time, the Issuer will use the funds available in the Principal Proceeds Account:

1. to purchase available VFZ Accounts Receivable through the SCF Platform;
2. to make Excess Cash Loans to the New VFZ Facilities Borrower on a daily basis, and
3. upon the maturity of the Notes, to repay amounts outstanding under the Notes.

#### ***Purchases and Collections of VFZ Accounts Receivable—The Framework Assignment Agreement***

On or about the Issue Date, the Issuer, as purchaser, will enter into the Framework Assignment Agreement (as defined in Condition 1 (*Definitions and Principles of Construction*)) with, among others, the Platform Provider, VodafoneZiggo as the parent (the “**Buyer Parent**”) and The Bank of New York Mellon, London Branch as administrator. Under the Framework Assignment Agreement, from time to time commencing on the Issue Date, the Issuer may purchase and have assigned to it on a non-recourse basis, up to the total amount of Committed Principal Proceeds, and the Platform Provider may sell and assign on a non-recourse basis, eligible VFZ Accounts Receivable that are made available by Suppliers and uploaded by the Buyer Entities to the SCF Platform. For purposes of this overview, “**VFZ Account Receivable**” means a Payment Obligation and the Receivable in respect of which such Payment Obligation has arisen, solely to the extent that such Receivable has been acquired by the Platform Provider.

Each VFZ Account Receivable to be purchased by the Issuer must meet, and the Buyer Parent will represent and warrant (on behalf of itself and as agent for the Buyer Entities) on the date of each sale and assignment of any VFZ Account Receivable from the Platform Provider to the Issuer (each such date, an “**Assignment Date**”) in accordance with the Framework Assignment Agreement, that such VFZ Account Receivable meets, the following eligibility criteria: that such VFZ Account Receivable (i) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is owed by the Obligor on a joint and several basis; (ii) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is governed by English law; (iii) is denominated in euros; (iv) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is the legal, valid and binding obligation of each Obligor; (v) is capable of being freely and validly transferred in the manner provided by the Framework Assignment Agreement, so that on purchase the Issuer will receive good title; (vi) is due and payable in full without any right of set-off, counterclaim or deduction in favour of the Buyer Entities; and (vii) has a maturity date that is no later than two Business Days prior to the Maturity Date of the Notes. For a further description of the VFZ Accounts Receivable, see “*Description of the Receivables*” included elsewhere in this Offering Circular. Additionally, immediately prior to each Assignment Date, the Platform Provider will represent and warrant that it is entitled to assign the relevant Payment Obligation pursuant to the terms of the Framework Assignment Agreement, and that it has not assigned, transferred or otherwise disposed of, or created any encumbrance or security interest over, such Payment Obligation. Furthermore, the Platform Provider will undertake that it will not, without the consent of the Issuer, take any action that would adversely affect a Payment Obligation or the Issuer’s interest(s) therein (as further described in “*Summary of Principal Documents—Framework Assignment Agreement*” included elsewhere in this Offering Circular).

Each Payment Obligation will be the joint and several obligation of the New VFZ Facilities Borrower and each of the New VFZ Facilities Obligors (as defined below). On the Issue Date, the eligible Obligors will be VodafoneZiggo and VZ Financing II B.V. (each, a “**New VFZ Facilities Obligor**” and collectively, the “**New VFZ Facilities Obligors**”, and together with the New VFZ Facilities Borrower, the “**Obligors**”).

*Purchases of VFZ Accounts Receivable with Requested Purchase Price Amounts*

On or following the Issue Date (as further described in “*Capitalization of VodafoneZiggo*” included elsewhere in this Offering Circular), the Platform Provider is expected to sell and assign to the Issuer VFZ Accounts Receivable for a Requested Purchase Price Amount of €400.0 million, which the Issuer will fund with all or a portion of the Committed Principal Proceeds. See “*Use of Proceeds*”. It is expected that the Issuer will complete its initial purchases of new and existing VFZ Accounts Receivable by 31 March 2020. In connection with such sale and assignment, the Platform Provider will deliver to the Issuer:

1. an assignment framework note (substantially in the form attached to the Framework Assignment Agreement, an “**Assignment Framework Note**”) to be accepted and agreed to by the Issuer, pursuant to which the Issuer will agree, among other things, to purchase Payment Obligations (and the Receivables related thereto, solely to the extent that such Receivables have been acquired by the Platform Provider), in whole but not in part, at the relevant Purchase Price Amounts in an aggregate amount equal to a limit (in respect of purchased Payment Obligations which have not been settled) specified therein (the “**Purchase Limit**”); and
2. one or more notices related to such Assignment Framework Note (substantially in the form attached to the Framework Assignment Agreement, each an “**Assignment Notice**”) instructing the Issuer to pay to the Platform Provider, as consideration for the sale and assignment of the relevant VFZ Accounts Receivable, a requested amount (a “**Requested Purchase Price Amount**”) on the date falling five Business Days following receipt by the Issuer of such Assignment Notice (a “**Value Date**”).

As used herein, a “**Purchase Price Amount**” means, in relation to any VFZ Account Receivable, an amount equal to the Outstanding Amount (as defined below) of such VFZ Account Receivable *less* the Applied Discount (as defined in the context of the Framework Assignment Agreement) (as defined below) calculated as at the relevant Assignment Date. “**Outstanding Amount**” means, with respect to a Payment Obligation, an amount equal to (i) the gross amount of the Approved Platform Receivable in respect of which the Payment Obligation arose, *less* (ii) the sum of all Credit Notes (as defined below under “*SCF Platform Documents—Accounts Payable Management Services Agreement*”) allocated to that Payment Obligation pursuant to the terms of the APMSA. “**Applied Discount**” refers (i) in the context of the APMSA, to the discount amount that the Platform Provider will deduct from the Certified Amount (as defined below under “*SCF Platform Documents—Accounts Payable Management Services Agreement*”) in case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement and (ii) in the context of the Framework Assignment Agreement, to the discount amount that the Platform Provider will deduct from the Certified Amount in the case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement, *less* the processing fee due to the Platform Provider specified in the APMSA (which will initially be 0.20%) (the “**Platform Provider Processing Fee**”).

From time to time following the Issue Date, the Platform Provider may, at its discretion (but not more than once per week prior to the service of a notice of termination (as further described below)) and to the extent that the Requested Purchase Price Amount specified in such Assignment Notice together with all other outstanding Requested Purchase Price Amounts which have not been applied towards the purchase of VFZ Accounts Receivable would not exceed €50.0 million at such time (the “**Requested Purchase Price Amount Aggregate Limit**”), serve further Assignment Notices (which may also be Primary Assignment Notices (as defined and further described below under “*Collections on Assigned Receivables and Further Purchases of VFZ Accounts Receivable with Collected Principal Amounts*”)) to the Issuer pursuant to the relevant Assignment Framework Note.

Following the receipt of an Assignment Notice, so long as no Non-Compliance Event (as defined below) has occurred and is continuing, the Issuer will pay, on the relevant Value Date, the relevant Requested Purchase Price Amount (which may be adjusted as further described below) to the Platform Provider, which shall have the effect of the Platform Provider immediately selling and assigning, without further action on the part of any person or

entity, all of its rights, title and interest in and to the relevant Payment Obligations (and the Receivables related thereto, solely to the extent that such Receivables have been acquired by the Platform Provider) at the relevant Purchase Price Amounts to the Issuer pursuant to the relevant Assignment Framework Note (an “**Assignment**”). The Requested Purchase Price Amount (and the corresponding VFZ Accounts Receivable) will be adjusted if the aggregate of all Requested Purchase Price Amounts, together with (without double counting) the aggregate of all Purchase Price Amounts in respect of outstanding Assigned Receivables would be higher than the relevant Purchase Limit specified in that Assignment Framework Note. In such event, the Issuer must notify the Platform Provider within two Business Days of receipt of the relevant Assignment Notice (i) of such circumstance and (ii) that the Requested Purchase Price Amount will (A) be reduced to equal the amount which would cause the aggregate Requested Purchase Price Amount, together with (without double counting) the aggregate of all Purchase Price Amounts in respect of outstanding Assigned Receivables to equal such Purchase Limit and/or (B) cancelled to the extent necessary such that the relevant assignment is for the whole, and not part, of the VFZ Accounts Receivable.

The Issuer will not be obliged to pay a Requested Purchase Price Amount specified in an Assignment Notice if any of the following events (each, a “**Non-Compliance Event**”) have occurred and is continuing (provided that the Issuer notifies the Platform Provider, within two Business Days of the receipt of such Assignment Notice, that one or more Non-Compliance Events have occurred and of the Issuer’s intention not to comply with such Assignment Notice): (i) if the Framework Assignment Agreement or relevant Assignment Framework Note has been terminated prior to the date of such Assignment Notice; (ii) if the terms and conditions of such Assignment Notice materially deviate from the terms and conditions of the Framework Assignment Agreement or the relevant Assignment Framework Note; (iii) if an Obligor Event of Default (as defined below) is continuing in respect of any Obligor; and/or (iv) if a specified insolvency event occurs in respect of the Platform Provider which directly results in the Platform Provider not continuing its business as contemplated under the Framework Assignment Agreement. If, following the receipt of a Requested Purchase Price Amount on a Value Date, the Platform Provider has acquired (or determines that it will on such Value Date acquire) insufficient VFZ Accounts Receivable to apply the whole of the Requested Purchase Price Amount received on such Value Date, the Platform Provider will either (i) serve, on such Value Date, one or more notices (substantially in the form set out in the Framework Assignment Agreement, each, a “**Purchase Price Return Notice**”) to the Issuer and, on the Business Day following the date of such Purchase Price Return Notice (a “**Settlement Date**”), pay to the Issuer Collection Account, the excess Requested Purchase Price Amount not applied towards the purchase of VFZ Accounts Receivable (such excess, the “**Excess Requested Purchase Price Amount**”); or (ii) retain such Excess Requested Purchase Price Amount for a period of up to four Business Days following such Value Date (an “**Excess Retention Period**”, and the final day thereof (which, at the Platform Provider’s discretion, may occur prior to the fourth Business Day following such Value Date), the “**Excess Retention Period End Date**”) to be applied towards the purchase of any VFZ Accounts Receivable arising during such Excess Retention Period. If the Platform Provider chooses to retain such Excess Requested Purchase Price Amount, it further agrees that (i) if the Platform Provider acquires any VFZ Accounts Receivable during such Excess Retention Period, it will sell and assign such VFZ Accounts Receivables to the Issuer (and the Platform Provider will be deemed to have served an Assignment Notice in respect of such Assigned Receivables); and (ii) on the Business Day prior to the Excess Retention Period End Date, the Platform Provider will serve a Purchase Price Return Notice in respect of any remaining Excess Requested Purchase Price Amount to the Issuer, and subsequently pay such remaining Excess Requested Purchase Price Amount to the Issuer Collection Account on such Excess Retention Period End Date, together with all Excess Requested Purchase Price Interest (as defined below) due in respect thereof. “**Excess Requested Purchase Price Interest**” shall accrue daily at the Funding Rate, calculated on any Excess Requested Purchase Price Amount retained by the Platform Provider (and not applied towards the purchase of VFZ Accounts Receivable), from (and including) the first day of the relevant Excess Retention Period to (and including) the relevant Excess Retention Period End Date, or such later date on which the Issuer receives such Excess Requested Purchase Price Amount together with all interest due in respect thereof. As used herein, “**Funding Rate**” means a rate equal to the per annum margin specified in Clause 13.1 of the APMSA (less the Platform Provider Processing Fee) over 1-month EURIBOR; *provided that* if 1-month EURIBOR is less than zero, 1-month EURIBOR shall be deemed to be zero.

Additionally, if on any Business Day the aggregate Requested Purchase Price Amounts held by the Platform Provider (and not applied towards the purchase of VFZ Accounts Receivable) exceeds the Requested Purchase Price Amount Aggregate Limit (such excess, an “**Aggregate Amount Excess**”), the Platform Provider will immediately serve a Purchase Price Return Notice in respect of such Aggregate Amount Excess, and pay such Aggregate Amount Excess to the Issuer Collection Account on the relevant Settlement Date. Any Aggregate



Amount Excess not returned to the Issuer by the relevant Settlement Date (such amount, a “**Delayed Aggregate Amount**”) shall accrue interest daily at the Funding Rate, calculated from (and including) such Settlement Date to (and including) such later date on which the Issuer receives the Delayed Aggregate Amount, together with all interest due in respect thereof (the “**Delayed Aggregate Amount Interest**”).

*Collections on Assigned Receivables and Further Purchases of VFZ Accounts Receivable with Collected Principal Amounts*

Prior to the service of an Obligor Enforcement Notification (as defined and further described below), the Platform Provider will act as collection agent for the Issuer in respect of any Collected Amounts received or recovered relating to Assigned Receivables, in accordance with the SCF Platform Documents. Except in circumstances where certain Collected Principal Amounts are applied towards the purchase of new VFZ Accounts Receivable (as further described below), the Platform Provider will apply any Collected Amount, within one Business Day of receipt or recovery thereof (such scheduled date of application, a “**Collected Amount Forwarding Date**”), in or towards the repayment to the Issuer of an amount equal to the Outstanding Amount of the relevant Assigned Receivables (to the extent that such Assigned Receivables remain outstanding and has not been settled or otherwise paid to the Issuer).

From time to time, the Platform Provider may serve an Assignment Notice (a “**Primary Assignment Notice**”) which states that any Collected Principal Amounts in respect of Assigned Receivables relating to such Primary Assignment Notice are to be treated as further payments of Requested Purchase Price Amounts. So long as (i) no Non-Compliance Event has occurred and is continuing (and in respect of which the Issuer has notified the Platform Provider that the purchase mechanics described in this paragraph will not apply), (ii) the Requested Purchase Price Amount Aggregate Limit will not be exceeded upon the deemed payment of the Requested Purchase Price Amount in the New Assignment Notice (as defined below), upon receipt by the Platform Provider of any Collected Amount on an Assigned Receivable relating to such Primary Assignment Notice, or (iii) no notice of termination has been served (as further described below), then (a) the Platform Provider will be deemed to have served an Assignment Notice on exactly the same terms as the Primary Assignment Notice, except for the Requested Purchase Price Amount (which will be equal to the Collected Principal Amount that would otherwise be due and payable to the Issuer) (such notice, the “**New Assignment Notice**”); and (b) the Platform Provider’s obligation to pay such Collected Principal Amount to the Issuer will be set off against the Issuer’s obligation to pay the Requested Purchase Price Amount under the New Assignment Notice. For the avoidance of doubt, the purchase mechanics described in this paragraph will not affect the Platform Provider’s obligation to pay to the Issuer any Premium on the relevant Collected Amount Forwarding Date. If, three Business Days following the service of a New Assignment Notice, the Platform Provider still holds any Collected Amounts which have not been utilised for the purchase of new VFZ Accounts Receivable (such amounts, “**Unutilised Collected Amounts**”), the Platform Provider will immediately serve a Purchase Price Return Notice to the Issuer in respect of such Unutilised Collected Amounts, and will pay such Unutilised Collected Amounts to the Issuer Collection Account on the relevant Settlement Date. The Platform Provider will pay the Issuer interest on any “**Retained Collected Amounts**” (being any Collected Amount which has not been paid to the Issuer towards satisfaction of the relevant Outstanding Amount and not been used to purchase further VFZ Accounts Receivable as described above). Interest on Retained Collected Amounts shall accrue daily at the Funding Rate, calculated from (and including) the relevant scheduled Collected Amount Forwarding Date to (and including) the relevant Settlement Date or such later date on which the Issuer receives the Retained Collected Amount, together with all interest due in respect thereof, as the case may be (the “**Retained Collected Amount Interest**”), and will be paid to the Issuer Collection Account on the relevant Settlement Date or such later date, as applicable.

*Obligor Events of Default and Obligor Enforcement Notification*

The Issuer may not serve (or cause or permit to be served) a notice to the Obligors informing them of an Assignment (an “**Obligor Enforcement Notification**”) prior to the occurrence of (i) a failure by any Obligor to pay any Payment Obligation in full to the Platform Provider on the date such payment was due (taking into account any applicable grace period under the APMSA), (ii) a specified insolvency event in respect of any Obligor, (iii) a breach of the representations and warranties of the Buyer Parent with respect to the eligibility of the VFZ Accounts Receivable, which is not capable of remedy (or if such breach is capable of remedy, is not remedied within five Business Days of notice) (each such event in (i) to (iii), an “**Obligor Event of Default**”), or (iv) a specified insolvency event in respect of the Platform Provider. See “*Risk Factors—Risks relating to the Receivables and the SCF Platform—The transfer of VFZ Accounts Receivable under the Framework Assignment Agreement takes place only under equity until an Obligor Enforcement Notification is given to the Obligors*”.



Following the occurrence of any of the foregoing events, the Issuer may serve or direct the Platform Provider to serve an Obligor Enforcement Notification (*provided that* the Platform Provider may, but is not obliged to, serve an Obligor Enforcement Notification at any time as it sees fit and pursuant to the circumstances described in the paragraph below).

As soon as reasonably practicable after the occurrence of an Obligor Event of Default, the Platform Provider will, among other things, (i) provide the Issuer with notice of such Obligor Event of Default and the details thereof, as well as regular status updates with respect to the affected Assigned Receivables; (ii) turn over to the Issuer any Purchase Price Return Amount in accordance with the terms of the Framework Assignment Agreement; and (iii) in consultation with the Issuer and the Buyer Parent (provided such consultation is permitted by the terms of the Framework Assignment Agreement), take (or refrain from taking) any steps that the Platform Provider sees fit to recover all amounts payable, as well as default interest and other costs and expenses, each as permitted under the APMSA and the relevant Discounted Payments Purchase Agreement(s). Following service of an Obligor Enforcement Notification, the Platform Provider will cease to act as the Issuer's collection agent in respect of the relevant Assigned Receivables. For a further description of the provisions relating to Obligor Events of Default and Obligor Enforcement Notifications, see "*Summary of Principal Documents—Framework Assignment Agreement*" included elsewhere in this Offering Circular.

#### *Assignment and Termination*

The Issuer may assign or transfer its rights under the Framework Assignment Agreement and the Assignment Framework Notes (including its rights to Assigned Receivables), without the consent of the other parties only in certain specified circumstances and in accordance with the procedures set forth in the Framework Assignment Agreement, as further described under "*Summary of Principal Documents—Framework Assignment Agreement*" included elsewhere in this Offering Circular. Similarly, the Platform Provider may assign or transfer its rights under the Framework Assignment Agreement in the same such specified circumstances; *provided, however*, that the Platform Provider may assign or transfer any of its rights in Assigned Receivables to an affiliate without the consent of any other party, and may also assign or transfer any of its rights or obligations under the Framework Assignment Agreement, as the provider and administrator of the SCF Platform, with the prior written consent of the Issuer (which shall not be unreasonably withheld or delayed).

The Framework Assignment Agreement and/or any Assignment Framework Note issued thereunder may be terminated by the Issuer or the Platform Provider upon 10 Business Days' prior notice to the other parties thereto; *provided that* with respect to a termination by the Platform Provider, the effective date of the termination shall not be earlier than the effective date of termination of the APMSA (as further described below). Additionally, the Platform Provider and/or the Issuer may terminate the Framework Assignment Agreement and/or any Assignment Framework Note with immediate effect upon the occurrence of certain events, including a breach of material obligations of the Buyer Parent (subject to a 30 days grace period), a material breach of the representation and warranties of the Buyer Parent (subject to a 30 days grace period), or if a specified insolvency event has occurred in respect of the Buyer Parent. For a further description of termination events, see "*Summary of Principal Documents—Framework Assignment Agreement*" included elsewhere in this Offering Circular.

The terms of the related SCF Platform documents are more fully described below under "*SCF Platform Documents*".

#### ***New VFZ Facilities***

On any Business Day which is not a Value Date, and on any Value Date (in this case, to the extent that there are any Committed Principal Proceeds that cannot be invested in VFZ Accounts Receivable due to a shortage of VFZ Accounts Receivable available for purchase through the SCF Platform), the Issuer will utilize any Excess Cash to make interest-bearing Excess Cash Loans to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement, as further described below. This use of Excess Cash, together with the interest earned on the Issue Date Facility Loans, will provide the Issuer with the same rate of return in respect of the Committed Principal Proceeds not invested in VFZ Accounts Receivable (including any Retained Collected Amounts) as Noteholders will receive in respect of the Notes, instead of leaving the same funds (represented by the Excess Cash) uninvested in the Principal Proceeds Account pending their application for the purchase of VFZ Accounts Receivable. In addition, since the Issuer was formed solely for the purpose of facilitating the Transactions and issuing the Notes, and is not expected to engage in any business activities other than those related to its formation

and the Transactions (including the offering of the Notes and the funding of loans under the New VFZ Facilities Agreement), the Issuer intends to lend any Interest Proceeds that it collects from time to time to the New VFZ Facilities Borrower, in the form of non-interest bearing Interest Facility Loans under the New VFZ Facilities Agreement, as further described below. The Issuer will also fund interest-bearing Issue Date Facility Loans under the Issue Date Facility, as further described below. Proceeds of any loans made by the Issuer to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement may be used by the New VFZ Facilities Borrower for general corporate purposes.

On the Issue Date, the Issuer, as lender, will enter into a senior unsecured facilities agreement (the “**New VFZ Facilities Agreement**”) with the New VFZ Facilities Borrower, as borrower, the New VFZ Facilities Obligors, as guarantors, and The Bank of New York Mellon, London Branch as administrator for the Issuer (together with any successor thereto approved or appointed by the Issuer, the “**Administrator**”), pursuant to which the Issuer will make available to the New VFZ Facilities Borrower revolving and term credit facilities, consisting of the Interest Facility, the Excess Cash Facility and the Issue Date Facility, as described below.

#### *Interest Facility*

The New VFZ Facilities Agreement will provide for a revolving credit facility (the “**Interest Facility**”) under which the Issuer will from time to time fund non-interest-bearing Interest Facility Loans to the New VFZ Facilities Borrower.

Following the Issue Date, on any Business Day other than the Business Day prior to an Interest Payment Date, if the Interest Proceeds deposited in the Interest Proceeds Account are greater than zero, the Issuer will apply such Interest Proceeds to fund a new Interest Facility Loan to the New VFZ Facilities Borrower.

#### *Excess Cash Facility*

The New VFZ Facilities Agreement will also provide for a revolving credit facility (the “**Excess Cash Facility**”), in an aggregate principal amount up to the Committed Principal Proceeds, under which the Issuer will from time to time fund Excess Cash Loans to the New VFZ Facilities Borrower. Interest on Excess Cash Loans will be payable semi-annually in arrears on the earlier of (i) each 15 April and 15 October, commencing 15 April, 2020 (each, an “**Excess Cash Interest Period Date**”) and (ii) upon repayment of a Weekly Excess Cash Repayment Amount (as defined below). Interest will accrue from the funding date of any Excess Cash Loan at a rate of % per annum, and will be computed on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest in respect of any interest period ending on any Excess Cash Interest Period Date will occur no less than one Business Day prior to such Excess Cash Interest Period Date.

On or following the Issue Date, the Issuer will use the Committed Principal Proceeds, firstly, to purchase available VFZ Accounts Receivable pursuant to the Framework Assignment Agreement and, secondly, to fund an initial Excess Cash Loan.

Following the Issue Date, as the Platform Provider (on a weekly basis) serves or is deemed to serve an Assignment Notice to the Issuer instructing the Issuer to pay a Requested Purchase Price Amount (as may be adjusted or off set pursuant to the terms of the Framework Assignment Agreement) as consideration for the sale and assignment of the relevant VFZ Accounts Receivable on the relevant Value Date, the Issuer will, upon not less than five Business Days’ prior notice, demand repayment by the New VFZ Facilities Borrower of such portion of principal of any outstanding Excess Cash Loans as is equal to (i) such Requested Purchase Price Amount to be paid for VFZ Accounts Receivable that the Issuer expects to purchase on such Value Date, *less* (ii) any Interim Platform Amounts credited on such Value Date (such amount demanded, a “**Weekly Excess Cash Repayment Amount**”). The New VFZ Facilities Borrower will be obligated to pay into the Issuer Collection Account (for immediate onwards crediting to the Principal Proceeds Account) the Weekly Excess Cash Repayment Amount on the fifth Business Day following receipt of such notice. The interest accrued on such Weekly Excess Cash Repayment Amount will not be repaid but will, on that date, be deemed loaned to the New VFZ Facilities Borrower under a new Interest Facility Loan. On the relevant Value Date, the Issuer will apply the Weekly Excess Cash Repayment Amount so received, together with any Interim Platform Amounts credited on the same day, towards its purchase of VFZ Accounts Receivable.

On any Business Day (other than the date on which the Notes are redeemed or repaid, in whole or in part (or on which corresponding payment by the New VFZ Facilities Borrower is required to be made to the Issuer in relation to any such redemption or repayment)), if the balance of funds deposited into the Principal Proceeds

Account is greater than zero, the Issuer will apply such funds, firstly, towards the purchase of available VFZ Accounts Receivable in accordance with the Framework Assignment Agreement (if such Business Day is also a Value Date) and, secondly, to fund an Excess Cash Loan to the New VFZ Facilities Borrower.

#### *Issue Date Facility*

The New VFZ Facilities Agreement will further provide for a term loan facility (the “**Issue Date Facility**” and, together with the Interest Facility and the Excess Cash Facility, the “**New VFZ Facilities**”), under which the Issuer will fund interest-bearing loans to the New VFZ Facilities Borrower (the “**Issue Date Facility Loans**”). Interest on the Issue Date Facility Loans will be payable semi-annually in arrears on each 15 April and 15 October (each, an “**Issue Date Facility Interest Period Date**”). Interest will accrue from the Issue Date at a rate of % per annum, and will be computed on the basis of a 360-day year comprising twelve 30-day months. Payment of interest in respect of any interest period ending on any Issue Date Facility Interest Period Date will occur no less than one Business Day prior to such Issue Date Facility Interest Period Date.

On or prior to the Issue Date, the New VFZ Facilities Borrower, the Issuer and Stichting Trade Finance (in its capacity as the sole shareholder of the Issuer, the “**Foundation**”) will enter into an agreement pursuant to which the New VFZ Facilities Borrower will agree to pay the Foundation an amount representing the Subscription Proceeds and the Subscriber Profit in return for the Foundation procuring that the Issuer enters into certain Transaction Documents in connection with the offering of the Notes. Such payment will be conditional on the Foundation subscribing for an amount of the Issuer’s ordinary shares equal to the Minimum Issuer Capitalization Amount (the “**Issue Date Shares**”), which the Issuer will allot and issue to the Foundation. The Issuer will lend the Subscription Proceeds from the Issue Date Shares, if any, to the New VFZ Facilities Borrower as an Issue Date Facility Loan under the Issue Date Facility. In practice, the process will be almost cashless, as nearly all of the payment by the New VFZ Facilities Borrower to the Foundation will ultimately be loaned back to the New VFZ Facilities Borrower as an Issue Date Facility Loan. Principal and accrued interest (if applicable) on the New VFZ Facilities will become due and payable in full on the earlier of (i) the Maturity Date of the Notes or (ii) the date of early redemption of the Notes in accordance with the Conditions.

The New VFZ Facilities Agreement will also provide for certain payments to the Issuer by the New VFZ Facilities Borrower and certain payments to the New VFZ Facilities Borrower by the Issuer. On the Issue Date, pursuant to the New VFZ Facilities Agreement, the New VFZ Facilities Borrower will pay to the Issuer an upfront payment in an amount equal to any underwriting fees, commissions and/ or certain expenses incurred or paid by the Issuer in relation to the issuance of the Notes (if any). In addition, the New VFZ Facilities Agreement will provide for the periodic payment of Shortfall Payments or Excess Arrangement Payments, as described below under “*Payment of Interest on the Notes.*”

#### *Payment of Interest on the Notes*

Interest on the Notes will be payable semi-annually in arrear on each 15 April and 15 October (each, an “**Interest Payment Date**”), commencing in the case of the Notes offered hereby, 15 April 2020. Interest on the Notes will accrue from the Issue Date at a rate of % per annum, and will be computed on the basis of a 360-day year comprising of twelve 30-day months. Pursuant to the terms of the New VFZ Facilities Agreement and the Expenses Agreement, and in consideration of the Issuer providing the New VFZ Facilities to the New VFZ Facilities Borrower, the New VFZ Facilities Borrower will make certain payments to the Issuer to the extent necessary to enable the Issuer to make interest payments when due under the Notes. The Issuer will fund the payment of scheduled interest on the Notes on each Interest Payment Date from the Interest Proceeds Account as follows:

1. firstly, to the extent that there are amounts in the Interest Proceeds Account on the Business Day prior to such Interest Payment Date, the Issuer will utilize such amounts, towards the payment of scheduled interest on the Notes;
2. secondly, the Issuer will demand, upon no less than six Business Days’ notice prior to such Interest Payment Date, that the New VFZ Facilities Borrower prepay Interest Facility Loans under the Interest Facility (and the New VFZ Facilities Borrower will repay such Interest Facility Loans on or prior to the fifth Business Day following receipt of such demand), in a principal amount equal to the lesser of:
  - a. an amount equal to the interest due and payable on the Notes on such Interest Payment Date *less* any amounts in the Interest Proceeds Account referred to in paragraph (1) above; and

- b. the total amount of Interest Facility Loans outstanding on the Business Day prior to such Interest Payment Date.

The Issuer will deposit the proceeds of any Interest Facility Loans so prepaid into the Interest Proceeds Account;

3. thirdly, on or prior to the Business Day immediately preceding each Interest Payment Date (other than the Maturity Date of the Notes or at early redemption of the Notes in accordance with the Conditions), the New VFZ Facilities Borrower will make a payment to the Issuer (each, as calculated in accordance with the Agency and Account Bank Agreement, a **“Term Shortfall Payment”**) in an amount equal to the positive difference, if any, between (i) the amount of interest due on the Notes on such Interest Payment Date, *less* (ii) the sum of (x) the amount of any Interest Facility Loans to be repaid pursuant to paragraph (2) above and (y) amounts in the Interest Proceeds Account referred to in paragraph (1) above.
4. By contrast to the Term Shortfall Payment, to the extent that on any Interest Payment Date (other than the Maturity Date of the Notes or at early redemption of the Notes in accordance with the Conditions) there is any balance on the Interest Facility Loans not repaid by the New VFZ Facilities Borrower to the Issuer pursuant to paragraph (2) above, the Issuer will make a payment to the New VFZ Facilities Borrower (each, as calculated in accordance with the Agency and Account Bank Agreement, a **“Term Excess Arrangement Payment”**) in an amount equal to such balance of the Interest Facility Loans outstanding on such Interest Payment Date. Any Term Excess Arrangement Payment will be paid as a rebate of previously paid interest (on a cashless basis, by offsetting such Term Excess Arrangement Payment against the amounts due by the New VFZ Facilities Borrower under the Interest Facility Loans).
5. fourthly, on or prior to the Business Day immediately preceding the final Interest Payment Date (being the Maturity Date of the Notes or at early redemption of the Notes in accordance with the Conditions), the New VFZ Facilities Borrower will make a payment to the Issuer (as calculated in accordance with the Agency and Account Bank Agreement, a **“Maturity Shortfall Payment”** and, together with the Term Shortfall Payments, the **“Shortfall Payments”** and each a **“Shortfall Payment”**) in an amount equal to the positive difference, if any, between (i) the aggregate principal amount of the Notes to be repaid together with the amount of interest due on the Notes on such final Interest Payment Date, *less* (ii) the sum of:
  - a. all Collected Amounts on all Assigned Receivables to be repaid or prepaid to the Issuer on or prior to two Business Days prior to the final Interest Payment Date;
  - b. any other amounts (including any accrued interest) due to be paid by the Platform Provider to the Issuer pursuant to the Framework Assignment Agreement on or prior to two Business Days prior to the final Interest Payment Date;
  - c. the principal amount of and interest due on all of the New VFZ Facilities Loans to be paid to the Issuer on maturity of the New VFZ Facilities Loans; and
  - d. all other amounts in the Issuer Transaction Accounts (to the extent not included in any of the above).
6. By contrast to the Maturity Shortfall Payment, to the extent that any calculation in paragraph (5) above results in a negative value, the Issuer will pay or transfer to the New VFZ Facilities Borrower (as calculated in accordance with the Agency and Account Bank Agreement, a **“Maturity Excess Payment”** and, together with the Term Excess Arrangement Payments, the **“Excess Arrangement Payments”** and each an **“Excess Arrangement Payment”**) (as a rebate of previously paid interest) in an amount which would return such negative value to zero; *provided, however*, that such payment will only be made after all amounts due and payable to Noteholders under the Notes have been settled.

#### ***Approved Exchange Offer***

In order to extend the availability of the committed financing for the purchase of VFZ Accounts Receivable represented by the Committed Principal Proceeds beyond the Maturity Date of the Notes, the New VFZ Facilities Borrower may, at any time, enter into an exchange offer and payables financing plan agreement (a **“Plan Agreement”**) with a new entity (a **“New Issuer”**). Pursuant to any such Plan Agreement, the New Issuer will procure from the New VFZ Facilities Borrower a commitment to cancel amounts of the New VFZ Facilities as set forth below, and will enter into agreements with the New VFZ Facilities Borrower, VodafoneZiggo, the Platform Provider, the Notes Trustee and other relevant counterparties providing for the New Issuer’s purchase of VFZ Accounts Receivable on terms and conditions substantially similar to the Transaction Documents.



Promptly after entering into the Plan Agreement, the New Issuer will launch an exchange offer (the “**Approved Exchange Offer**”) designed to allow Noteholders to exchange up to a specified principal amount of Notes for a principal amount of new notes (the “**New Notes**”) to be set out in the Approved Exchange Offer. Upon consummation of the Approved Exchange Offer, subject to the terms of the Trust Deed:

- (i) The New Issuer will issue a specified amount of New Notes to the Noteholders validly tendered into the Approved Exchange Offer and not withdrawn. If, upon the expiration of the Approved Exchange Offer, Noteholders have validly tendered more Notes than the New Issuer is able to accept pursuant to the Approved Exchange Offer, the New Issuer will accept for exchange Notes validly tendered and not withdrawn on a pro rata basis, based on the proportion that the aggregate principal amount of Notes to be accepted bears to the aggregate principal amount of Notes validly tendered and not withdrawn; and
- (ii) The Issuer will purchase from the New Issuer any Notes accepted by the New Issuer pursuant to the Approved Exchange Offer and will cancel such purchased Notes. As consideration for such purchase, the Issuer will simultaneously pay, assign and transfer to the New Issuer:
  - (A) Assigned Receivables such that (a) minus (b) is equal to or less than (c) plus (d); where (a) is the Committed Principal Proceeds multiplied by the Relevant Percentage, where “**Relevant Percentage**” means the proportion that the aggregate principal amount of Notes accepted into the Approved Exchange Offer bears to the aggregate principal amount of Notes outstanding as of the date of consummation of the Approved Exchange Offer (the “**Determination Date**”), (b) is the aggregate historical Purchase Price Amount of such Assigned Receivables assigned to the New Issuer pursuant to this clause (A), (c) is the balance of Excess Cash Loans outstanding on the Determination Date, and (d) is any Interim Platform Amounts to be credited to the Issuer on the Determination Date. The Assigned Receivables to be assigned to the New Issuer pursuant to this clause (A) will be selected by an independent financial, banking, accounting or other similar advisor designated by VodafoneZiggo, the Issuer or the Administrator with a mandate to maximise the aggregate Purchase Price Amount of the transferred Assigned Receivables whilst ensuring that they have the shortest maturities possible. Assigned Receivables will only be assigned and transferred to the New Issuer pursuant to this clause (A) in whole, and not in part;
  - (B) The cash proceeds from the repayment of Interest Facility Loans (to be demanded by the Issuer or the Administrator) in an amount equal to (a) minus (b); where (a) is the accrued and unpaid Premium that remained outstanding on the Assigned Receivables assigned pursuant to clause (A) above as of the immediately preceding Interest Payment Date, and (b) is any accrued and unpaid Retained Amount Interest that remained outstanding as of the Determination Date in respect of the “**Retained Amounts**” (being collectively, Retained Collected Amounts, Delayed Aggregate Amounts and/or Excess Requested Purchase Price Amounts) (as determined in accordance with the Agency and Account Bank Agreement described elsewhere in this Offering Circular) to be transferred to the New Issuer pursuant to clause (D) below, as applicable;
  - (C) The cash proceeds from the repayment of Excess Cash Loans (to be demanded by the Issuer or the Administrator) in an amount equal to (a) minus (b) minus (c), where (a) is the Committed Principal Proceeds multiplied by the Relevant Percentage, (b) is the aggregate Purchase Price Amounts of Assigned Receivables assigned to the New Issuer pursuant to clause (A) above, and (c) is any Interim Platform Amounts to be credited to the Issuer on the Determination Date;
  - (D) The cash proceeds from the payment by the Platform Provider to the Issuer on the Determination Date of any Retained Amounts and any other Interim Platform Amounts; and
  - (E) An “**Accrued Facility Interest and Shortfall Amount**” equal to (a) minus (b) minus (c) minus (d) minus (e), where (a) is the aggregate principal amount of Notes tendered into the Approved Exchange Offer, (b) is the aggregate Purchase Price Amounts of the Assigned Receivables assigned pursuant to clause (A) above plus accrued and unpaid Premium thereon through the Determination Date, (c) is the amount of cash proceeds set out in clause (B) above, (d) is the amount of cash proceeds set out in clause (C) above and (e) is the amount of cash proceeds set out in clause (D) above. The Issuer will demand repayment of Excess Cash Loans in an amount equal to any Accrued Facility Interest and Shortfall Amount in order to make such payment.

#### **SCF Platform Documents**

VFZ Accounts Receivable purchased by the Issuer pursuant to the Framework Assignment Agreement are uploaded by the Buyer Entities to the SCF Platform (as defined in Condition 1 (*Definitions and Principles of*



*Construction*)) managed by the Platform Provider to facilitate receivables financing provided by the Platform Provider and other participating funding providers, including the Issuer. The SCF Platform is made available to VodafoneZiggo and certain of its subsidiaries, and is administered under the terms of the Accounts Payable Management Services Agreement and the Discounted Payments Purchase Agreements described below.

#### *Accounts Payable Management Services Agreement*

On 23 February 2015, the Platform Provider and VodafoneZiggo, among others, entered into the Accounts Payable Management Services Agreement (as defined in Condition 1 (*Definitions and Principles of Construction*)). Under the terms of the APMSA, the Obligors, together with certain other subsidiaries of VodafoneZiggo that may accede to the APMSA from time to time as further described below (collectively, the “**Buyer Entities**” and each a “**Buyer Entity**”) may upload Electronic Data Files containing details of Receivables on to the SCF Platform to enable the purchase by the Platform Provider of such Receivables (and the Parent Payment Obligations arising in respect thereof) from the relevant Supplier. On the Issue Date, the eligible Buyer Entities will be Ziggo B.V., Ziggo Services B.V. (collectively, the “**Non-Obligor Buyer Subsidiaries**” and each a “**Non-Obligor Buyer Subsidiary**”, together with VZ Financing I B.V. and VZ Financing II B.V. (collectively, the “**Obligor Subsidiaries**”), the “**Buyer Subsidiaries**” and each a “**Buyer Subsidiary**”), the Obligor Subsidiaries, and the Buyer Parent. Additional Buyer Subsidiaries may accede to the APMSA by entering into an accession letter (substantially in form set out in the APMSA) with the Platform Provider and the Buyer Parent, and an existing Buyer Subsidiary may cease to be a “Buyer Entity” for the purposes of the APMSA if the Platform Provider or Buyer Parent provides written notice to such effect. Additional Obligor Subsidiaries may become party to the APMSA either by acceding as a “Designated Buyer Subsidiary” (provided they are specified as such in the relevant accession letter) or, with respect to an existing Non-Obligor Buyer Subsidiary, if such Non-Obligor Buyer Subsidiary is specified in writing by the Buyer Parent to be a “Designated Buyer Subsidiary” for purposes of the APMSA. Pursuant to the Agency and Account Bank Agreement, the Buyer Parent will undertake to the Issuer that the Buyer Parent may notify the Platform Provider of a resignation of an Obligor Subsidiary only if all Outstanding Amounts owed by such Obligor Subsidiary (as principal obligor) in respect of its Assigned Receivables have been settled in accordance with the APMSA on or prior to the date of its resignation, and the Buyer Parent will agree to promptly provide written notification of the same to the Issuer (or the Administrator on its behalf).

From time to time, a Buyer Entity may execute an Upload and designate such uploaded Receivables as “approved”. Each Approved Platform Receivable will initially give rise to a Parent Payment Obligation, being an independent and primary obligation by VodafoneZiggo (on the basis described in the sections entitled “*Description of the Receivables*” and “*Summary of Principal Documents—Accounts Payable Management Services Agreement*” included elsewhere in this Offering Circular) to make payment or cause payment of the Certified Amount (as defined below) to be made to the relevant recipient on the Confirmed Payment Date in respect thereof. Upon each Initial Transfer (being the sale and assignment of a Parent Payment Obligation and the applicable Receivable related thereto from the Supplier to the Platform Provider through the SCF Platform), the relevant Parent Payment Obligation will become a Payment Obligation, pursuant to which each Obligor will become jointly and severally liable with each other Obligor to make payment or cause payment to be made to the relevant recipient on the Confirmed Payment Date in respect thereof. The Non-Obligor Buyer Subsidiaries will not be liable for any Payment Obligations. The Buyer Parent has notified the Platform Provider in writing that eligible Receivables (as further described in “*Summary of Principal Documents—Accounts Payable Management Services Agreement*” included elsewhere in this Offering Circular) may include those with a Confirmed Payment Date of up to 360 days from the issuance date of the relevant invoice. In respect of Initial Transfers of such Receivables a margin of 2.20% per annum calculated on the basis of the relevant Outstanding Amounts (which includes the Platform Provider Processing Fee) over the base rate (the “**Margin**”) shall be applied from the date of the relevant Initial Transfer until the Confirmed Payment Date in respect of such Payment Obligation (and the Receivable related thereto, solely to the extent that such Receivable has been acquired by the Platform Provider). The base rate (being, in this case, EURIBOR with a floor of zero) is determined by the remaining tenor between the date of the relevant transfer and the Confirmed Payment Date (i.e. between 1 and 30 days, 1 month base rate will apply; between 31 and 60 days, 2 months base rate will apply). The applicable base rate plus the applicable Margin are used to calculate the Applied Discount that the Platform Provider will deduct from the Certified Amount in the case of transfer by the Platform Provider of the VFZ Account Receivable prior to the Confirmed Payment Date, and accordingly is used in the calculation of the Purchase Price Amount for each VFZ Account Receivable. The Margin under the APMSA may not be amended without the written consent of the Issuer, and pursuant to the terms of the other Transaction Documents, the Issuer will agree to provide its written consent to

any amendment of the Margin (without being required to seek the consent of the Noteholders) so long as the obligations of the New VFZ Facilities Borrower in favour of the Issuer under Clause 11.2 (“*Facility Fees*”) of the New VFZ Facilities Agreement remain in full force and effect.

Pursuant to the APMSA, the Buyer Parent and, as applicable, each Obligor Subsidiary appoints the Platform Provider as paying agent with respect to the settlement of any VFZ Account Receivable. Settlement requires the Buyer Parent (or, at its option, an Obligor Subsidiary) to make an electronic transfer of the Certified Amount (as defined below) to the Platform Provider’s designated bank account on the Confirmed Payment Date, and the Platform Provider will, in turn, transfer such Certified Amount (or part thereof as received by the Platform Provider) to the relevant recipient (which shall be the Issuer in respect of Assigned Receivables) on the same Confirmed Payment Date. As used herein, “**Certified Amount**” means, with respect to a Payment Obligation, the Outstanding Amount of such Payment Obligation on the “**Certified Amount Fixed Date**”, being earliest to occur of (i) the date of the Initial Transfer, and (ii) the date falling three Business Days prior to the Confirmed Payment Date of that Payment Obligation. Failure by any Obligor to pay all or any part of the Certified Amount by the Confirmed Payment Date will cause default interest to accrue on the unpaid sum at a rate of 1-month EURIBOR (floored at zero) *plus* 7% per annum, until the Certified Amount has been discharged in full.

If a Buyer Entity wishes to reduce the amount of any Approved Platform Receivable for any reason (including as a result of any lien, right of set-off, defence, claim, counterclaim, or other certain adverse claim), it may post the amount to be deducted from such Approved Platform Receivable (each, a “**Credit Note**”) as an entry in an Electronic Data File to the SCF Platform Website and such Credit Note will be allocated to the corresponding Payment Obligation on the following Business Day. No Credit Notes may be allocated to a Payment Obligation following the relevant Certified Amount Fixed Date. Additionally, each Buyer Entity agrees to be responsible for the accuracy of all information submitted by them onto the SCF Platform Website in respect of VFZ Accounts Receivable and the Buyer Parent agrees to comply with certain reporting requirements set out in the APMSA.

Under the APMSA, each Buyer Entity represents, warrants and covenants to the Platform Provider at the date of an Upload resulting in any Payment Obligation arising and at the date of any transfer via the SCF Platform of a Payment Obligation and the Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) (including each Assignment Date), as applicable, among other things: (i) that the Approved Platform Receivable relating to each Payment Obligation meets certain criteria under the APMSA, including (but not limited to) having a Confirmed Payment Date of no more than 360 days from the issuance date of the relevant invoice and being denominated in an agreed currency; (ii) that the Approved Platform Receivable is not subject to any mortgage, charge, pledge, lien, other encumbrance or other personal right or right in rem of any third party and has, to the best of the relevant Buyer Entity’s knowledge, not been transferred or transferred in advance; (iii) that each Payment Obligation and the Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) is free of any adverse claims, including any lien, right of set-off, netting, abatement, reduction, claim, defence or counterclaim; (iv) that each Payment Obligation and Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) can be validly transferred in accordance with the terms of the APMSA; and (v) that each Payment Obligation will be settled by an Obligor by the payment of the relevant Certified Amount on the relevant Confirmed Payment Date without withholding, deduction or set-off.

The APMSA also provides that the following occurrences, among others, constitute events of default, whereupon the Platform Provider shall have the right (but not the obligation) to suspend the provision of accounts payable management services and prohibit the creation of any further Payment Obligations (each, an “**APMSA Event of Default**”): (i) breach by any Buyer Entity of any obligation or certain representations, warranties or covenants in the APMSA, if not remedied for a period of ten days (which grace period shall not apply if such breach relates to a financial interest of an amount in excess of €5.0 million); (ii) non-payment of any amount due under the APMSA, including all or any part of any Certified Amount (subject to a grace period of one Business Day in the case of principal, and three Business Days in the case of any other amount); (iii) if any Buyer Entity is unable, deemed unable, or admits inability to pay its debts as they fall due; and (iv) any corporate action, legal proceedings or other procedure is taken in relation to the suspension of payments, winding-up, or dissolution of any Buyer Entity, or any composition, compromise, assignment or arrangement with any creditor of any Buyer Entity, or the appointment of a liquidator, receiver, or other similar officer in respect of any Buyer Entity.

The Buyer Parent has also agreed to provide certain indemnities to the Platform Provider under the APMSA, including (but not limited to) indemnities against any losses directly suffered for or on account of tax, reasonable losses incurred as a direct result of any APMSA Event of Default or failure by any Buyer Entity to pay any amount due under the APMSA, and any costs, expenses, claims or losses incurred as a result of the incorrect calculation by any Buyer Entity of the amount of any Receivable uploaded in an Electronic Data File.

The Platform Provider may assign, transfer or deal in any other manner with any VFZ Account Receivable that has been transferred to it, and/or all of its rights against any Buyer Entity or under the APMSA, in part or in whole, to any third party. No Buyer Entity may so assign or transfer its respective rights and obligations under the APMSA without the written consent of the Platform Provider, and such consent shall not be unreasonably withheld or delayed.

Each of the Platform Provider and the Buyer Parent may unilaterally terminate the APMSA upon notice to the other party, if such other party breaches a material provision of the APMSA and fails to cure such breach within 10 days following written notice from the other party requiring them to remedy such breach. The Platform Provider may also terminate the APMSA: (i) for any reason upon 12 months' prior written notice to the Buyer Parent; and (ii) immediately, upon written notice, if it becomes unlawful for the Platform Provider in any applicable jurisdiction to perform any of its obligations thereunder. The Buyer Parent may terminate the APMSA for any reason upon 20 Business Days' prior written notice to the Platform Provider. Following termination of the APMSA, the Buyer Entities will no longer be permitted to use to the SCF Platform. All rights, duties and obligations of the parties to the APMSA with respect to the Payment Obligations posted to the SCF Platform prior to the effective date of any termination shall survive the termination of the APMSA.

#### *Discounted Payments Purchase Agreements*

In conjunction with the SCF Platform, each Supplier has entered into, or will enter into, a Discounted Payments Purchase Agreement (each based on a standard form and as defined in Condition 1 (*Definitions and Principles of Construction*)) with the Platform Provider. Upon an Upload by a Buyer Entity and the designation of such uploaded Receivable as "approved", (i) the price of such Receivable is increased (in accordance with the relevant supply contract) by adding to the initial face value of such Receivable the Applied Discount (as defined in the context of the APMSA) (as displayed on the SCF Platform on the relevant day) calculated for the period between the date of the Upload and the Confirmed Payment Date; and (ii) the Supplier to which such Approved Platform Receivable relates will automatically and irrevocably offer to sell to the Platform Provider the relevant Parent Payment Obligation and the Receivable related thereto at a discounted price (as determined by deducting from the grossed-up amount of the relevant invoice (calculated in accordance with the relevant supply contract as described above), such Applied Discount (as defined in the context of the APMSA) (as displayed on the SCF Platform on the relevant day), such that the Platform Provider pays an amount equal to the original face value of such invoice owed to the Supplier). Each such offer accepted by the Platform Provider pursuant to a Discounted Payments Purchase Agreement will result in the sale, assignment and transfer to the Platform Provider of all of such Supplier's rights, title and interest in and to the relevant Parent Payment Obligation and the Receivable related thereto.

The Supplier is deemed to represent and warrant to the Platform Provider upon the date of each offer (and the date of the relevant Initial Transfer) that, with respect to each Parent Payment Obligation (and any Receivable related thereto, where applicable), among other things: (i) the Supplier (solely) holds the full legal and beneficial right, title and interest in and to the relevant Parent Payment Obligation and the Receivable related thereto; (ii) the Supplier is entitled to sell and transfer the relevant Parent Payment Obligation and the Receivable related thereto to the Platform Provider pursuant to the terms of the relevant Discounted Payments Purchase Agreement, and the relevant Parent Payment Obligation and the Receivable related thereto is transferred to the Platform Provider following acceptance of the offer; (iii) no mortgage, charge, pledge, lien, other encumbrance or other personal right or right in rem exists in relation to the relevant Parent Payment Obligation or Receivable related thereto, and the relevant Parent Payment Obligation has not been transferred nor made subject to any mortgage, charge, pledge, lien, or other encumbrance in advance; and (iv) the Parent Payment Obligation and the Receivable related thereto is free of any adverse claims, including any lien, right of set-off, netting, abatement, reduction, claim, defence or counterclaim. Following each Initial Transfer, the Platform Provider, in its capacity as agent for the relevant Supplier, shall provide notice of such transfer to the Buyer Parent and the relevant Buyer Subsidiary. Additionally, pursuant to the relevant Discounted Payments Purchase Agreement, any tax applicable to the transfer from the Supplier to the Platform Provider of a Parent Payment Obligation and any Receivable related thereto shall be solely payable by that Supplier. The Supplier also represents and warrants that upon

payment by the Platform Provider of the outstanding amount owing under any Parent Payment Obligation to the relevant bank account established in such Supplier's own name on the Confirmed Payment Date, the applicable Parent Payment Obligation shall be satisfied and the relevant Buyer Entity's obligation to pay the Supplier for the corresponding Receivable shall be extinguished in an amount equal to such amount paid.

Subject to the agreement of the relevant Suppliers to the standard form, each Discounted Payments Purchase Agreement gives the Platform Provider the right, without the consent of or notice to the Supplier, to assign, transfer, mortgage, charge or otherwise deal in any other manner with any or all of its rights and obligations under the relevant Discounted Payments Purchase Agreement, in whole or in part (including, for the avoidance of doubt, any of the Parent Payment Obligations and Receivables related thereto purchased by the Platform Provider thereunder). In turn, pursuant to the Framework Assignment Agreement (as described above), the Platform Provider's right, title and interest in and to the whole of each VFZ Account Receivable are assigned to the Issuer. For a further description of the Discounted Payments Purchase Agreements, see "*Summary of Principal Documents—Discounted Payments Purchase Agreements*".

### ***SCF Platform Addition***

At any time, VodafoneZiggo and the Buyer Subsidiaries may, at their option, elect to participate in an additional online system established and administered by another Platform Provider (an "**SCF Platform Addition**"). In connection with any SCF Platform Addition, VodafoneZiggo and the Buyer Subsidiaries may enter into additional accounts payable management services agreements (or equivalent) and the Issuer may (and upon request by VodafoneZiggo, shall) enter into one or more additional receivables assignment agreements (or equivalent), pursuant to which the Issuer will purchase eligible VFZ Accounts Receivable from such additional Platform Provider. The consent of the Noteholders will not be required for VodafoneZiggo, the Buyer Subsidiaries and the Issuer to give effect to any SCF Platform Addition (including the modification of any Transaction Documents to implement such SCF Platform Addition), and the Administrator will enter into any SCF Platform Addition Documentation if the Administrator receives written confirmation (with a copy to the Notes Trustee) from VodafoneZiggo that, in VodafoneZiggo's determination, the entry into such SCF Platform Addition Documentation is reasonably required to implement such SCF Platform Addition and does not materially and adversely affect the interests of the Noteholders.

### ***Other Transaction Documents***

The following documents will be entered into in relation to the offering of the Notes: (a) the Trust Deed, (b) an agency and account bank agreement dated the Issue Date (the "**Agency and Account Bank Agreement**") between, *inter alios*, the Issuer, the Notes Trustee, The Bank of New York Mellon, London Branch as transfer agent (the "**Transfer Agent**", which term shall include any successor or substitute transfer agent appointed pursuant to the terms of the Agency and Account Bank Agreement), The Bank of New York Mellon, London Branch as principal paying agent (the "**Paying Agent**", which term shall include any successor, substitute or additional paying agent appointed pursuant to the terms of the Agency and Account Bank Agreement), The Bank of New York Mellon SA/NV Luxembourg Branch as registrar (the "**Registrar**", which term shall include any successor or substitute registrar appointed pursuant to the terms of the Agency and Account Bank Agreement), The Bank of New York Mellon, London Branch as administrative agent (the "**Administrator**", which term shall include any successor or substitute administrative agent appointed pursuant to the terms of the Agency and Account Bank Agreement), The Bank of New York Mellon, London Branch as the Issuer transaction account bank (the "**Account Bank**", which term shall include any successor or substitute account bank appointed pursuant to the terms of the Agency and Account Bank Agreement), and (c) an Issuer Management Agreement dated on or prior to the Issue Date, (the "**Issuer Management Agreement**") between the Issuer and TMF Management B.V., as managing director (the "**Managing Director**", which term shall include any successor or substitute managing director of the Issuer in accordance with the terms of the Issuer Management Agreement). The Transfer Agent, Registrar, Paying Agent, Account Bank and Administrator are herein referred to collectively as the "**Agents**".

The Notes are senior obligations of the Issuer and will be secured by the Notes Collateral for, *inter alia*, the Notes created by the Trust Deed and the other Notes Security Documents.

The Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency and Account Bank Agreement and the other Transaction Documents. If there is any conflict between the Conditions and the Trust Deed, the Conditions shall prevail.



The Noteholders and all persons claiming through them or under the Notes are entitled to the benefit of, and are bound by, the Trust Deed, the Agency and Account Bank Agreement and the other Transaction Documents, physical and/or electronic copies of which are available for inspection during usual business hours on any week day (excluding Saturdays, Sundays and public holidays) at the offices of the Paying Agent and at the registered office of the Issuer.

The issue of the Notes was authorised by resolution of the Board of Directors of the Issuer passed on 22 October 2019.

## **Recent Developments of VodafoneZiggo**

### ***Handset Securitization***

On 12 August 2019 we completed a handset securitization financing (the “**Handset Securitization Facility**”) that enabled us to redeem the outstanding amount of the 2024 Senior Notes (together, the “**August 2019 Refinancing**”). In connection with this handset securitization financing, we established a note issuance programme which allowed us to issue three series of notes (secured by certain of our receivables) and which will enable us to issue notes from time to time in multiple series in the future, all of which will be secured by certain assets held by the Group.

### ***Financing Transactions***

#### ***Existing Credit Facility***

Concurrently with, on or shortly after the offering of the Notes hereby, we may undertake a potential issuance of, or extension of one or more term loans under the Existing Credit Facility (“**Additional Term Loan**”). The proceeds will be used to finance general corporate and/or working capital purposes, including, without limitation, the redemption, refinancing, repayment or prepayment of existing indebtedness of the Group. The launch and funding of the Additional Term Loan and use of proceeds thereof are, collectively, the “**Term Loan Refinancing**”. On 13 October 2019, each of the lenders under our revolving credit facility consented to an extension of the maturity date of our revolving credit facility available under the Existing Credit Facility (the “**Extended RCF**”) such that the revolving facility matures on 31 January 2026. In connection with the Additional Term Loan or the Extended RCF, we may amend certain terms or restate the Existing Credit Agreement. Any incurrence of indebtedness in connection with the Additional Term Loan or the Extended RCF, will comply with the covenants thereunder. No assurance can be given that the Additional Term Loan will be established, or if established, what the final terms will be, including the amount raised thereunder. Any amounts raised under the Additional Term Loan and any amount drawn under the Extended RCF will constitute senior secured debt.

#### ***2019 Offering***

On 17 October 2019, Ziggo B.V. entered into a purchase agreement for the sale of \$500.0 million of its 4.875% senior secured notes due 2030 and €425.0 million of its 2.875% senior secured notes due 2030 with the certain initial purchasers party thereto, the net proceeds of which are expected to be used to (i) finance the 2020 Senior Secured Notes Redemption, (ii) finance the 2025 Senior Secured Notes Redemption, (iii) finance the repayment of any other senior secured indebtedness, or (iv) for general corporate purposes, which may include loans, distributions or other payments to other members of the Group (collectively, the “**2019 Offering**”). There can be no assurance that the 2019 Offering will be consummated on the terms described above or at all. The 2019 Offering together with the Term Loan Refinancing and the August 2019 Refinancing are herein referred to as the “**Financing Transactions**”.

#### ***Potential Financing Transactions***

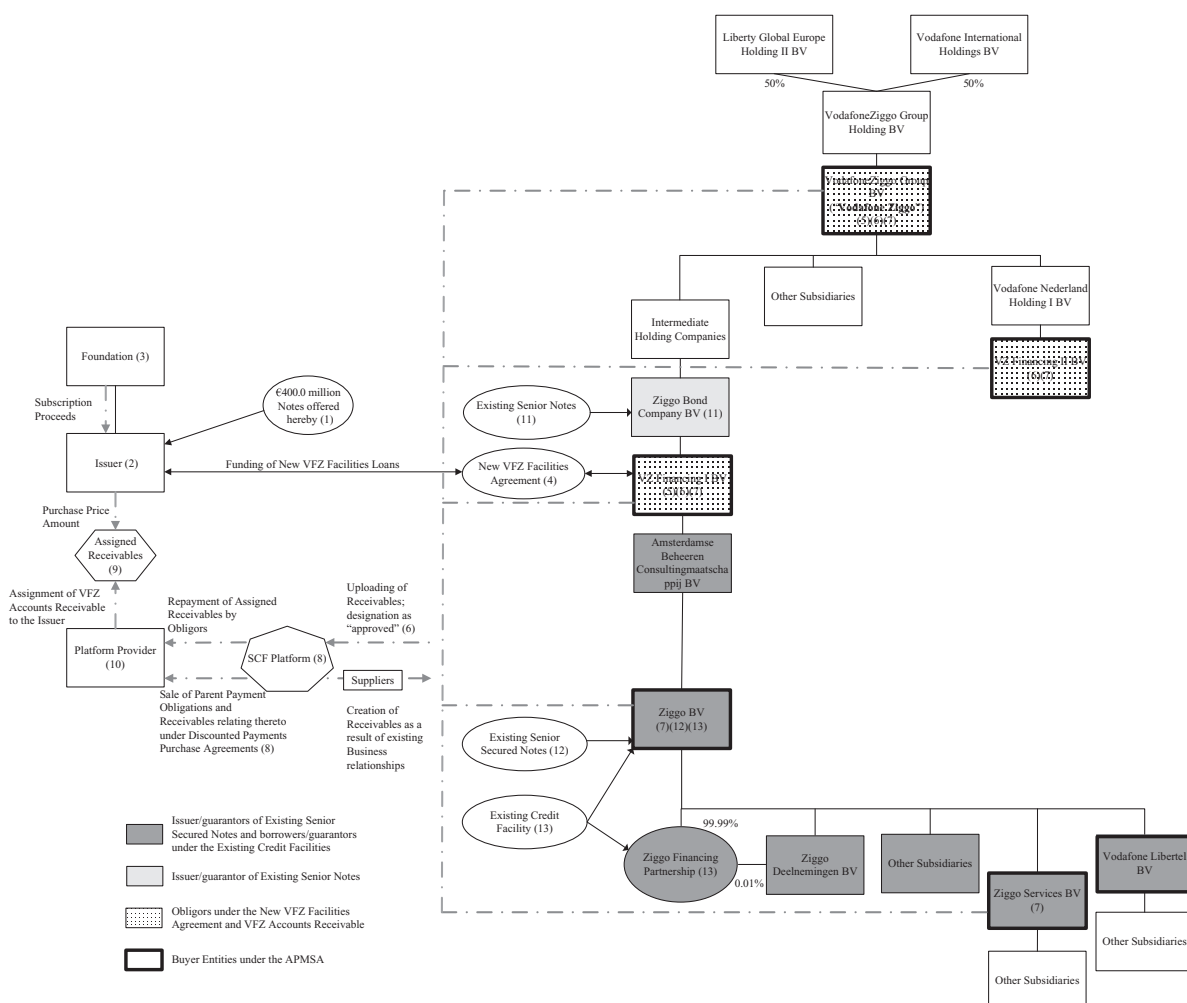
VodafoneZiggo continually evaluates different financing alternatives and may decide to enter into new credit facilities, access the debt capital markets or incur other indebtedness or enter into liability management transactions from time to time, including following the pricing of this offering and prior to, or within a short time period following, the Issue Date (the “**Potential Financing Transactions**”). The cash proceeds of any Potential Financing Transactions may be used to refinance indebtedness or for general corporate purposes. The issuance of indebtedness under any such Potential Financing Transactions would be incurred in compliance with the applicable covenants under the New VFZ Facilities Agreement, the Existing Credit Facility and the indentures governing the Existing Notes. After giving effect to any such incurrence in compliance with the applicable



covenants, including in connection with permitted refinancing debt, permitted acquisition debt or other exceptions to the restriction on our ability to incur indebtedness, the ratio of as adjusted total covenant senior net debt to annualized EBITDA and the ratio of as adjusted total covenant net debt to annualized EBITDA could increase above the ratio of as adjusted total covenant senior net debt to annualized EBITDA and the ratio of as adjusted total covenant net debt to annualized EBITDA, respectively, as of 30 June 2019 (each as shown under the heading “*Summary Financial and Operating Data of VodafoneZiggo—Certain As Adjusted Covenant Information*”), and such increase could be material. Any Potential Financing Transaction will be made at VodafoneZiggo’s election or the election of its relevant subsidiaries, and, if such debt is in the form of securities, such debt would be offered and sold pursuant to, and on the terms described in, a separate Offering Circular or liability management document. See “*Risk Factors—Risks Relating to Our Financial Profile—We may incur additional indebtedness prior to, or within a short time period following, the Issue Date of the Notes, which indebtedness could increase our leverage and may have terms that are more or less favourable than the terms of the Notes and our other existing indebtedness*”.

## SUMMARY CORPORATE AND FINANCING STRUCTURE

The following is a simplified summary of the corporate and financing structure of VodafoneZiggo after giving effect to the Transactions and the Financing Transactions.



- (1) The Notes will be limited recourse and senior obligations of the Issuer. The Notes will be secured by the Notes Collateral. Other than under the limited circumstances described in the Offering Circular, Noteholders will not have a direct claim on the cash flow or assets of VodafoneZiggo and its subsidiaries, and VodafoneZiggo and its subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments, other than the obligations of (i) the Obligor to make payments to the Issuer in respect of the Assigned Receivables, (ii) the Obligor to make payments to the Issuer in respect of the New VFZ Facilities Agreement, or (iii) VZ Financing I B.V. to make payments to the Issuer under the Expenses Agreement, and in each case of (i) to (iii) above, any agreements related thereto to which they are party. On or following the Issue Date, the net proceeds of the issuance of the Notes plus any upfront payments payable by the New VFZ Facilities Borrower under the New VFZ Facilities Agreement, will be used by the Issuer to finance the purchase of VFZ Accounts Receivable pursuant to the Framework Assignment Agreement. It is expected that the Issuer will complete its initial purchases of new and existing VFZ Accounts Receivable by 31 March 2020. To the extent that there are not sufficient VFZ Accounts Receivable available for purchase on the first Value Date falling on or after the Issue Date, the Issuer will advance any excess proceeds from the issuance of the Notes to the New VFZ Facilities Borrower as Excess Cash Loans under the Excess Cash Facility pursuant to the New VFZ Facilities Agreement. On the Issue Date, the Issuer will also fund an Issue Date Facility Loan, in a principal amount equal to the Subscription Proceeds under the Issue Date Facility to the New VFZ Facilities Borrower, pursuant to the New VFZ Facilities Agreement.
- (2) Legal title to the Shares in the Issuer is held by the Foundation. See “Description of the Issuer”.

- (3) The New VFZ Facilities Borrower, the Issuer and the Foundation will enter into the Issue Date Arrangements Agreement pursuant to which the New VFZ Facilities Borrower will agree to pay the Foundation an amount representing the Subscription Proceeds and Subscriber Profit in return for the Foundation procuring that the Issuer enters into certain Transaction Documents in connection with the offering of the Notes. Such payment will be conditional on the Foundation subscribing for the Issue Date Shares, which the Issuer will allot and issue to the Foundation on the Issue Date. The Issuer will lend the Subscription Proceeds from the Issue Date Shares to the New VFZ Facilities Borrower as an Issue Date Facility Loan under the Issue Date Facility. In practice, the process will be almost cashless, as nearly all of the payment by the New VFZ Facilities Borrower to the Foundation will ultimately be lent back to the New VFZ Facilities Borrower as an Issue Date Facility Loan.
- (4) The New VFZ Facilities made available pursuant to the New VFZ Facilities Agreement include the Excess Cash Facility, the Interest Facility and the Issue Date Facility. The New VFZ Facilities Agreement also provides certain Shortfall Payments to the Issuer by the New VFZ Facilities Borrower, and certain Excess Arrangement Payments to the New VFZ Facilities Borrower by the Issuer. Additionally, on the Issue Date, pursuant to the Expenses Agreement and the New VFZ Facilities Agreement, the New VFZ Facilities Borrower will pay to the Issuer an upfront payment in an amount equal to any underwriting fees, commissions and/or certain expenses incurred by the Issuer in relation to the issuance of the Notes. See *“Summary of Principal Documents—New VFZ Facilities Agreement”*.
- (5) VZ Financing I B.V. (the **“New VFZ Facilities Borrower”**) is the borrower under the New VFZ Facilities Agreement and an Obligor under the SCF Platform. VodafoneZiggo (a **“New VFZ Facilities Guarantor”**) is a guarantor under the New VFZ Facilities Agreement and an Obligor under the SCF Platform. See *“Risk Factors—Risks Relating to the Notes—The right of the Issuer to receive payments from the Obligors in respect of the Assigned Receivables and under the Framework Assignment Agreement, the New VFZ Facilities Agreement, the Expenses Agreement and the related agreements, as applicable, is effectively subordinated to the rights of existing and future secured creditors of such Obligors.”* Each of VZ Financing I B.V. and VodafoneZiggo have entered into the APMSA (pursuant to which each of the New VFZ Facilities Borrower and VodafoneZiggo will provide a joint and several payment undertaking (as further described in *“Summary of Principal Documents—Accounts Payable Management Services Agreement”*)), and VodafoneZiggo will, on the Issue Date, also enter into the Framework Assignment Agreement to provide certain representations and warranties on behalf of the Obligors to the Issuer (as further described in *“Summary of Principal Documents—Framework Assignment Agreement”*).
- (6) The Obligors are each a guarantor or borrower, as applicable, under the New VFZ Facilities Agreement and will each be jointly and severally liable for the Payment Obligation component of each VFZ Account Receivable, as further described below. On the Issue Date, the Obligors will include VodafoneZiggo, VZ Financing I B.V. and VZ Financing II B.V.
- (7) Under the terms of the APMSA, the Buyer Entities may upload Electronic Data Files containing details of Receivables payable to a Supplier on to the SCF Platform to enable the purchase by the Platform Provider of such Receivables (and the Parent Payment Obligations arising in respect thereof) from the relevant Supplier. On the Issue Date, the Buyer Entities will include VodafoneZiggo, VZ Financing I B.V., VZ Financing II B.V., Ziggo B.V. and Ziggo Services B.V. Additional Buyer Subsidiaries may accede to the APMSA by entering into an accession letter (substantially in form set out in the APMSA) with the Platform Provider and the Buyer Parent, and an existing Buyer Subsidiary may cease to be a “Buyer Entity” for the purposes of the APMSA if the Platform Provider or Buyer Parent provides written notice to such effect. See *“Summary of Principal Documents—Accounts Payable Management Services Agreement”*.
- (8) The SCF Platform is the online system pursuant to which the Obligors may upload Receivables. The SCF Platform is managed by the Platform Provider and is administered under the terms of the APMSA and the Discounted Payments Purchase Agreements to facilitate vendor financing provided by the Platform Provider and other participating funding providers, including the Issuer. Pursuant to the APMSA, the uploading of an Electronic Data File containing details of a Receivable payable to a Supplier on to the SCF Platform, and the designation of such uploaded Receivable as “approved” by a Buyer Entity, will initially give rise to a Parent Payment Obligation, an independent and primary obligation by VodafoneZiggo to make payment or cause payment to be made to the relevant recipient on the Confirmed Payment Date in respect of such Receivable. Upon each sale and assignment of a Parent Payment Obligation and the related Receivable from the Supplier to the Platform Provider through the SCF Platform, each Obligor will become jointly and severally liable with each other Obligor to make payment or cause payment to be made to the relevant recipient on the Confirmed Payment Date in respect of such Parent Payment Obligation (such Parent Payment Obligation, as enhanced by the joint and several undertaking of each Obligor, being a Payment Obligation). See *“Description of the Receivables—Uploading of Receivables onto the SCF Platform and Purchase by the Platform Provider: the Accounts Payable Management Services Agreement”*.

- (9) Under the Framework Assignment Agreement, from time to time commencing on the Issue Date, the Issuer may purchase and have assigned to it on a non-recourse basis, up to the total amount of Committed Principal Proceeds and the Platform Provider may sell and assign on a non-recourse basis, eligible VFZ Accounts Receivable that are made available by Suppliers and uploaded by the Buyer Entities to the SCF Platform. Each VFZ Account Receivable is a Payment Obligation which has been acquired by the Platform Provider (and the Receivable in respect of which such Payment Obligation has arisen, solely to the extent that such Receivable has been acquired by the Platform Provider). See “*Description of the Receivables—Assignment of the VFZ Accounts Receivable by the Platform Provider to the Issuer: the Framework Assignment Agreement*”.
- (10) Prior to the service of an Obligor Enforcement Notification, the Platform Provider will act as collection agent for the Issuer in respect of any Collected Amounts received or recovered relating to Assigned Receivables. Pursuant to the APMSA, the Platform Provider also acts as paying agent for the Obligors with respect to the settlement of any VFZ Account Receivable.
- (11) The Existing Senior Notes issued by (or assumed by) Ziggo Bond Company comprise (i) €400.0 million aggregate original principal amount of 4.625% senior notes due 2025 (including €550.0 million aggregate original principal amount of additional notes issued on 17 May 2019), with an aggregate principal amount outstanding of €950.0 million as of 30 June 2019 (including €550.0 million aggregate original principal amount of additional notes issued on 17 May 2019; (ii) \$400.0 million (€352.2 million equivalent) aggregate original principal amount of 5.875% senior notes due 2025, with an aggregate principal amount outstanding of \$400.0 million as of 30 June 2019 and (iii) \$625.0 million (€550.2 million equivalent) aggregate original principal amount of 6.000% senior notes due 2027, with an aggregate principal amount outstanding of \$625.0 million as of 30 June 2019. See “*Description of Other Indebtedness of VodafoneZiggo—Notes*”.
- (12) The Existing Senior Secured Notes issued by (or assumed by) Ziggo B.V. comprise (i) €750.0 million aggregate original principal amount of 3.625% senior secured notes due 2020, with an aggregate principal amount outstanding of €71.7 million as of 30 June 2019; (ii) €800.0 million in aggregate original principal amount of 3.750% senior secured notes due 2025, with an aggregate principal amount outstanding of €800.0 million as of 30 June 2019; (iii) €775.0 million aggregate original principal amount of 4.250% senior secured notes due 2027, with an aggregate principal amount outstanding of €775.0 million as of 30 June 2019; (iv) \$2,000.0 million (€1,760.7 million equivalent) aggregate original principal amount of its 5.500% senior secured notes due 2027, with an aggregate principal amount outstanding of \$2,000.0 million as of 30 June 2019 and (v) \$500.0 million aggregate original principal amount of 4.875% senior secured notes due 2030 and €425.0 million aggregate original principal amount of 2.875% senior secured notes due 2030 in connection with the 2019 Offering. The Existing Senior Secured Notes are senior secured obligations of Ziggo B.V. and are guaranteed on a senior secured basis by certain of its subsidiaries who also guarantee the Existing Credit Facility. See “*Description of Other Indebtedness of VodafoneZiggo—Notes*”.
- (13) As of 30 June 2019, the Existing Credit Facility comprises a \$2,525.0 million (€2,223.9 million equivalent) term loan facility, a €2,223.9 million term loan facility and an undrawn €800.0 million revolving credit facility under the Existing Credit Facility. Each of Ziggo B.V. and Ziggo Financing Partnership is a borrower under the Existing Credit Facility. See “*Description of Other Indebtedness of VodafoneZiggo — Existing Credit Facility*.”

## SUMMARY FINANCIAL AND OPERATING DATA OF VODAFONEZIGGO

The tables below set out summary financial and operating data of VodafoneZiggo for the indicated periods. The historical consolidated balance sheet and statement of operations data have been derived from the 2019 Financial Statements incorporated by reference herein.

The 2019 Financial Statements have been prepared in accordance with U.S. GAAP. The following information should be read in conjunction with the 2019 Financial Statements and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” contained in the 2019 Financial Statements. Our historical results do not necessarily indicate results that may be expected for any future period.

	Six months ended 30 June	
	2019	2018
	in millions	
<b>VodafoneZiggo Consolidated Statements of Operations Data:</b>		
Revenue .....	€ 1,928.4	€ 1,924.1
Operating costs and expenses (exclusive of depreciation and amortization, shown separately below):		
Programming and other direct costs of services .....	403.0	422.3
Other operating .....	243.3	241.3
Selling, general and administrative .....	303.8	306.6
Charges for JV Services .....	110.4	113.4
Depreciation and amortization .....	777.0	768.3
Impairment, restructuring and other operating items, net .....	12.4	29.7
	1,849.9	1,881.6
Operating income .....	78.5	42.5
Non-operating income (expense):		
Interest expense:		
Third-party .....	(246.5)	(229.3)
Related-party .....	(44.6)	(49.9)
Realized and unrealized gains (losses) on derivative instruments, net .....	(71.4)	135.7
Foreign currency transaction gains (losses), net .....	(38.8)	(138.7)
Gains on debt modification and extinguishment, net .....	35.1	—
Other income, net .....	1.6	2.7
	(364.6)	(279.5)
Loss before income taxes .....	(286.1)	(237.0)
Income tax benefit .....	61.1	60.8
Net loss .....	€ (225.0)	€ (176.2)
	30 June	31 December
	2019	2018
	in millions	
<b>VodafoneZiggo Consolidated Balance Sheet Data:</b>		
Cash and cash equivalents .....	€ 342.4	€ 239.4
Total assets .....	€20,426.3	€20,307.5
Total current liabilities (excluding current portion of debt and finance lease obligations) .....	€ 1,241.3	€ 1,250.0
Total debt and finance lease obligations .....	€12,543.8	€12,552.1
Total liabilities .....	€15,680.2	€15,337.4
Total owner's equity .....	€ 4,746.1	€ 4,970.1



The below consolidated cash flow data presents the historical cash flows of VodafoneZiggo's operations for the periods indicated.

	Six months ended 30 June	
	2019	2018
	in millions	
<b>VodafoneZiggo Consolidated Cash Flow Data:</b>		
Net cash provided by operating activities	€ 566.7	€ 496.3
Net cash used by investing activities	€ (170.2)	€ (78.6)
Net cash used by financing activities	€ (295.6)	€ (337.2)
	As of and for the six months ended 30 June	
	2019	2018
<b>VodafoneZiggo Summary Statistical and Operating Data: (a)</b>		
<b>Footprint</b>		
Homes passed	7,227,700	7,154,100
Two-way homes passed	7,214,100	7,143,200
<b>Subscribers (RGUs)</b>		
Basic Video	497,500	545,400
Enhanced Video	3,386,000	3,382,500
Total Video	3,883,500	3,927,900
Internet	3,341,000	3,298,800
Telephony	2,460,200	2,537,600
Total RGUs	9,684,700	9,764,300
<b>Fixed Customer Relationships</b>		
Fixed Customer relationships	3,887,800	3,931,600
RGUs per Fixed Customer Relationship	2.49	2.48
Q4 Monthly ARPU per Fixed Customer Relationship	€ 46	€ 46
<b>Fixed Customer Bundling</b>		
Single-Play	13.8%	15.9%
Double-Play	23.3%	19.4%
Triple-Play	62.9%	64.7%
<b>Mobile SIMs</b>		
Postpaid	4,325,900	4,113,700
Prepaid	640,900	748,200
Total mobile	4,966,800	4,861,900
Q4 Monthly Mobile ARPU:		
Postpaid (including interconnect revenue)	€ 20	€ 21
Prepaid (including interconnect revenue)	€ 3	€ 3
<b>Convergence</b>		
Converged Households	1,192,000	960,000
Converged SIMs	1,748,000	1,383,000
Converged Households as a % of Internet RGUs	36%	29%

(a) For information concerning how VodafoneZiggo defines and calculates its operating statistics, see “*Business of VodafoneZiggo—Introduction*” in the 2018 Annual Report.

	Six months ended 30 June	
	2019	2018
	in millions, except percentages	
<b>VodafoneZiggo Summary Operating Data:</b>		
Revenue . . . . .	€1,928.4	€1,924.1
OCF (a) . . . . .	€ 868.8	€ 842.1
OCF margin . . . . .	45.1%	43.8%
Property and equipment additions . . . . .	€ 377.6	€ 393.6
Property and equipment additions as a % of revenue . . . . .	19.6%	20.5%

- (a) OCF is the primary measure used by our chief operating decision maker and management to evaluate the operating performance of our businesses. OCF is also a key factor that is used by our internal decision makers to (i) determine how to allocate resources and (ii) evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, OCF is defined as operating income before depreciation and amortization, share-based compensation, related-party fees and allocations, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (a) gains and losses on the disposition of long-lived assets, (b) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (c) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our internal decision makers believe OCF is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (1) readily view operating trends, (2) perform analytical comparisons and benchmarking between entities and (3) identify strategies to improve operating performance. We believe our OCF measure is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other public companies. OCF should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or loss, cash flow from operating activities and other U.S. GAAP measures of income or cash flows. A reconciliation of operating income to OCF is as follows:

	Six months ended 30 June	
	2019	2018
	in millions	
Operating income .....	€ 78.5	€ 42.5
Share-based compensation .....	€ 0.9	€ 1.6
Depreciation and amortization .....	€777.0	€768.3
Impairment, restructuring and other operating items, net .....	€ 12.4	€ 29.7
OCF .....	€868.8	€842.1

As of and for the six months ended 30 June 2019

in millions, except ratios

**Certain As Adjusted Covenant Information:**

Annualized EBITDA <sup>(1)</sup> .....	€ 1,926.6
As adjusted total covenant senior net debt <sup>(2)</sup> .....	€ 7,403.1
As adjusted total covenant net debt <sup>(2)</sup> .....	€ 9,248.3
Ratio of as adjusted total covenant senior net debt to annualized EBITDA <sup>(1)(2)(3)</sup> .....	3.84x
Ratio of as adjusted total covenant net debt to annualized EBITDA <sup>(1)(2)(3)</sup> .....	4.80x

- (1) Annualized EBITDA is calculated by multiplying “Consolidated EBITDA” (as defined in the New VFZ Facilities Agreement in Annex A of this Offering Circular) for the six months ended 30 June 2019 (€963.3 million) by two. The definition of “Consolidated EBITDA” differs from the definition of “Consolidated EBITDA” and “EBITDA” under certain of the indentures governing the Existing Notes.
- (2) If the Committed Principal Proceeds are not fully utilized in the purchase of VZF Accounts Receivable, as adjusted total covenant senior net debt and as adjusted total covenant net debt will increase accordingly. Should the full amount of the Committed Principal Proceeds be so unutilized, the ratio of as adjusted total covenant senior net debt to annualized EBITDA would equal 3.84x and the ratio of as adjusted total covenant net debt to annualized EBITDA would equal 5.01x, in each case, as of 30 June 2019.

- (3) As adjusted total covenant senior net debt and as adjusted total covenant net debt are calculated in accordance with the “Consolidated Net Leverage Ratio” (as defined in the New VFZ Facilities Agreement in Annex A of this Offering Circular) and are adjusted to reflect (i) the 2019 Offering and (ii) the anticipated borrowings under the Issue Date Facility Loan under the Issue Date Facility on or shortly following the Issue Date. As adjusted total covenant senior net debt and as adjusted total covenant net debt presented here differ from the calculation of “Indebtedness” under the “Consolidated Leverage Ratio” and “Leverage Ratio”, as applicable, under certain of the indentures governing the Existing Notes. The amounts shown, which, if applicable, take into account currency swaps but do not include premiums or discounts, differ from the debt figures that are reported under “Capitalization” in this Offering Circular. After giving effect to any incurrence of indebtedness in connection with a Potential Financing Transaction in compliance with the applicable covenants, including in connection with permitted refinancing debt, permitted acquisition debt or other exceptions to the restriction on our ability to incur indebtedness, the ratio of as adjusted total covenant senior net debt to annualized EBITDA and the ratio of as adjusted total covenant net debt to annualized EBITDA could increase above the ratio of as adjusted total covenant senior net debt to annualized EBITDA and the ratio of as adjusted total covenant net debt to annualized EBITDA, respectively, as of 30 June 2019 (each as shown above), and such increase could be material. See “*Risk Factors— Risks Relating to Our Financial Profile—We may incur additional indebtedness prior to, or within a short time period following, the Issue Date of the Notes, which indebtedness could increase our leverage and may have terms that are more or less favorable than the terms of the Notes and our other existing indebtedness.*”

## SUMMARY OF THE NOTES

The information set out in this Section of this Offering Circular entitled “*Summary of the Notes*” is a summary of the principal features of the transaction. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information appearing elsewhere in this Offering Circular and to the terms of the Notes, the Trust Deed, the Framework Assignment Agreement and the other Transaction Documents.

### PARTIES:

**Issuer** ..... VZ Vendor Financing B.V., a company incorporated under the laws of the Netherlands with registered number 76130592 and with its registered office at Herikerbergweg 238, Luna ArenA, 1101CM Amsterdam, the Netherlands.

For more detailed information relating to the Issuer, see “*Description of the Issuer*”.

**Initial Purchasers** ..... Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Crédit Agricole Corporate and Investment Bank and RBC Europe Limited.

**Platform Provider** ..... ING Bank N.V., a company incorporated under the laws of the Netherlands with registered number 33031431, acting through its office at Amsterdamse Poort, Bijlmerplein 888, 1102 MG Amsterdam, the Netherlands, and any successors, assigns or replacements in accordance with the Transaction Documents.

**New VFZ Facilities Borrower** ..... VZ Financing I B.V., company organized and existing under the laws of the Netherlands, with registered number 70536163 and with its registered office at Boven Vredenburgpassage 128, 3511WR Utrecht, the Netherlands, in its capacity as the borrower under the New VFZ Facilities Agreement.

**New VFZ Facilities Guarantors** ..... The New VFZ Facilities Borrower, VodafoneZiggo, a company incorporated in the Netherlands with registered number 65291166 and with its registered office at Boven Vredenburgpassage 128, 3511WR Utrecht, the Netherlands; VZ Financing II B.V., a company incorporated in the Netherlands with registered number 70537364 and with its registered office at Boven Vredenburgpassage 128, 3511WR Utrecht, the Netherlands; and any additional Obligor Subsidiary are each a guarantor under the New VFZ Facilities Agreement and will each be jointly and severally liable for the Payment Obligation component of each VFZ Account Receivable.

**Security Trustee and Notes Trustee** .. BNY Mellon Corporate Trustee Services Limited, a limited liability company registered in England and Wales, whose registered office is at One Canada Square, London, E14 5AL, England in its capacities, respectively, as security trustee (the “**Security Trustee**”) and notes trustee (the “**Notes Trustee**”) under the Trust Deed, and any successors or assigns thereunder.

**Administrator** ..... The Bank of New York Mellon, London Branch, a banking corporation organized and existing under the laws of the state of New York acting through its branch office at One Canada Square, London E14 5AL, England in its capacity as administrative agent (together with any successor thereto approved or appointed by the Issuer, the “**Administrator**”) under the Agency and Account Bank Agreement or any successors or assigns thereunder.

**Account Bank, Paying Agent and**

**Transfer Agent** ..... The Bank of New York Mellon, London Branch, a banking corporation organized and existing under the laws of the state of New York acting through its branch office at One Canada Square, London E14 5AL, England in its capacity as account bank (the “**Account Bank**”), as paying agent (the “**Paying Agent**”) and as transfer agent (the “**Transfer Agent**”) under the Agency and Account Bank Agreement or any successors or assigns thereunder.

**Managing Director** ..... TMF Management B.V., having its registered office at Herikerbergweg 238, 1101 CM, Amsterdam, the Netherlands, in its capacity as Managing Director under the Issuer Management Agreement, or any successor or substitute managing directors of the Issuer in accordance with the terms of the Issuer Management Agreement.

**Listing Agent** ..... Arthur Cox Listing Services Limited (the “**Listing Agent**”), whose office is at Ten Earlsfort Terrace, Dublin 2, DO2 T380.

**Registrar** ..... The Bank of New York Mellon SA/NV, Luxembourg Branch acting out of its offices at 2-4 Rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, and any successors or assigns.

**TRANSACTION OVERVIEW:**

**Background** ..... The Issuer wishes to issue €400.0 million in aggregate principal amount of Notes.

Through the issuance of the Notes, the Issuer will finance the periodic purchase of VFZ Accounts Receivable pursuant to the Framework Assignment Agreement and fund advances to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement. See “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”.

All Notes will share in the Notes Collateral.

**Description of the Receivables** ..... The Assigned Receivables consist of VFZ Accounts Receivable assigned to the Issuer in accordance with the Framework Assignment Agreement. See “*Description of the Receivables*” in this Offering Circular.

**Representations and Warranties**

**Relating to the Receivables** ..... At the time of acceptance and purchase of VFZ Accounts Receivable by the Issuer, the Buyer Parent will represent and warrant, under the Framework Assignment Agreement, to the Issuer, among other things, that such VFZ Accounts Receivable meet certain eligibility criteria. The eligibility criteria require that such VFZ Accounts Receivable must: (i) (with respect to the Payment Obligation component of such VFZ Account Receivable only) be due from the Obligors on a joint and several basis, (ii) (with respect to the Payment Obligation component of such VFZ Accounts Receivable only) be governed by English law, (iii) be denominated in euro, (iv) (with respect to the Payment Obligation component of such VFZ Account Receivable only) constitute the legal, valid and binding obligations of each Obligor, enforceable against such Obligor in accordance with its terms, (v) be capable of being freely and validly transferred in the manner provided by the Framework Assignment Agreement, so that on purchase the Issuer will receive good title, (vi) be due and payable



in full without any right of set-off, counterclaim or deduction in favour of the Buyer Entities, and (vii) have a Scheduled Due Date (as defined in the Framework Assignment Agreement) no later than two Business Days prior to the Maturity Date of the Notes.

**Transaction Documents** ..... The following Transaction Documents have been or will be entered into on or prior to the Issue Date in connection with the issuance of the Notes:

- (a) the Trust Deed between, *inter alios*, the Issuer, the Notes Trustee and the Security Trustee;
- (b) the Agency and Account Bank Agreement between, *inter alios*, the Issuer, the Administrator and the Account Bank;
- (c) the Framework Assignment Agreement between, *inter alios*, the Issuer, the Platform Provider and the Buyer Parent;
- (d) the Accounts Payable Management Services Agreement between ING and the Buyer Parent;
- (e) the Discounted Payments Purchase Agreements entered into, from time to time, between the Platform Provider and the Supplier named therein as may be amended, amended and restated, supplemented or otherwise modified from time to time;
- (f) the Issuer Management Agreement between the Managing Director and the Issuer;
- (g) the New VFZ Facilities Agreement between, *inter alios*, the New VFZ Facilities Borrower and the Issuer and the other Finance Documents (as defined in the New VFZ Facilities Agreement) related thereto;
- (h) the Expenses Agreement between VZ Financing I B.V. and the Issuer; and
- (i) the Issue Date Arrangements Agreement between the New VFZ Facilities Borrower, the Foundation and the Issuer.

The Issuer will also enter into a subscription agreement on or about the date of this Offering Circular, with the Initial Purchasers.

#### PRINCIPAL TERMS OF THE NOTES:

**The Notes** ..... The Issuer will issue % vendor financing notes due 2024 in an aggregate principal amount of €400.0 million on the Issue Date.

For more detailed information see “*Terms and Conditions of the Notes*”.

**Issue Date** ..... 2019

**Issue Price** ..... %.

**Form and Denomination** . . . . . The Notes will be issued in registered form. The Notes will be represented by global notes or certificates in fully registered form without interest coupons to be deposited with and registered in the name of a common depository, for the accounts of Euroclear and/or Clearstream.

The Notes will have a minimum authorized denomination of €100,000 principal amount and integral multiples of €1,000 in excess thereof.

**Eligible Purchasers** . . . . . The Notes are being offered hereby to investors who satisfy all of the following criteria: (A) non-U.S. persons (with the meaning of Regulation S), who are also not “U.S. persons” (within the meaning of the U.S. Risk Retention Rules) (such persons, “**Eligible Non-U.S. Persons**”) in offshore transactions in reliance on Regulation S; (B) persons other than retail investors in the European Economic Area, each defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation); and (C) non-residents of Canada.

**ERISA** . . . . . The Notes are not eligible for purchase by or using the assets of a Benefit Plan Investor or any other employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Similar Laws.

**Risk Retention Undertaking** . . . . . When applicable, the U.S. Risk Retention Rules generally require the “securitizer” of a “securitization transaction” to retain at least 5 percent of the “credit risk” of “securitized assets”, as such terms are defined for purposes of that statute. Risk retention is not required if the securities issued are not asset-backed securities or if asset-backed securities can be offered in accordance with the foreign safe harbour under the U.S. Risk Retention Rules for transactions that have a limited nexus to the United States. No person involved in the offering of the Notes intends to hold interests that would qualify as risk retention interests under the U.S. Risk Retention Rules. See “*Risk Factors—Risks Relating to Regulatory Initiatives—U.S. risk retention requirements*”.

**Status and Priority** . . . . . The Notes constitute direct and, upon issue, unconditional obligations of the Issuer subject to the Trust Deed and the Conditions, and will be secured by the Notes Collateral. The Notes are the obligations solely of the Issuer and not obligations of, or guaranteed by, any of the other parties to the Transaction Documents. The Notes rank *pari passu* without preference or priority among themselves. Certain other obligations of the Issuer rank in priority to the Notes in accordance with the Priorities of Payment. See Condition 3 (“*Status, Priority and Security*”).

The Notes Trustee will not accede to the Group Priority Agreement or the Holdco Priority Agreement and the Noteholders will not be bound by the terms of these intercreditor arrangements.

**Use of Proceeds** . . . . . The proceeds of the issuance of the Notes will be used to purchase VFZ Accounts Receivable pursuant to the Framework Assignment Agreement and to fund advances to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement, as further described below, and in “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”. See also “*Use of Proceeds*”.

On or following the Issue Date, the net proceeds of the issuance of the Notes plus any upfront payments payable by the New VFZ Facilities Borrower under the New VFZ Facilities Agreement, will be used by the Issuer to finance the purchase of VFZ Accounts Receivable pursuant to the Framework Assignment Agreement. It is expected that the Issuer will complete its initial purchases of new and existing VFZ Accounts Receivable by 31 March 2020. To the extent that there are not sufficient VFZ Accounts Receivable available for purchase on the first Value Date falling on or after the Issue Date, the Issuer will advance any excess proceeds from the issuance of the Notes to the New VFZ Facilities Borrower as Excess Cash Loans under the Excess Cash Facility pursuant to the New VFZ Facilities Agreement. On the Issue Date, the Issuer will also fund an Issue Date Facility Loan in a principal amount equal to the Subscription Proceeds under the Issue Date Facility to the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement.

**Withholding Tax** ..... Payments on the Notes will be made without withholding or deduction for, or on account of, any present or future taxes or other governmental charges in any taxing jurisdiction, except to the extent required by applicable law. If withholding or deduction for such taxes is required by certain relevant jurisdictions to be made with respect to a payment on the Notes the Issuer will pay, subject to certain exceptions, any Additional Amounts (as defined in Condition 9 (“*Taxation*”)) necessary so that the amount a Noteholder receives after the withholding or deduction is not less than the amount that would have been received in the absence of such withholding or deduction. See Condition 9 (“*Taxation*”).

**Interest Rate** ..... %

**Interest Accrual Period and Basis of**

**Accrual** ..... Interest will accrue from the Issue Date, will be payable semi-annually in arrears and will be computed on the basis of a 360-day year comprising twelve 30-day months.

**Interest Payment Dates** ..... Interest will be paid to Noteholders on 15 April and 15 October of each year, commencing on 15 April 2020 or, if any such day is not a Business Day, the next succeeding day which is a Business Day.

**Business Day** ..... For the purposes of any payment to be made on the Notes, “Business Day” or “business day” means each day that is not a Saturday, Sunday or other day on which banking institutions in Amsterdam, The Netherlands, New York, U.S.A., or London, England are authorized or required by law to close.

**Early Make-Whole Redemption**

**Event** ..... Subject to certain conditions, the Issuer will, in the event that all or any portion of amounts lent to the New VFZ Facilities Borrower under the Excess Cash Facility are repaid to the Issuer at any time prior to 2020 pursuant to Clause 7.2(d) (“*Voluntary Prepayment*”) of the New VFZ Facilities Agreement (the “**Early Partial Make-Whole Redemption Event**”), redeem an aggregate principal amount of the Notes equal to the principal amount of the Excess Cash Facility prepaid in such Early Partial Make-Whole Redemption Event at the principal amount of such Notes plus the Applicable Premium(as defined in Condition 1 (“*Definitions and the Principles of Constructions—General Interpretation*”))), together with

interest and other amounts (including any Additional Amounts), if any, accrued to the applicable redemption date. See Condition 6(d) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Make-Whole Redemption Event”*).

Subject to certain conditions (including, among other things, that any and all remaining Assigned Receivables are repaid by the Obligor, or assigned or agreed to be assigned by the Issuer to another person, prior to the date of redemption and that all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer prior to the date of redemption), the Issuer will, in the event that, prior to 2020, all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are prepaid by the New VFZ Facilities Borrower pursuant to Clause 7.2(b) (*“Voluntary Prepayment”*) of the New VFZ Facilities Agreement, redeem the Notes in whole, but not in part, at their principal amount plus Applicable Premium (as defined in Condition 1 (*“Definitions and the Principles of Constructions—General Interpretation”*))), together with interest and other amounts (including any Additional Amounts), if any, to the date of redemption. See Condition 6(d) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Make-Whole Redemption Event”*).

#### **Early Redemption Event on or after**

2020 ..... Subject to certain conditions, the Issuer will, in the event that all or any portion of amounts lent to the New VFZ Facilities Borrower under the Excess Cash Facility are repaid to the Issuer at any time on or after 2020 pursuant to Clause 7.2(d) (*“Voluntary Prepayment”*) of the New VFZ Facilities Agreement (the **“Early Partial Redemption Event”**), will redeem an aggregate principal amount of the Notes equal to the principal amount of the Excess Cash Facility prepaid in such Early Partial Redemption Event at the redemption prices described in Condition 6(e) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption Event on or after 2020”*), together with interest and other amounts (including any Additional Amounts), if any, accrued to the applicable redemption date. See Condition 6(e) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption Event on or after 2020”*).

Subject to certain conditions (including, among other things, that any and all remaining Assigned Receivables are repaid by the Obligor, or assigned or agreed to be assigned by the Issuer to another person, prior to the date of redemption and that all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer prior to the date of redemption), the Issuer will, in the event that, at any time on or after 2020, all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are prepaid by the New VFZ Facilities Borrower pursuant to Clause 7.2(b) (*“Voluntary Prepayment”*) of the New VFZ Facilities Agreement, redeem the Notes in whole, but not in part, at the redemption prices described in Condition 6(e) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption Event on or after 2020”*), together with interest and other amounts (including any Additional Amounts), if any, accrued to the applicable redemption date. See Condition 6(e) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption Event on or after 2020”*).

<b>Early Redemption Event</b> . . . . .	Subject to certain conditions, on or prior to 30 days after the Issue Date and following the determination of VodafoneZiggo that the Issuer is required to be consolidated into the financial statements of the Group, the Issuer may redeem all, but not some, of the Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the applicable redemption date as further described in Condition 6(f) (“ <i>Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption Event</i> ”). See “ <i>Risk Factors—General Risks—VodafoneZiggo may be required to consolidate the Issuer into its consolidated financial statements and the Notes may be redeemed on or before 30 days after the Issue Date</i> ”.
<b>Early Redemption: Tax Event</b> . . . . .	Subject to certain conditions (including, among other things, that any and all remaining Assigned Receivables are repaid by the Obligor, or assigned or agreed to be assigned by the Issuer to another person, prior to the date of redemption and that all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer prior to the date of redemption pursuant to Clause 7.2(a) (“ <i>Voluntary Prepayment</i> ”)), the Issuer will, upon giving notice to the New VFZ Facilities Borrower that a Tax Event (as defined in Condition 1 (“ <i>Definitions and Principles of Construction—General Interpretation</i> ”)) which cannot be cured has occurred or will occur, redeem the Notes in whole, but not in part, at their principal amount, together with interest and other amounts (including Additional Amounts), if any, accrued to the applicable redemption date. See Condition 6(b) (“ <i>Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption: Tax Event</i> ”).
<b>Early Redemption: Illegality</b> . . . . .	Subject to certain conditions (including, among other things, that any and all remaining Assigned Receivables are repaid by the Obligor, or assigned or agreed to be assigned by the Issuer to another person, prior to the date of redemption and that all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer prior to the date of redemption), the Issuer will redeem the Notes in whole, but not in part, at any time, upon giving prior notice, if it becomes unlawful in any applicable jurisdiction for the Issuer to be a lender or to perform any of its obligations under the New VFZ Facilities Agreement. If the Issuer exercises such redemption right, it must pay to Noteholders a price equal to the principal amount of the Notes plus interest and other amounts (including Additional Amounts), if any, accrued to the applicable redemption date. See Condition 6(c) (“ <i>Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption: Illegality</i> ”).
<b>Accelerated Maturity Event</b> . . . . .	Following a Change of Control (as defined under the New VFZ Facilities Agreement), the New VFZ Facilities Borrower will be required to offer to prepay the New VFZ Facilities Loans. Following receipt of such prepayment offer, the Issuer will launch a consent solicitation to set (i) the Maturity Date of the Notes as the New Maturity Date (as defined in Condition 1 (“ <i>Definitions and Principles of Construction—General Interpretation</i> ”)) and (ii) the redemption price of the Notes on the New Maturity Date at 101% of the principal amount of the Notes (“ <b>Accelerated Redemption Price</b> ”), plus accrued and unpaid interest to the New Maturity Date, in accordance with Condition 6(g) (“ <i>Redemption, Purchase and Cancellation; Approved Exchange Offer—Accelerated Maturity Event</i> ”) and Additional Amounts, if any. If holders of more than 50% of the aggregate principal amount of Notes consent to the foregoing requests, the Issuer will inform the New VFZ Facilities Borrower that



it accepts the prepayment offer, and the New VFZ Facilities Borrower will prepay the New VFZ Facility Loans at par, plus accrued and unpaid interest thereon, together with a payment equal to 1% of the principal amount of the Excess Cash Loans and Interest Facility Loans so prepaid. Following such prepayment, the Issuer will redeem all of the Notes on the New Maturity Date at the Accelerated Redemption Price, plus accrued and unpaid interest to the New Maturity Date and Additional Amounts, if any. See Conditions 6(g), 6(h) and 6(i) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Accelerated Maturity Event”*).

**Approved Exchange Offer** . . . . . In order to extend the availability of the committed financing for the purchase of VFZ Accounts Receivable represented by the Committed Principal Proceeds (as defined in *“General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes”*) beyond the Maturity Date of the Notes, VodafoneZiggo and the New VFZ Facilities Borrower may, at any time, enter into an exchange offer and vendor financing plan agreement (a **“Plan Agreement”**) with a new entity (a **“New Issuer”**). Pursuant to any such Plan Agreement, the New Issuer will procure from the New VFZ Facilities Borrower a commitment to cancel amounts of the New VFZ Facilities, and will enter into agreements with VodafoneZiggo, the New VFZ Facilities Borrower, the Platform Provider, the Notes Trustee and other relevant counterparties providing for the New Issuer’s purchase of VFZ Accounts Receivable on terms and conditions substantially similar to the Transaction Documents.

Promptly after entering into the Plan Agreement, the New Issuer will launch an exchange offer (the **“Approved Exchange Offer”**) designed to allow Noteholders to exchange up to a specified principal amount of Notes for a principal amount of New Notes to be set out in the Approved Exchange Offer. The aggregate principal amount of New Notes to be issued, the selection of Assigned Receivables to be assigned by the Issuer to the New Issuer, the aggregate principal amount of Interest Facility Loans and Excess Cash Loans to be prepaid by the New VFZ Facilities Borrower, and the Accrued Facility Interest and Shortfall Amount (as defined elsewhere in this Offering Circular) to be paid by the Issuer to the New Issuer, each in connection with the Approved Exchange Offer, will be determined as described in Conditions 6(k) and 6(l) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Approved Exchange Offer”*). Additionally, the consummation of the Approved Exchange Offer will be subject to the conditions set out in the Trust Deed.

**Initial Maturity Date** . . . . . 31 January 2024.

**Notes Collateral** . . . . . The Notes will be secured by: (i) a first fixed charge over the Issuer’s rights, title, benefit and interest in, to and under the Assigned Receivables; (ii) an assignment by way of security over the Issuer’s rights under all contracts, agreements, deeds and documents to which it is or may become a party or in respect of which it has or may have any right, title, benefit or interest (including, without limitation, the New VFZ Facilities Agreement, the Expenses Agreement, the Framework Assignment Agreement, and the Issue Date Arrangements Agreement); (iii) a first fixed charge over the Issuer’s rights to all amounts at any time standing to the credit of the Issuer Transaction Accounts; and (iv) a first floating charge over all of the present and future property, assets and undertakings of the Issuer not subject to the fixed charges or assignments by way of security described above.

<b>Limited Recourse</b> . . . . .	<p>The Notes will be the limited recourse obligations of the Issuer. None of VodafoneZiggo nor any of its subsidiaries will guarantee or provide any security or any other credit support to the Issuer with respect to its obligations under the Notes. Other than in the limited circumstances described herein, Noteholders will not have a direct claim on the cash flow or assets of VodafoneZiggo or any of its subsidiaries, and neither VodafoneZiggo nor any of its subsidiaries has any obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments, other than the obligations of (i) the Obligor to make payments to the Issuer in respect of the Assigned Receivables, (ii) the Obligor to make payments to the Issuer in respect of the New VFZ Facilities Agreement, or (iii) VF Financing I B.V. to make payments to the Issuer under the Expenses Agreement and, in each case of (i) to (iii) above, any agreements related thereto to which such Obligor is party.</p>
<b>Listing and Admission to Trading</b> . . . .	<p>Application will be made for the Notes to be listed on the Official List of Euronext Dublin and to be admitted for trading on the Global Exchange Market thereof, which is not a regulated market (pursuant to the provisions of Directive 2004/39/EC). It is anticipated that listing will take place as soon as practicable after the Issue Date. There can be no assurance that such listing will be granted. See “<i>Listing and General Information</i>”.</p> <p>Notwithstanding the foregoing, the Issuer may, at its sole option at any time, without the consent of Noteholders or the Notes Trustee, de-list the Notes, for the purposes of moving the listing of such Notes to The International Stock Exchange. See Condition 25 (“<i>Listing</i>”).</p>
<b>ISIN/Common Code Number</b> . . . . .	<p>The Notes have been accepted for clearance through Euroclear and Clearstream.</p> <p>The Common Codes and International Securities Identification Numbers (“<b>ISIN</b>”) for the Notes are as follows:</p> <p><b>Rule 144A Global Note</b></p> <p>Common Code: ISIN:</p> <p><b>Regulation S Global Note</b></p> <p>Common Code: ISIN:</p>
<b>Further Notes</b> . . . . .	<p>The Issuer may from time to time on any date before the Maturity Date or the date of early redemption of the Notes in accordance with Condition 6 (“<i>Redemption, Purchase and Cancellation; Approved Exchange Offer</i>”), without the consent of Noteholders, issue Further Notes in accordance with Condition 20 (“<i>Issue of Further Notes</i>”) and the provisions of the Trust Deed.</p>
<b>Governing Law</b> . . . . .	<p>All of the Transaction Documents will be governed by English law, other than the Issuer Management Agreement and the Issue Date Arrangements Agreement (which are or will be governed by Dutch law).</p>

## RISK FACTORS

*An investment in the Notes involves risks. Before purchasing the Notes, you should consider carefully the specific risk factors set forth below, as well as the other information contained in this Offering Circular, as well as the other information contained in, or incorporated by reference into, this Offering Circular. If any of the events described below, individually or in combination, were to occur, this could have a material adverse impact on the Issuer's and VodafoneZiggo's business, prospects, results of operations and financial condition and could therefore have a negative effect on the trading price of the Notes and the ability of VodafoneZiggo and/or the Obligor Subsidiaries, as applicable, to pay all or part of any amounts payable in respect of the Assigned Receivables, the New VFZ Facilities Agreement or the Expenses Agreement, and in turn, would have an adverse effect on the Issuer's ability to pay all or part of the interest or principal on the Notes. Although the risk factors described below and elsewhere in this document are the risks considered to be the most material, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on the Issuer's or VodafoneZiggo's results of operations, financial condition, business or operations in the future. In addition, past financial performance of VodafoneZiggo may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.*

*This Offering Circular also contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Circular.*

*Prospective purchasers of the Notes should ensure that they understand the nature of such Notes and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, regulatory, accounting and financial evaluation of the merits and risks of investment in such Notes and that they consider the suitability of such Notes as an investment in light of their own circumstances and financial condition and that of any accounts for which they are acting.*

*In this section, unless the context otherwise requires, the terms "we", "our", "our company", and "us" refer to VodafoneZiggo Group B.V. and its consolidated subsidiaries. In addition, in this section only, ARPU includes similar metric used by Vodafone Netherlands (Active Customer ARPU) and RGUs includes mobile customers.*

### General Risks

It is intended that the Issuer will invest in VFZ Accounts Receivable and in the New VFZ Facilities Loans and other financial assets with certain risk characteristics as described below. There can be no assurance that the Issuer's investments will be successful, that its investment objectives will be achieved, that the Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are advised to review this entire Offering Circular carefully and should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. None of the Initial Purchasers or the Notes Trustee undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Initial Purchasers or the Notes Trustee which is not included in this Offering Circular.

### ***VodafoneZiggo may be required to consolidate the Issuer into its consolidated financial statements and the Notes may be redeemed on or before 30 days after the Issue Date***

The issuer has been formed as an unaffiliated special purpose financing company for the primary purpose of facilitating the offering of the Notes. The Group believes that VodafoneZiggo has no variable interest in the Issuer and no ability to control the Issuer and therefore will not consolidate the Issuer into the consolidated financial statements of VodafoneZiggo. Following the Issue Date, if it is determined that Vodafone Ziggo does have a variable interest in the Issuer and/or an ability to control Issuer, VodafoneZiggo will consolidate the Issuer into its consolidated financial statements. Although the Issuer will not be (and will not be deemed to be) a subsidiary of VodafoneZiggo for the purposes of the covenants under the New VFZ Facilities Agreement (and therefore not subject to the restrictions set out in the covenants under the New VFZ Facilities Agreement), the consolidated financial statements would treat the Issuer as a subsidiary of VodafoneZiggo and any transactions deemed to be intercompany within the consolidated group would be eliminated. These eliminations may include presenting the Notes as if they were issued directly by the Group and the elimination of amounts outstanding

under the New VFZ Facilities Agreement and any Assigned Receivables. In addition, if it is determined that the Issuer is required to be consolidated into the consolidated financial statements of the Group, all of the Notes may be redeemed on or prior to the date that is 30 days following the Issue Date. See Condition 6(f) (*Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption Event*).

### ***Business and regulatory risks for vehicles of the Issuer's nature***

Legal, tax and regulatory changes could occur over the course of the life of the Notes that may adversely affect the Issuer. The regulatory environment for vehicles of the nature of the Issuer is evolving, and changes in regulation may adversely affect the value of investments held by the Issuer and the ability of the Issuer to obtain the leverage it might otherwise obtain or to pursue its investment and trading strategies. In addition, the securities and derivatives markets are subject to comprehensive statutes, regulations and margin requirements.

Certain regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of transactions of a type similar to the Transactions, derivatives transactions and vehicles that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Issuer could be substantial and adverse.

### ***Euro and Euro zone risk***

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro zone.

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the “**EFSF**”) and the European Financial Stability Mechanism (the “**EFSM**”) to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the “**ESM**”), to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries from 1 July 2013 onward.

Despite these measures, concerns persist regarding the growing risk that other Euro zone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Ireland, Italy, Portugal and Spain, together with the risk that some countries, such as the U.K. (following its referendum on 23 June 2016) could leave the E.U. and/or the Euro zone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on VodafoneZiggo and the Notes Collateral (including, without limitation, the Assigned Receivables). For a description of the risks associated with the U.K.’s vote to leave the E.U., see “—*The U.K. referendum advising for the exit of the U.K. from the E.U. could have a material adverse effect on our business, financial condition, results of operations or liquidity*”.

Furthermore, concerns that the Euro zone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Euro zone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Euro zone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Issuer, the Notes Collateral (including the risks of currency losses arising out of redenomination and related haircuts on any affected areas), VodafoneZiggo and the Notes. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes. It is difficult to predict the final outcome of the Euro zone crisis. Investors should carefully consider how changes to the Euro zone may affect their investment in the Notes.

## **Risks relating to Regulatory Initiatives**

### ***Regulatory initiatives***

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of banks, financial institutions and the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the

regulatory capital charge to certain investors in securitization exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of VodafoneZiggo, the Issuer, the Initial Purchasers, the Administrator, the Obligors, the Security Trustee or the Notes Trustee nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the impact of such regulation on the prospective investor or purchaser of the Notes or the regulatory capital treatment of their investment in the Notes in each case, on the Issue Date or at any time in the future.

This uncertainty is further compounded by the numerous regulatory efforts underway in Europe, the U.S. and globally. Certain of these efforts overlap. In addition, even where these regulatory efforts overlap, they generally have not been undertaken on a coordinated basis. Areas where divergence between regulation exists or has begun to develop (whether with respect to scope, interpretation, timing, approach or otherwise) includes trading, clearing and reporting requirements for derivatives transactions, higher capital and margin requirements relating to uncleared derivatives transactions, and capital and liquidity requirements that may result in mandatory “ring-fencing” of capital or liquidity in certain jurisdictions, among others. Investors should be aware that those risks are material and that the Issuer and, consequently, an investment in the Notes could be materially and adversely affected thereby.

No representation is made as to the proper characterisation of the Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Notes for such purposes or under such restrictions. Certain regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire the Notes, which in turn may adversely affect the ability of investors in the Notes who are not subject to those provisions to resell their Notes in the secondary market.

### ***Basel III***

The regulatory capital and liquidity regime applicable to member countries of the Basel Committee on Banking Supervision (“BCBS”) (commonly referred to as “**Basel III**”) provides for a substantial strengthening of prudential rules compared to the previous regulatory regime, and includes requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks), revisions to the securitization framework, the establishment of a leverage ratio “backstop” for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio (“**LCR**”) and the Net Stable Funding Ratio (“**NSFR**”). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). The final rules, and the timetable for the full implementation of the Basel III framework in each jurisdiction, as well as the treatment of asset-backed securities (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements for insurance and reinsurance undertakings are also being introduced, through initiatives such as the Solvency II framework in Europe.

Prospective investors should therefore make themselves aware of the prudential requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any further changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

### ***U.S. risk retention requirements***

On 21 October 2014, the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (as defined herein) (the “**U.S. Risk Retention Rules**”) were issued. The U.S. Risk Retention Rules generally require the sponsor of a securitization to retain not less than five per cent. of the credit risk of the assets collateralizing the issuer’s asset-backed securities (“**ABS**”). The U.S. Risk Retention Rules with respect to ABS collateralized by residential mortgages became effective on 24 December 2015, and the U.S. Risk Retention Rules with respect to all other classes of ABS became effective on 24 December 2016 (the “**U.S. Risk Retention Effective Date**”). In addition, the SEC has indicated in contexts separate from the U.S. Risk Retention Rules that an “offer” or a “sale” of securities may arise when amendments to securities are so material as to require holders



to make an “investment decision” with respect to such amendment. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to material amendments to this Offering Circular and the Notes, including a re-pricing, to the extent such amendments require investors to make an investment decision.

When applicable, the U.S. Risk Retention Rules generally require the “securitizer” of a “securitization transaction” to retain at least five per cent of the “credit risk” of “securitized assets”, as such terms are defined for purposes of that statute, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. As discussed below, risk retention is not required if the ABS can be offered in accordance with the foreign “safe harbor” under U.S. Risk Retention Rules for transactions that have a limited nexus to the United States, provided they satisfy certain conditions. No person involved in the offering of the Notes intends to hold interests that would qualify as risk retention under the U.S. Risk Retention Rules, and investors will therefore not receive the potential benefit of an alignment of interests created through risk retention interests. See “*Transfer Restrictions*”.

A limited exemption, or “safe harbour”, from the U.S. Risk Retention Rules exists for foreign securitizations provided they satisfy certain conditions. One such condition is that not more than 10 per cent. of the dollar value (or the equivalent amount in a foreign currency) of all classes of ABS interests in the securitization are sold or transferred to U.S. persons or for the account or benefit of U.S. persons. The relevant federal agencies have specified in their comments published with the U.S. Risk Retention Rules appearing in the Federal Register on 24 December 2014 that the 10 per cent. limitation only applies to ABS interests sold in the initial distribution of ABS interests; secondary sales to U.S. persons would not normally be included in the calculation. However, secondary sales into the U.S. under circumstances that indicate that such sales were contemplated at the time of the issuance (and not included for purposes of calculating the 10 per cent. limit) might be viewed as part of a plan or scheme to evade the requirements of the rule and such securitization transactions would then be unable to avail themselves of the “safe harbour”. The Initial Purchasers expect to control the initial distribution of the Notes with the intent that the Transactions will be exempt from the U.S. Risk Retention Rules (to the extent they might otherwise apply) pursuant to the “safe harbour”, however none of VodafoneZiggo, the Issuer, the Initial Purchasers, the Administrator, the Obligors, the Security Trustee or the Notes Trustee nor any of their affiliates makes any representation regarding whether the Transactions will fall within the “safe harbour”. Each investor in the Notes must make its own determination as to whether the “safe harbour” applies.

As a result, the U.S. Risk Retention Rules may adversely affect the Issuer and the performance, the liquidity and market value of the Notes if the “safe harbour” described above is found not to apply to the Transactions or if the Issuer is unable to undertake any such additional issuance or refinancing of the Notes. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Rules would have any future material adverse effect on the business, financial condition or prospects of the Issuer or on the market value or liquidity of the Notes.

#### ***Alternative Investment Fund Managers Directive***

EU Directive 2011/61/EU on Alternative Investment Fund Managers (“**AIFMD**”) regulates alternative investment fund managers (“**AIFMs**”) and provides that an alternative investment fund (“**AIF**”) within the scope of AIFMD must have a designated AIFM responsible for ensuring compliance with AIFMD.

AIFMD provides that it shall not apply to “securitisation special purpose entities” (the “**SSPE Exemption**”), which are defined by reference to securitisation within the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank of 19 December 2008 (the “**FVC Regulation**”). The European Securities and Markets Authority (“**ESMA**”) has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it.

If the Issuer were to constitute an AIF (because, for example, of a change in the guidance from the ESMA) and did not fall within the SSPE Exemption then it would be necessary for the Issuer to appoint an AIFM which would be subject to AIFMD and would need to be appropriately regulated. The AIFM would be subject to certain duties and responsibilities in respect of the management of the Issuer’s investments, which could result in significant additional costs and expenses being incurred which may be reimbursable by the Issuer and which may materially adversely affect the Issuer’s ability to carry on its business, which may in turn negatively affect the amounts payable to Noteholders.

## ***U.S. Dodd-Frank Act***

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) was signed into law on 21 July 2010. The Dodd-Frank Act represents a comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act requires many lengthy rulemaking processes resulting in a multitude of new regulations applicable to entities which transact business in the U.S. or with U.S. persons outside the U.S. While many regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, some implementing regulations currently exist only in draft form and are subject to comment and revision, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the business of the Issuer will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect.

In addition, the joint final rule implementing the U.S. Risk Retention Rules became fully effective on the U.S. Risk Retention Effective Date, which could limit the ability of the Issuer to undertake any additional issuance or refinancing of the Notes and may affect the liquidity of the Notes. See “*U.S. Risk Retention Requirements*” above.

The SEC had also proposed changes to Regulation AB under the U.S. Securities Act (“**Regulation AB**”) which would have had the potential to impose new disclosure requirements on offerings of asset-backed securities pursuant to Rule 144A or pursuant to other SEC regulatory exemptions from registration. On 27 August 2014, the SEC adopted final rules amending Regulation AB that did not implement these proposals; however the SEC has indicated that it is continuing to consider amendments that were proposed with respect to Regulation AB but not adopted, and that further amendments may be forthcoming in the future. Such amendments, if adopted, could have restricted the use of this Offering Circular or require the publication of a new Offering Circular in connection with the issuance and sale of any additional Notes or any refinancing thereof and impose ongoing reporting and other compliance obligations.

As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by the Dodd-Frank Act and the rules to be promulgated thereunder in making any investment decision in respect of the Notes.

## ***Volcker Rule***

Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, together with the rules, regulations and published guidance promulgated thereunder, as amended (known as the “**Volcker Rule**”) generally prohibits “banking entities” from, among other things, acquiring or retaining an “ownership interest” in, or sponsoring or having certain relationships with, a “covered fund”, subject to certain exclusions or exemptions from the definition of “covered fund” or exemptions from the Volcker Rule’s covered fund-related prohibitions. For purposes of the Volcker Rule, a “banking entity” is defined to include (i) any U.S. insured depository institution; (ii) any company that controls a U.S. insured depository institution; (iii) any company that is treated as a bank holding company for purposes of section 8 of the International Banking Act (i.e., a foreign bank that maintains a branch, agency or commercial lending company subsidiary in the U.S.); and (iv) any affiliate or subsidiary of any entity described in clauses (i), (ii) or (iii).

The definition of “covered fund” under the Volcker Rule includes, in part, any issuer that would be an investment company under the Investment Company Act but for exclusions provided under Section 3(c)(1) or Section 3(c)(7) thereunder. Because the Issuer will rely on the exclusion under Section 3(c)(7) of the Investment Company Act, it will be considered a “covered fund” for purposes of the Volcker Rule, unless it fits within an applicable exclusion from the definition of “covered fund”. In the event the Issuer is considered a “covered fund”, “banking entities” that are subject to the Volcker Rule may be prohibited from, among other things, acquiring or retaining an “ownership interest” in the Issuer, unless such “banking entity” is able to rely on an applicable exclusion or exemption under the Volcker Rule.

“Ownership interest” is defined under the Volcker Rule as “any equity, partnership, or other similar interest.” The Notes are not equity or partnership interests. The phrase “other similar interests” is defined under the Volcker Rule as an interest that:

- (A) Has the right to participate in the selection or removal of a general partner, managing member, member of the board of directors or trustees, investment manager, investment advisor, or commodity trading advisor of the covered fund (excluding the rights of a creditor to exercise remedies upon the occurrence of an event of default or an acceleration event);

- (B) Has the right under the terms of the interest to receive a share of the income, gains or profits of the covered fund;
- (C) Has the right to receive the underlying assets of the covered fund after all other interests have been redeemed and/or paid in full (excluding the rights of a creditor to exercise remedies upon the occurrence of an event of default or an acceleration event);
- (D) Has the right to receive all or a portion of excess spread (the positive difference, if any, between the aggregate interest payments received from the underlying assets of the covered fund and the aggregate interest paid to the holders of other outstanding interests);
- (E) Provides under the terms of the interest that the amounts payable by the covered fund with respect to the interest could be reduced based on losses arising from the underlying assets of the covered fund, such as allocation of losses, write-downs or charge-offs of the outstanding principal balance, or reductions in the amount of interest due and payable on the interest;
- (F) Receives income on a pass-through basis from the covered fund, or has a rate of return that is determined by reference to the performance of the underlying assets of the covered fund; or
- (G) Any synthetic right to have, receive, or be allocated any of the rights in Clauses (A) through (F) above.

On the Issue Date, pursuant to and in accordance with the Trust Deed, the Notes Trustee will be appointed to act as a creditor representative of the Noteholders and the Security Trustee will be appointed to act as security trustee for the Secured Parties (which will include the Noteholders). Subject to and in accordance with the terms of the Trust Deed and the Conditions, prior to the delivery or deemed delivery of a Note Acceleration Notice (following the occurrence of an Issuer Event of Default which is continuing) and/or an Enforcement Notice, as applicable, the Issuer may continue to exercise its rights under the Transaction Documents (including with respect to its assets comprising the Notes Collateral) and no Noteholder will be entitled to take (or to instruct the Notes Trustee and/or the Security Trustee, as applicable, to take) any proceedings or other actions directly against the Issuer, including to (i) take any corporate action or other steps or legal proceedings for the winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator, examiner or similar officer of the Issuer or of its revenues and assets; or (ii) take any steps for the purpose of obtaining payment of any amounts payable to it under the Notes or any Transaction Document, and no Noteholder shall take any steps to recover any debts whatsoever owing to it by the Issuer. See “*Terms and Conditions of the Notes*” and “*Summary of Principal Documents—Trust Deed*” included elsewhere in this Offering Circular. These rights of the Noteholders to enforce the rights and remedies granted for the benefit of the Noteholders under the Transaction Documents are the types of rights that are excluded from the rights that are included in the definition of “other similar interests”.

The Noteholders have no rights under the Transaction Documents to participate in the selection or removal of any of the types of partners, members or managers of the Issuer described in Clause (A) above. The management of the Issuer will be governed by the terms of an issuer management agreement between the Issuer and TMF Management B.V., an independent managing director not controlled by the Noteholders (the “**Managing Director**”, which term shall include any successor or substitute managing directors of the Issuer in accordance with the terms of the Issuer Management Agreement), pursuant to which the Managing Director agrees to perform various management functions on behalf of the Issuer. The Foundation will hold all the authorized, issued and fully paid up share capital of the Issuer. The Foundation is the only person with the right to subscribe for any share capital of the Issuer, and it has the ability to elect directors of the Issuer and may be able to take certain other actions permitted to be taken by shareholders under the articles of association of the Issuer. The Noteholders have no rights to participate in the selection or removal of the Foundation. See “*Description of the Issuer*” included elsewhere in this Offering Circular. Pursuant to the Agency and Account Bank Agreement, the Issuer will appoint The Bank of New York Mellon, London Branch to act as its portfolio administrator, administrative agent and calculation agent under the Transaction Documents (the “**Administrator**”), it being agreed that the Administrator (and each other Agent under the Agency and Account Bank Agreement) will act solely as agent for the Issuer and will not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The Noteholders have no rights under the Transaction Documents to receive a share of the income, gains or profits of the Issuer as described in Clause (B) above, and have no rights to receive the underlying assets of the Issuer after all other interests have been redeemed and/or paid in full (excluding the rights of a creditor to exercise remedies upon the occurrence of an event of default or an acceleration event) as described in Clause (C) above. The Issuer is a special purpose vehicle which, so long as any of the Notes are outstanding, will be

subject to the restrictions set out in the Trust Deed and the Conditions. The Issuer will not have any subsidiaries and, save in respect of the proceeds of the Issuer's issued share capital held by the Foundation as contemplated by the Transaction Documents (which do not comprise any part of the Notes Collateral), the Issuer will not be able to accumulate any surpluses. The only assets of the Issuer available to meet claims of the Noteholders and the other Secured Parties are the assets comprising the Notes Collateral, which (as described above) cannot be enforced prior to an Enforcement Notice in accordance with the Trust Deed and the Conditions. See "*Description of the Issuer*" included elsewhere in this Offering Circular.

The Noteholders have no rights to receive any excess spread (the positive difference, if any, between the aggregate interest payments received from the underlying assets of Issuer and the aggregate interest paid to the Noteholders) as described in Clause (D) above. The New VFZ Facilities Agreement will provide that the Issuer will pay or transfer any Term Excess Arrangement Payment and any Maturity Excess Payment (in each case calculated in accordance with the Agency and Account Bank Agreement) to the New VFZ Facilities Borrower, as a rebate of previously paid interest under the New VFZ Facilities Agreement. See "*General Description of VodafoneZiggo's Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*", "*Summary of Principal Documents—Agency and Account Bank Agreement*", "*Summary of Principal Documents—New VFZ Facilities Agreement*" and "*Annex A: New VFZ Facilities Agreement*" included elsewhere in this Offering Circular.

On the Issue Date, the Issuer will issue €400,000,000 aggregate principal amount of Notes, which will bear interest at a fixed rate per annum equal to %, as further described elsewhere in this Offering Circular. While the Issuer, as a special purpose vehicle, is wholly dependent on the payments it will receive in respect of the Assigned Receivables and under the Framework Assignment Agreement, the New VFZ Facilities Agreement and the Expenses Agreement, and a failure by any of the Obligor to provide such funding (or by the Platform Provider in certain limited circumstances to make payments due to the Issuer under the Framework Assignment Agreement) may, in practice, negatively impact the ability of the Issuer to meet its obligations under the Transaction Documents (including the Notes), there are no contractual terms of the Notes under the Trust Deed or the Conditions which provide that the amounts payable by the Issuer (whether as principal or interest) with respect to the Notes will be reduced based on losses arising from the underlying assets of the Issuer as described in Clause (E) above. Furthermore, as the Notes bear interest at a fixed rate, the rate of interest on the Notes is not determined by reference to the performance of the underlying assets of the Issuer as described in Clause (F) above. In addition, the Issuer expects that the Noteholders will not receive income on a pass-through basis from the Issuer as described in Clause (F) above, as the Issuer expects that the Noteholders will hold the Notes as debt and not as equity for U.S. federal income tax purposes. See "*Risk Factors—Risks Relating to the Notes—The Issuer is an unaffiliated special purpose financing company which will depend on payments in respect of the Assigned Receivables and under the Framework Assignment Agreement, the New VFZ Facilities Agreement and the Expenses Agreement to provide it with funds to meet its obligations under the Notes*", the "*Terms and Conditions of the Notes*" and the "*Summary of Principal Documents—Trust Deed*" included elsewhere in this Offering Circular. The Issuer will not be entitled to make any modifications to the terms of the Notes which would have the effect of reducing or cancelling the amount of principal payable in respect of the Notes or altering the rate of interest applicable in respect of the Notes (each of which would constitute a Basic Terms Modification), without the approval of the Noteholders by Extraordinary Resolution (in respect of a Basic Terms Modification), in accordance with the Trust Deed and the Conditions. See "*Risk Factors—Risks Relating to the Notes—Amendments, waivers, Noteholder resolutions and instructions*" and "*Terms and Conditions of the Notes*" included elsewhere in this Offering Circular.

The Trust Deed and Conditions relating to the Notes do not confer upon the Noteholders any synthetic rights to have, receive or be allocated any of the rights in Clauses (A) through (F) above.

Before making an investment in the Notes, each potential investor in the Notes should consult with its own counsel and make its own determination as to whether it is subject to the Volcker Rule, whether the Issuer is a "covered fund", whether the Notes constitute "ownership interests", whether any exclusion or exemption might be applicable to an investment in the Notes by such investor, whether its investment in the Notes would or could in the future be restricted or prohibited under the Volcker Rule, and the potential impact of the Volcker Rule on its investment, any liquidity in connection therewith and on its portfolio generally. See "*Transfer Restrictions—Investor Representations*" in this Offering Circular.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may impact on the price and liquidity of the Notes in the secondary market or restrict prospective investors' ability to hold the Notes. Each purchaser is responsible for analysing its own regulatory position under the Volcker Rule and any



similar measures, and none of VodafoneZiggo, the Issuer, the Initial Purchasers, the Administrator, the Obligors, the Security Trustee or the Notes Trustee nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the treatment of the Issuer or the Notes under the Volcker Rule or to the impact of the Volcker Rule on such investor's investment in the Notes on the Issue Date or at any time in the future.

***Anti-money laundering, corruption, bribery and similar laws may require certain actions or disclosures***

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the “**AML Requirements**”). Any of the Issuer, the Initial Purchasers, the Administrator, the Buyer Parent, the Security Trustee or the Notes Trustee could be requested or required to obtain certain assurances from prospective investors intending to purchase Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is expected that the Issuer, the Initial Purchasers, the Administrator, the Buyer Parent, the Security Trustee and the Notes Trustee will comply with AML Requirements to which they are or may become subject and to interpret such AML Requirements broadly in favour of disclosure. Failure to honour any request by the Issuer, the Initial Purchasers, the Administrator, the Buyer Parent, the Security Trustee or the Notes Trustee to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Initial Purchasers, the Administrator, the Buyer Parent, the Security Trustee or the Notes Trustee to comply with any AML Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Notes. In addition, it is expected that each of the Issuer, the Initial Purchasers, the Administrator, the Buyer Parent, the Security Trustee and the Notes Trustee intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith.

***Evolution of international fiscal and taxation policy and OECD Action Plan on Base Erosion and Profit Shifting***

Fiscal and taxation policy and practice is constantly evolving and recently the pace of change has increased due to a number of developments. In particular a number of changes of law and practice are occurring as a result of the Organisation for Economic Co-operation and Development's (“**OECD**”) Base Erosion and Profit Shifting project (“**BEPS**”).

In July 2013, the OECD published its Action Plan on BEPS, which proposed fifteen actions intended to counter international tax base erosion and profit shifting. The focus of one of the action points (“**Action 6**”) is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. Action 6 and other action points, such as Action 4, which can deny deductions for financing costs, may affect, and may be implemented in a manner which affects, the tax position of the Issuer.

On 5 October 2015, the OECD released its final recommendations (the “**Final Report**”), including in respect of Action 6. On 24 November 2016, more than 100 jurisdictions (including the Netherlands) concluded negotiations on a multilateral convention that is intended to implement a number of BEPS related measures swiftly, including Action 6, by modifying existing bilateral tax treaties. The multilateral convention has been signed by over 89 jurisdictions to date (including the Netherlands), and it remains open for signing. A number of further jurisdictions have formally expressed their intention to sign the multilateral convention. On 29 March 2019, the Netherlands deposited its instrument of ratification of the multilateral convention with the OECD. The Netherlands opted in for most of the BEPS measures, including those recommended as part of Action 6. The multilateral convention will have general entry into effect for the Netherlands as from 2020. As from 1 January 2020, the multilateral convention should apply in respect of withholding taxes for the covered tax treaties concluded by the Netherlands with other jurisdictions that completed their ratification process prior to 1 October 2019. With respect to all other taxes, such as corporate income tax, the multilateral convention will have an impact on tax years starting on or after at least nine months after the Netherlands or the other treaty jurisdiction has deposited the ratification instrument with the OECD (whichever date is latest).

***Action 6***

Action 6 is intended to prevent the granting of treaty benefits in inappropriate circumstances. The multilateral convention provides for double tax treaties to include a “principal purpose test” (“**PPT**”), which



would deny a treaty benefit where it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is unclear how a PPT, if adopted, would be applied by the tax authorities of those jurisdictions from which payments are made to the Issuer.

The multilateral convention also permits jurisdictions to choose to apply, in addition to the PPT, a “simplified limitation on benefits” rule or, alternatively, to choose to have no PPT at all, but instead to include a “detailed limitation on benefits” rule together with rules to address “conduit financing structures”. The Netherlands did not elect to apply the simplified limitation on benefits rule or permit it to be applied by other jurisdictions to its treaties. As a result, the covered double tax treaties the Netherlands has entered into with other jurisdictions are expected to only apply a principal purpose test. It is not entirely clear, however, how this test would be interpreted by the relevant tax authorities.

On 24 March 2016, the OECD published a public discussion draft consulting on the treaty entitlement of non-CIV funds (that is, of funds that are not collective investment vehicles). The OECD published a further public discussion draft on 6 January 2017 and a compilation of the comments it received on it on 24 March 2017. This work may be relevant to the treaty entitlement of the Issuer. However, the OECD has not yet finalised its position in relation to non-CIV funds, and in any event it is not clear how any such position might be implemented through the multilateral convention otherwise than by the bilateral negotiation of a “detailed limitation on benefits” rule.

#### *Action 7*

The focus of Action 7 was to develop changes to the treaty definition of a permanent establishment and the scope of the exemption for an “agent of independent status” to prevent the artificial avoidance of having a permanent establishment in a particular jurisdiction. The Final Report on Action 7 sets out the changes that will be made to the definition of a “permanent establishment” in Article 5 of the OECD Model Convention and the OECD Model Commentary. Among other recommendations, the Final Report on Action 7 recommended two specific changes to the OECD Model Convention: (i) the expansion of the circumstances in which a “permanent establishment” is created to include the negotiation of contracts where certain conditions are satisfied; and (ii) narrowing the exemption for agents of independent status where contracts are concluded by an “independent agent” and that agent is connected to the foreign enterprise on behalf of which it is acting.

A change in the application or interpretation of double tax treaties (as a result of the adoption of the recommendations of the Final Report or otherwise) might result in the Issuer being treated as having a taxable permanent establishment outside of the Netherlands, which could have a material adverse effect on the Issuer’s business, tax and financial position.

#### *E.U. Anti-Tax Avoidance Directive*

As part of its anti-tax avoidance package the European Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the “**Anti-Tax Avoidance Directive 1**”). The Anti-Tax Avoidance Directive 1 had to be implemented by each Member State by 2019, subject to derogations for Member States which have equivalent measures in their domestic law. The Anti-Tax Avoidance Directive 1 provides that net borrowing costs (including, interest expenses and economically equivalent costs) in excess of the higher of (a) €3,000,000 (assuming implementation includes this derogation) or (b) 30% of an entity’s earnings before interest, tax, depreciation and amortization will not be deductible in the year in which they are incurred but could, depending on how the directive is implemented in a Member State, remain available for carry forward. In the Netherlands, this rule was implemented more strictly than prescribed in the Anti-Tax Avoidance Directive 1 by opting for a €1,000,000 threshold instead of €3,000,000. Net borrowing costs that cannot be deducted in a certain year may in principle be carried forward.

The restriction on interest deductibility would only be in respect of the amount by which the borrowing costs exceed “taxable interest revenues and other equivalent taxable revenues”. Accordingly, as the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under the New VFZ Facilities Agreement, Shortfall Payments it receives under the New VFZ Facilities Agreement and the amounts repaid on the Assigned Receivables (such that the Issuer may pay limited or no net borrowing costs), the restriction may have limited relevance to the Issuer.

## **Risks Relating to the Notes**

***The Issuer is an unaffiliated special purpose financing company which will depend on payments in respect of the Assigned Receivables and under the Framework Assignment Agreement, the New VFZ Facilities Agreement and the Expenses Agreement to provide it with funds to meet its obligations under the Notes***

The Issuer has been formed as a special purpose financing company for the primary purpose of facilitating the offering of the Notes. The Issuer has no material business operations, no direct subsidiaries and no employees and, upon completion of the offering of the Notes, its only material assets will be the Assigned Receivables, the New VFZ Facilities Loans and rights (including its right to receive any Shortfall Payments) under the New VFZ Facilities Agreement and its rights under certain transaction documents (including the Expenses Agreement, the Issue Date Arrangements Agreement and the Framework Assignment Agreement). Furthermore, the Trust Deed governing the Notes prohibits the Issuer from engaging in any activities other than certain limited activities permitted under Condition 4 (“Covenants”). As such, the Issuer is wholly dependent on the payments it will receive in respect of the Assigned Receivables and under the Framework Assignment Agreement, the New VFZ Facilities Agreement and the Expenses Agreement as and when required to fund certain costs, expenses and liabilities of the Issuer and any payments of interest or principal on the Notes and, if applicable, any premiums on any redemption pursuant to the Trust Deed and the payment of any Additional Amounts required to be paid under the Notes. A failure by the New VFZ Facilities Borrower and/or any other Obligor to provide such funding, and by the Platform Provider in certain limited circumstances to make payments due to the Issuer, may negatively impact the ability of the Issuer to meet its obligations under the Transaction Documents or otherwise to third parties which may, in turn, whether directly or indirectly, negatively impact the ability of the Issuer to meet its obligations under the Notes.

***The right of the Issuer to receive payments from the Obligors in respect of the Assigned Receivables and under the Framework Assignment Agreement, the New VFZ Facilities Agreement, the Expenses Agreement and the related agreements, as applicable, is effectively subordinated to the rights of existing and future secured creditors of such Obligors.***

The Issuer is dependent upon payments it receives from the Obligors in respect of the Assigned Receivables and under the Framework Assignment Agreement, the New VFZ Facilities Agreement, the Expenses Agreement and the related agreements, as applicable, to make payments on the Notes, but its claims against the Obligors pursuant to the Assigned Receivables and such agreements will be effectively subordinated to any future secured indebtedness of the Obligors, to the extent of the value of the assets and property securing such indebtedness.

Therefore, in the event of any distribution of the Obligors’ assets or payment in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy, secured creditors of the Obligors will be paid first from the assets securing their claims, and the Issuer, as an unsecured creditor of the Obligors, will participate in any residual distribution, ratably with all holders of the Obligors’ other unsecured indebtedness that is deemed to be of the same ranking, only to the extent that the Obligors’ secured indebtedness has been repaid in full from those assets. We cannot assure you that, following realization of their security by the Obligors’ secured creditors, there will be sufficient assets in any such distribution, foreclosure, dissolution, winding-up, liquidation or other bankruptcy proceeding to pay amounts due to the Issuer in respect of the Assigned Receivables or under the Framework Assignment Agreement, the New VFZ Facilities Agreement, the Expenses Agreement and the related agreements.

### ***Limited recourse obligations***

The Notes are limited recourse obligations of the Issuer and, in an enforcement scenario, are payable solely from amounts received in respect of the Notes Collateral securing the Notes. Payments on the Notes both prior to and following enforcement of the security over the Notes Collateral are subordinated to the prior payment of certain fees and expenses of, or payable by, the Issuer. See Condition 3 (“Status, Priority and Security”). None of VodafoneZiggo or its subsidiaries, the Administrator, the Noteholders, the Initial Purchasers, the Obligors, the Security Trustee, the Notes Trustee or any other Agent or any affiliates of any of the foregoing or the Issuer’s affiliates or any other person or entity (other than the Issuer) will be obliged to make payments on the Notes.

Consequently, Noteholders must rely solely on distributions on the Notes Collateral securing the Notes for the payment of principal, discount, interest and premium, if any, thereon. There can be no assurance that the distributions on the Notes Collateral securing the Notes will be sufficient to make payments on the Notes after making payments on required amounts to other creditors ranking senior to or *pari passu* with the Notes pursuant to the Priorities of Payment. If distributions on the Notes Collateral are insufficient to make payments on the

Notes, no other assets (and, in particular, no assets of the Administrator, the Noteholders, the Initial Purchasers, the Obligors, the Security Trustee, the Notes Trustee, any other Agent or any affiliates of any of the foregoing) will be available for payment of the deficiency and following realization of the Notes Collateral and the application of the proceeds thereof in accordance with the Priorities of Payment, the obligations of the Issuer to pay such deficiency shall be extinguished. Such shortfall will be borne (as amongst the Noteholders) in accordance with the Priorities of Payment.

Furthermore, none of VodafoneZiggo nor any of its subsidiaries will guarantee or provide any credit support to the Issuer with respect to its obligations under the Notes. Other than under the limited circumstances described herein, Noteholders will not have a direct claim on the cash flow or assets of VodafoneZiggo or any of its subsidiaries, and neither VodafoneZiggo nor any of its subsidiaries has any obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments, other than the obligations of (i) the Obligors to make payments to the Issuer in respect of the Assigned Receivables, (ii) the Obligors to make payments to the Issuer in respect of the New VFZ Facilities Agreement or (iii) VZ Financing I B.V. to make payments to the Issuer under the Expenses Agreement, and in each case of (i) to (iii) above, the agreements related thereto to which it is party.

Additionally, except for the specific interests of the Issuer in respect of the Assigned Receivables (including as under the Framework Assignment Agreement), as under the New VFZ Facilities Agreement, the Expenses Agreement and the Issue Date Arrangements Agreement, or as otherwise expressly provided in the terms of the Trust Deed, no proprietary or other direct interest in the Issuer's rights under or in respect of the New VFZ Facilities Agreement, the Expenses Agreement or the Issue Date Arrangements Agreement exists for the benefit of the Noteholders. Further, subject to the terms of the Trust Deed, no Noteholder can enforce any provision of the New VFZ Facilities Agreement (or any other item of Notes Collateral) or have direct recourse to the New VFZ Facilities Borrower (or any other subsidiary of VodafoneZiggo) except through an action by the Security Trustee pursuant to the rights granted to the Security Trustee under the Trust Deed. Under the Trust Deed, the Security Trustee shall not be required to take proceedings to enforce payment under the New VFZ Facilities Agreement (or any other item of Notes Collateral) unless it has been indemnified and/or secured to its satisfaction. In addition, neither the Issuer, the Notes Trustee nor the Security Trustee is required to monitor the New VFZ Facilities Borrower's (or any other Obligor's) financial performance.

In addition, at any time while the Notes are outstanding, none of the Noteholders, the Security Trustee nor any other Secured Party (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes, the Trust Deed or otherwise owed to the Noteholders, save for lodging a claim in the liquidation of the Issuer which is initiated by another party (which is not an affiliate of such party) or taking proceedings to obtain a declaration as to the obligations of the Issuer.

#### ***The Notes may be redeemed prior to the Maturity Date***

The Notes may be redeemed prior to the Maturity Date, subject to the satisfaction of certain conditions (as described in the relevant provisions of Condition 6 (*"Redemption, Purchase and Cancellation; Approved Exchange Offer"*) and *"Summary of the Notes"*). In the event of an early redemption or in connection with an Approved Exchange Offer, the Noteholders will be repaid prior to the Maturity Date.

The Issuer will redeem the Notes in whole, but not in part, upon voluntary prepayment of all the New VFZ Facilities Loans by the New VFZ Facilities Borrower, as described in *"Summary of the Notes—Early Redemption: Tax Event"*, *"Summary of the Notes—Early Make-Whole Redemption Event"*, *"Summary of the Notes—Early Redemption Event on or after 2020"*, and Condition 6 (*"Redemption, Purchase and Cancellation; Approved Exchange Offer"*), and at the redemption prices described in the foregoing sections and Conditions. The Issuer will also redeem the Notes in whole, but not in part, at their principal amount together with interest and other amounts (if any) accrued to the redemption date, if at any time it becomes unlawful in any applicable jurisdiction for the Issuer to be a lender or to perform any of its obligations under the New VFZ Facilities Agreement, as described in *"Summary of the Notes—Early Redemption: Illegality"* and the relevant provisions of Condition 6 (*"Redemption, Purchase and Cancellation; Approved Exchange Offer"*).

Additionally, following a Change of Control (as defined under the New VFZ Facilities Agreement), the New VFZ Facilities Borrower will be required to offer to prepay the New VFZ Facilities Loans (as defined

herein). Following receipt of such prepayment offer, the Issuer will launch a consent solicitation to set (i) the Maturity Date of the Notes as the New Maturity Date (as defined herein) and (ii) the redemption price of the Notes on the New Maturity Date at 101% of the principal amount of the Notes (“**Accelerated Redemption Price**”), plus accrued and unpaid interest to the New Maturity Date, in accordance with the relevant provisions of Condition 6 (“*Redemption, Purchase and Cancellation; Approved Exchange Offer*”). If holders of more than 50% of the aggregate principal amount of Notes (voting as one class) consent to the foregoing requests (“**Accelerated Maturity Event**”), the Issuer will inform the New VFZ Facilities Borrower that it accepts the prepayment offer, and the New VFZ Facilities Borrower will prepay the New VFZ Facilities Loans at par, plus accrued and unpaid interest thereon, together with a payment equal to 1% of the principal amount of the Excess Cash Loans and Interest Facility Loans so prepaid. Following such prepayment, the Issuer will redeem all of the Notes on the New Maturity Date at the Accelerated Redemption Price, plus accrued and unpaid interest to the New Maturity Date. The Change of Control offer under the New VFZ Facilities Agreement differs from the change of control offer required under the indentures of each tranche of the Existing Senior Secured Notes and the Existing Senior Notes, whereby we will be required to offer to repurchase all outstanding notes at a price equal to 101% of their principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase.

Further, the Notes may be redeemed prior to the Maturity Date in connection with an Approved Exchange Offer (as defined herein). See Conditions 6(k) and 6(l) (“*Redemption, Purchase and Cancellation; Approved Exchange Offer—Approved Exchange Offer*”).

***The New VFZ Facilities Borrower may not have the ability to raise funds necessary to finance required prepayments of the New VFZ Facilities in the event of a change of control thereunder***

Upon the occurrence of a Change of Control (as defined in the New VFZ Facilities Agreement), the New VFZ Facilities Borrower is required to offer to prepay the New VFZ Facilities Loans. If, following an Accelerated Maturity Event under the Notes, the Issuer accepts the prepayment offer, the New VFZ Facilities Borrower will be required to prepay the New VFZ Facilities (including all the New VFZ Facilities Loans) and to make a payment equal to 1% of the Excess Cash Loans and Interest Facility Loans so prepaid. The ability of the New VFZ Facilities Borrower to prepay the New VFZ Facilities Loans upon such accepted prepayment offer would be limited by its access to funds at the time of the prepayment and the terms of its other debt agreements, which agreements could restrict or prohibit such a prepayment. Upon a Change of Control, the New VFZ Facilities Borrower may be required to immediately repay the outstanding principal, any accrued interest on and any other amounts owed by it under one or more of its other bank facilities. The source of funds for these repayments would be its available cash or cash generated from other sources. However, there can be no assurance that the New VFZ Facilities Borrower will have sufficient funds available upon a Change of Control to make these repayments. If the New VFZ Facilities Borrower is not able to make the required prepayment of the New VFZ Facilities (including the New VFZ Facilities Loans), the Issuer will not be able to redeem the Notes at the New Maturity Date.

***Notes Collateral***

The Notes will be secured by: (i) a first fixed charge over the Issuer’s rights, title, benefit and interest in, to and under the Assigned Receivables; (ii) an assignment by way of security over the Issuer’s rights under all contracts, agreements, deeds and documents to which it is or may become a party or in respect of which it has or may have any right, title, benefit or interest (including, without limitation, the New VFZ Facilities Agreement, the Expenses Agreement, the Framework Assignment Agreement and the Issue Date Arrangements Agreement); (iii) a first fixed charge over the Issuer’s rights to all amounts at any time standing to the credit of the Issuer Transaction Accounts; and (iv) a first floating charge over all of the present and future property, assets and undertakings of the Issuer not subject to the fixed charges or assignments by way of security described above.

Although the security constituted by the Notes Security Documents over the Notes Collateral held from time to time, including the security over the Issuer Transaction Accounts, is expressed to take effect as a fixed charge, it may (as a result of, among other things, the substitutions of Assigned Receivables contemplated by the Framework Assignment Agreement and the payments to be made from the Issuer Transaction Accounts in accordance with the Conditions and the Trust Deed) take effect as a floating charge which, in particular, would rank after a subsequently created fixed charge. However, the Issuer has covenanted in the Trust Deed and the Conditions not to create any such subsequent security interests (other than those permitted under the Trust Deed) without the consent of the Notes Trustee.



***Your rights in the Notes Collateral may be adversely affected by the failure to perfect security interests in Notes Collateral***

Applicable law requires that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. Neither the Security Trustee nor the Trustee has any obligation to take steps to perfect any security interest in the Notes Collateral. The liens in the Notes Collateral securing the Notes may not be perfected with respect to the claims of the Security Trustee on behalf of the Secured Parties, including the Noteholders, if the actions necessary to perfect any of these liens on or prior to the date of the Notes Security Documents are not taken. For example, applicable law may require that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at the time such property and rights are acquired and identified. The Issuer has limited obligations to perfect the Security Trustee's security interest in the specified Notes Collateral. Neither the Notes Trustee nor the Security Trustee has any obligation to monitor the acquisition of additional property or rights that constitute Notes Collateral or the perfection of any security interest. None of the Security Trustee or the other Secured Parties, including the Notes Trustee, will monitor, and there can be no assurance that the Issuer will inform the Security Trustee or Notes Trustee of the future acquisition of property and rights that constitute Notes Collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired Notes Collateral. Such failure may result in the loss of the security interest in the Notes Collateral or the priority of the security interest in favour of the Security Trustee on behalf of the Secured Parties against third parties.

***Your ability to recover under the Notes Collateral may be limited***

The Noteholders will benefit from security interests in the Notes Collateral.

The Notes Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by any other creditors that also have the benefit of first liens on the Notes Collateral securing the Notes from time to time, whether on or after the date the Notes are issued. Neither the Initial Purchasers nor the Security Trustee have analysed the effect of, or participated in any negotiations relating to, such exceptions, defects, encumbrances, liens and other imperfections. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Notes Collateral securing the Notes as well as the ability of the Security Trustee to realize or foreclose on such Notes Collateral.

The security interest of the Security Trustee will be subject to practical problems generally associated with the realization of security interests in Notes Collateral. For example, the Security Trustee may need to obtain the consent of a third party to obtain or enforce a security interest in a contract. The Issuer cannot assure you that the Security Trustee will be able to obtain any such consent. It also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Trustee may not have the ability to foreclose upon those assets and the value of the Notes Collateral may significantly decrease.

***The Notes Collateral may be limited by applicable laws or subject to certain limitations or defences that may adversely affect their validity and enforceability***

The Notes or the Notes Collateral may be subject to claims that they should be limited or subordinated under Dutch or other applicable law.

The grant of the Notes Collateral in favour of the Security Trustee may also be voidable by the grantor or by an insolvency trustee, liquidator, examiner, receiver or administrator or by other creditors, or may be otherwise set aside by a court, if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the Secured Parties to receive a greater recovery than if the grant had not been given and insolvency proceedings in respect of the grantor are commenced within a legally specified "clawback" period following the grant. Accordingly, enforcement of any Notes Collateral would be subject to certain defences available to the grantor thereof generally or, in some cases, to limitations contained in the Trust Deed or Notes Security Documents designed to ensure compliance with capital maintenance rules and other statutory requirements applicable to the relevant grantor. As a result, a grantor's liability under its Notes Collateral could be materially reduced or eliminated.

In addition, the granting of new security interests in connection with the issuance of the Notes may trigger hardening periods for such security interests. The applicable hardening period for these new security interests



will run from the moment each new security interest has been granted or perfected. At each time, if the security interest recreated or granted were to be enforced and a petition for the commencement of insolvency proceedings were to be filed before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective or it may not be possible to enforce it.

It is possible that the grantor of the Notes Collateral or a creditor thereof, or the insolvency administrator in the case of the insolvency of a grantor of Notes Collateral, may contest the validity and enforceability of the Notes Collateral on any of the above grounds and that the applicable court may determine that the Notes Collateral should be limited or voided. To the extent that agreed limitations on the obligations secured by the Notes Collateral apply, the Notes would be to that extent effectively subordinated to that extent to all liabilities of the grantor of the Notes Collateral, including trade receivables of such grantor of Notes Collateral. Future Notes Collateral to be granted may be subject to similar limitations.

***The various insolvency and administrative laws of the Netherlands to which the Obligors and the Issuer are subject may not be favourable to creditors, including the Issuer as lender under the New VFZ Facilities Loans and assignee under the Assigned Receivables and the Noteholders, as the case may be, and may limit the Issuer's ability to enforce its rights under the New VFZ Facilities Loans and the Assigned Receivables and your ability to enforce your rights under the Notes, as the case may be.***

Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the “**Recast E.U. Insolvency Regulation**”), a company’s location of its centre of main interest (“**COMI**”) is presumed to be the place of its registered office in the absence of proof to the contrary and provided that the company did not move its registered office within the three months prior to a request to open insolvency proceedings. The Issuer and the Obligors are incorporated under the laws of the Netherlands and have their statutory seat (*statutaire zetel*) in the Netherlands. Consequently, in the event of a bankruptcy or insolvency event with respect to the Issuer and the Obligors, primary proceedings would likely be initiated in the Netherlands. Dutch insolvency laws may make it difficult or impossible to effect a restructuring. If the Issuer’s or the Obligors’ COMI was found to be in another E.U. jurisdiction and not in the Netherlands, main insolvency proceedings would be opened in that jurisdiction instead.

There are two primary insolvency regimes under Dutch law. The first, suspension of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor’s debts and enable a company to continue as a going concern. The second, bankruptcy (*faillissement*), is designed to liquidate and distribute the assets of a debtor to its creditors.

Upon commencement of suspension of payments proceedings, the court will grant a provisional suspension. A definitive suspension will generally be granted in a creditors’ meeting called for that purpose, unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors’ meeting or one-third in number of creditors represented at such creditors’ meeting) of the unsecured nonpreferential creditors withholds its consent or if there is no prospect that the company will in the future be able to pay its debts as they fall due (in which case the company will generally be declared bankrupt). During a suspension of payments, unsecured and non-preferential creditors will be precluded from attempting to recover their claims from the assets of the company. A suspension of payments is subject to exceptions, the most important of which excludes secured creditors and preferential creditors (such as tax and social security authorities and employees) from the application of the suspension. This implies that during suspension of payments proceedings secured creditors may proceed against the assets that secure their claims to satisfy their claims, and preferential creditors are also not barred from seeking to recover their claims. However, the court may order a “cooling down period” (*afkoelingsperiode*) for a maximum period of four months during which enforcement actions by secured or preferential creditors are barred. In a suspension of payments, a composition (*akkoord*) may be offered by the company to its creditors. Such a composition will be binding on all unsecured and non-preferential creditors, irrespective whether they voted in favor or against it or whether they were represented at the creditor’s meeting called for the purpose of voting on the composition plan, if (i) it is approved by more than 50% in number of the general unsecured and non-preferential creditors present or represented at the creditor’s meeting, representing at least 50% in amount of the general unsecured and nonpreferential claims admitted for voting purposes and (ii) it is subsequently ratified (*gehomologeerd*) by the court.

Under Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to a company’s creditors on a *pari passu* basis. Certain creditors (such as secured creditors and preferential creditors) have special rights that may adversely affect the interests of holders of the Notes and the Issuer, as lender under the respective New VFZ Facilities Loans. For example, a Dutch bankruptcy does not

prohibit secured creditors from taking recourse against the encumbered assets of the bankrupt debtor to satisfy their claims. However, the court may order a “cooling down period” (*afkoelingsperiode*) for a maximum period of four months during which enforcement actions by secured or preferential creditors are barred. Consequently, Dutch insolvency laws could reduce the potential recovery of a holder of the Notes or the Issuer under the New VFZ Facilities Loans in Dutch bankruptcy proceedings. To obtain payment on unsecured non-preferential claims, such claims need to be submitted to the trustee in bankruptcy (curator) for verification. “Verification” under Dutch law means that the trustee verifies the value of the claim and whether and to what extent it may be admitted in the bankruptcy proceedings. The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Generally, claims of holders of the Notes which were not due and payable by their terms on the date of a bankruptcy of the Issuer or, in the case of the New VFZ Facilities Loans, the date of a bankruptcy of the relevant Obligor, are only admissible for verification for their net present value if they mature more than one year after opening of the bankruptcy. Each of these claims will have to be submitted to the trustee of the Issuer or the trustee of the relevant Obligor for verification. Creditors that wish to dispute the valuation of their claims by the trustee will need to commence a court proceeding. These verification procedures could result in holders of the Notes and the Issuer, as lender under the New VFZ Facilities Loans, receiving a right to recover less than the principal amount of their Notes or amounts owed under such New VFZ Facilities Loans, as the case may be. In addition, in a Dutch bankruptcy in practice usually no or little funds remain available for the payment of unsecured and nonpreferential creditors.

In a bankruptcy, a composition (*akkoord*) may be offered to the unsecured and non-preferential creditors. Such a composition will be binding upon all unsecured and non-preferential creditors if (i) it is approved by a simple majority of a meeting of the recognized and admitted creditors representing at least 50% of the amount of the recognized and of the admitted claims and (ii) it is subsequently ratified (*gehomologeerd*) by the court.

As a consequence of the foregoing, Dutch insolvency laws could reduce the recovery of holders of the Notes and the Issuer, as lender under the New VFZ Facilities Loans, in a Dutch insolvency proceeding.

***The Notes, the New VFZ Facilities Loans and the Payment Obligations may be voidable under Dutch fraudulent conveyance laws.***

Dutch law contains specific provisions dealing with fraudulent conveyance both in and outside of bankruptcy, the so-called *actio pauliana* provisions. The *actio pauliana* offers creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party’s obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside bankruptcy of the relevant person and may be nullified by the bankruptcy trustee in a bankruptcy of the relevant person or by any of the creditors of the relevant person outside bankruptcy, if: (i) the person performed such acts without an obligation to do so (*onverplicht*); (ii) the creditor concerned or, in the case of the person’s bankruptcy, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of its creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*om niet*) in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance.

If a Dutch court found that the issuance of the Notes or the Payment Obligations or the lending of the New VFZ Facilities Loans involved a fraudulent conveyance that did not qualify for any defense under Dutch law, then the issuance of the Notes or the issuance of the Payment Obligations or the lending of the New VFZ Facilities Loans could be nullified. As a result of such successful challenges, holders of the Notes or the Issuer, as applicable, may not enjoy the benefit of the Notes, the New VFZ Facilities Loans or the Payment Obligations, as applicable. Additionally, the value of any consideration that holders of the Notes or the Issuer, as applicable, receive with respect to the Notes, the New VFZ Facilities Loans or the Payment Obligations could also be subject to recovery from other creditors of the Issuer, VodafoneZiggo (in its capacity as Buyer Parent) or the Obligor Subsidiaries, the New VFZ Facilities Borrower or the New VFZ Facilities Guarantors, as applicable, and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes and the Issuer might be held liable for any damages incurred by prejudiced creditors of the Issuer, VodafoneZiggo (in its capacity as Buyer Parent), the Obligor Subsidiaries, the New VFZ Facilities Borrower or the New VFZ Facilities Guarantors, as applicable, as a result of the fraudulent conveyance.

***Corporate benefit and financial assistance laws and other limitations on the obligations under the Notes, the New VFZ Facilities Loans and the Payment Obligations may adversely affect the validity and enforceability of the Notes, the New VFZ Facilities Loans and the Payment Obligations.***

The Notes, the New VFZ Facilities Loans, the Payment Obligations and the obligations thereunder may be voidable or otherwise ineffective under applicable law. Enforcement of the obligations under the Notes against the Issuer, enforcement of the Payment Obligations against the Obligors and enforcement of the New VFZ Facilities Loans against the New VFZ Facilities Borrower and the New VFZ Facilities Guarantors will, in each case, be subject to certain defenses available to the Issuer, the Obligors, the New VFZ Facilities Borrower and the New VFZ Facilities Guarantors, as the case may be. These laws and defenses may include those that relate to fraudulent conveyance, financial assistance, corporate benefit and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, the Issuer, the Obligors, the New VFZ Facilities Borrower or the New VFZ Facilities Guarantors may have no liability or decreased liability under the Notes, the New VFZ Facilities Loans and the Payment Obligations, as the case may be, or the Notes, the New VFZ Facilities Loans and the Payment Obligations, as the case may be, may be unenforceable.

***You may not be able to enforce the security interests in the Notes Collateral due to restrictions on enforcement contained in Dutch corporate law.***

Under Dutch law, the enforcement of the security interests in the Notes Collateral and guarantees may, in whole or in part, also be limited to the extent that the obligations of the Issuer, the Obligors, the New VFZ Facilities Borrower, the New VFZ Facilities Guarantors or their respective parents, as applicable, under the security are not within the scope of its objects and the counterparty under the security was aware or ought to have been aware (without inquiry) of this fact. The articles of association of each of the Issuer, the Obligors, the New VFZ Facilities Borrower, the New VFZ Facilities Guarantors or their respective parents, as applicable, permit the provision of security for, among others, group companies. However, the determination of whether a legal act is within the objects of a company may not be based solely on the description of the articles of association, but must take into account all relevant circumstances, including, in particular, the question whether the interests of such company are served by the relevant legal act. If the granting of the applicable security in the light of the benefits, if any, derived by the Issuer, the Obligors, the New VFZ Facilities Borrower, the New VFZ Facilities Guarantors or their respective parents, as applicable, from creating such interests, would have an adverse effect on the interests of the Issuer, the Obligors, the New VFZ Facilities Borrower, the New VFZ Facilities Guarantors or their respective parents, as applicable, the relevant security may be found to be voidable or unenforceable upon the request of the Issuer, the Obligors, the New VFZ Facilities Borrower, the New VFZ Facilities Guarantors or their respective parents, as applicable, or any administrator in bankruptcy. As a result, notwithstanding the foregoing provisions of the articles of association of the Issuer, the Obligors, the New VFZ Facilities Borrower, the New VFZ Facilities Guarantors or their respective parents, as applicable, the security is within the objects of and in the interest of the Issuer, the Obligors, the New VFZ Facilities Borrower, the New VFZ Facilities Guarantors or their respective parents, as applicable, no assurance can be given that a court would conclude that the granting of the security is within the objects of the Issuer, the Guarantors or their respective parents, as applicable. To the extent the Issuer, the Obligors, the New VFZ Facilities Borrower, the New VFZ Facilities Guarantors or their respective parents, as applicable, or any administrator successfully invokes the voidability or non-enforceability of the security, such security would be limited to the extent any portion of it is not nullified and remains enforceable.

#### ***Amendments, waivers, resolutions and instructions***

The Conditions and the Trust Deed contain detailed provisions governing modification of the Conditions and the Transaction Documents and the convening of meetings and passing of resolutions by the Noteholders, voting as a single class. Certain key risks relating to these provisions are summarised below.

Decisions may be taken by Noteholders, voting as a single class, by way of Extraordinary Resolutions, which can be effected either at a duly convened meeting of the Noteholders (a “**Meeting**”) or by a resolution in writing signed by or on behalf of all of the Noteholders. Meetings of the Noteholders may be convened by the Issuer, the Notes Trustee or by one or more Noteholders holding not less than 10 per cent. of the aggregate principal amount of the Notes then outstanding, subject to certain conditions (including minimum notice periods). In addition, at any time after a Note Acceleration Notice (as defined in Condition 1 (“*Definitions and Principles of Construction—General Interpretation*”)) has been given to the Issuer, the Noteholders by an Extraordinary Resolution may instruct the Notes Trustee in writing to instruct the Security Trustee to give an Enforcement Notice (as defined in Condition 1 (“*Definitions and Principles of Construction—General Interpretation*”)) to the Issuer, as set out in Condition 11 (“*Enforcement*”).

Any modification of certain terms, including, among other things (other than in connection with an Accelerated Maturity Event), the date of maturity of the Notes or a modification which would have the effect of postponing any date for payment of interest on the Notes, the reduction or cancellation of the amount of principal payable in respect of the Notes, the alteration of the rate of interest applicable in respect of the Notes, the alteration of the quorum or majority required to pass an Extraordinary Resolution, the alteration of currency of payment of the Notes or alteration of the manner of redemption of the Notes, any material modification to the Notes Collateral, any material modification to the certain items in the Priorities of Payment (as more fully described in Condition 1 (*“Definitions and Principles of Construction—General Interpretation”*)), a **“Basic Terms Modification”**) must be approved by an Extraordinary Resolution (in respect of a Basic Terms Modification) of the Noteholders.

Other than a Basic Terms Modification, a modification in connection with an Accelerated Maturity Event, or a modification which expressly does not require holders’ of the Notes approval, any other modification must be approved by an Extraordinary Resolution (in respect of matters other than a Basic Terms Modification) of the Noteholders.

The quorum at any Meeting for passing an Extraordinary Resolution in respect of any matter other than a Basic Terms Modification will be two or more persons bearing a voting certificate, form of proxy or other eligible instrument (as further described in Condition 13(d) (*“Meeting of Noteholders—Quorum”*)), a **“Voter”**), in each case representing in aggregate more than 50 per cent. of the aggregate principal amount of the Notes then outstanding. The quorum at any Meeting for passing an Extraordinary Resolution in respect of a Basic Terms Modification will be two or more Voters representing in aggregate at least 75 per cent. of the aggregate principal amount of the Notes then outstanding. In addition, if a quorum is not satisfied at any meeting, lower quorum thresholds will apply at any meeting previously adjourned for want of quorum, as set out in Condition 13(d) (*“Meeting of Noteholders—Quorum”*)).

Any such Extraordinary Resolution may be adverse to any group of Noteholders or individual Noteholders. It should also be noted that amendments may still be effected and waivers may still be granted in respect of such provisions in circumstances where not all Noteholders agree with the terms thereof and any amendments or waivers once passed in accordance with the provisions of the Conditions and the Trust Deed will be binding on all such dissenting Noteholders.

The consent of holders of at least 50% of the aggregate principal amount of Notes then outstanding will be required to approve an Accelerated Maturity Event. However, the consent of the Noteholders in respect of an Accelerated Maturity Event will be validly given if made in accordance with the terms of the Maturity Consent Solicitation (as defined in Condition 6(g) (*“Redemption, Purchase and Cancellation; Approved Exchange Offer—Accelerated Maturity Event”*))), and need not comply with Schedule D (*“Provisions for Meetings of the Noteholders”*) of the Trust Deed or any other provisions of the Trust Deed or the Conditions relating to an Extraordinary Resolution.

Additionally, certain amendments, modifications and waivers may be made without the consent of Noteholders, including amendments, among other things, which are (in the Issuer’s determination) not materially prejudicial to the interests of the Noteholders, to (in the Issuer’s determination) correct a manifest error, to give effect to Permitted Encumbrances (as defined in Condition 1 (*“Definitions and Principles of Construction—General Interpretation”*))), and to give effect, or as otherwise reasonably required to allow for, the Transactions (including to give effect to an SCF Platform Addition or SCF Platform Replacement). Such amendments or modifications could be adverse to certain Noteholders.

Subject to the satisfaction of certain conditions precedent (including receipt of an officer’s certificate and opinion of counsel furnished by the Issuer pursuant to the Trust Deed), the Notes Trustee or the Security Trustee, as applicable, shall be obliged to concur (without exercising its own discretion in respect of any such amendments or modification) with the Issuer in making any such amendments or modifications as described above; *provided that* the Notes Trustee and/or the Security Trustee, as applicable, shall not be obliged to agree to any modification which adversely affects its rights, duties, liabilities or immunities, or which, among other things, would have the effect of breaching any duty at law or any of its fiduciary duties or would expose it to any liability against which it has not been indemnified and/or secured to its satisfaction. While the Conditions and the Trust Deed contain detailed provisions governing modification of the Conditions, the Trust Deed, and the other Transaction Documents (including as described above), the consent of the Notes Trustee or Security Trustee, as applicable, may not be required for certain modifications of the other Transaction Documents (including modifications of other Transaction Documents to which the Notes Trustee or Security Trustee, as applicable, is



not party or where the amendment provisions thereunder do not require the written consent of the Notes Trustee or Security Trustee, as applicable).

***Reports provided by the Administrator will not be audited***

The reports made available to Noteholders will be prepared by the Administrator, on behalf of the Issuer, in consultation with and based on certain information provided to it by the Buyer Parent. Information in the reports will not be audited nor will reports include a review or opinion by a public accounting firm, other than as described under “*Summary of Principal Documents—New VFZ Facilities Agreement—Summary of New VFZ Facilities Agreement—Reporting Undertakings*”.

***You may be unable to recover in civil proceedings for U.S. securities laws violations***

The Issuer is incorporated under the laws of the Netherlands and does not have any assets in the United States. It is anticipated that some or all of the directors and officers of the Issuer will be non-residents of the United States and that all or a majority of their assets will be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or its respective directors and officers, or to enforce any judgments obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. In addition, the Issuer cannot assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in the Netherlands. See “*Listing and General Information—Enforceability of Judgments*”.

***Failure of a court to enforce non-petition obligations will adversely affect Noteholders***

Each Noteholder will agree, and each beneficial owner of Notes will be deemed to agree, pursuant to the Trust Deed, that it will be subject to non-petition covenants. If such provision failed to be enforceable under applicable bankruptcy laws, then the filing or presentation of such a petition could result in one or more payments on the Notes made during the period prior to such filing being deemed to be preferential transfers subject to avoidance by the bankruptcy trustee or similar official exercising authority with respect to the Issuer’s bankruptcy estate. It could also result in the bankruptcy court, trustee or receiver liquidating the assets of the Issuer without regard to any votes or directions required for such liquidation pursuant to the Trust Deed and could result in any payments under the Notes made during the period prior to such presentation being deemed to be a fraudulent or improper disposition of the Issuer’s assets.

***You may face foreign exchange risks by investing in the Notes***

The Notes will be denominated and payable in euro. If you measure your investment returns by reference to a currency other than euro, an investment in the Notes entails foreign exchange related risks due to, among other factors, possible significant changes in the value of euro relative to the currency by reference to which you measure your investment returns because of economic, political and other factors over which we have no control (including the recent vote by the U.K. to exit the E.U., as described elsewhere in this Offering Circular). Depreciation of euro against the currency by reference to which you measure your investment returns could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure your investment returns. There may be tax consequences for you as a result of any foreign currency gains or losses from any investment in the Notes.

***Limited liquidity and restrictions on transfer (including pursuant to U.S. securities laws)***

There is currently no pre-existing market for the Notes. The Initial Purchasers may make a market for the Notes, but are not obliged to do so, and any such market-making may be discontinued at any time without notice. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of such Notes. Consequently, a purchaser must be prepared to hold such Notes for an indefinite period of time or until the Maturity Date. Where a market does exist, to the extent that an investor wants to sell Notes, the price may, or may not, be at a discount from the outstanding principal amount thereof. In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Notes will not be registered under the U.S. Securities Act or any U.S. state securities laws, and the Issuer has no plans, and is under



no obligation, to register the Notes under the U.S. Securities Act. Therefore, the Notes may be transferred or resold only in transactions registered under, exempt from or not subject to the registration requirements of the U.S. Securities Act and all applicable state securities laws. The Notes are subject to certain transfer restrictions and can be transferred only to certain transferees. See “*Plan of Distribution*” and “*Transfer Restrictions*” sections of this Offering Circular. It is your obligation to ensure that your offers and sales of Notes comply with applicable law. Such restrictions on the transfer of the Notes may further limit their liquidity.

***The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies***

Unless and until Notes in definitive registered form, or definitive registered notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or Noteholders. The common depository for Euroclear or Clearstream (or its nominee) will be the sole holder of the Global Notes. After payment to the common depository or the nominee (as the case may be), the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights of a Noteholder, under the Trust Deed. See “*Book-Entry Clearance Procedures*” and “*Form of the Notes*”.

Unlike the Noteholders themselves, owners of book-entry interests will not have the direct right to act upon the Issuer’s solicitations for consents, requests for waivers or other actions from Noteholders. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any request actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Trust Deed, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear or Clearstream. The Issuer cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of rights under the Notes. See “*Book-Entry Clearance Procedures*” and “*Form of the Notes*”.

***Withholding tax on the Notes***

Although no withholding tax is currently imposed on payments of interest on the Notes, there can be no assurance that the law will not change. In the event that any withholding tax or deduction for tax is imposed on payments of interest on the Notes by certain relevant jurisdictions, subject to certain exceptions, the Issuer will pay Additional Amounts so that the net amount a Noteholder receives is no less than that which such Noteholder would have received in the absence of such withholding or deduction. In the event that the Issuer is required to pay such Additional Amounts but the amount the Issuer receives from VZ Financing I B.V is less than the total amount of the Additional Amounts required to be paid by the Issuer to all Noteholders on the relevant interest payment date, the Issuer will only be required to account to each Noteholder for an Additional Amount equivalent to a pro rata proportion of such amount (if any) as is actually received by, or for the account of, the Issuer pursuant to the Expenses Agreement. See Condition 9 (“*Taxation*”).

Subject to certain conditions (including, among other things, that any and all Assigned Receivables are repaid by the Obligors assigned (or agreed to be assigned) by the Issuer to another person, prior to the date of redemption, and that all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer prior to the date of redemption), as further described in Condition 6(b) (“*Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption: Tax Event*”), the Issuer will, upon giving notice to the New VFZ Facilities Borrower that a Tax Event (as defined in Condition 1 (“*Definitions and Principles of Construction—General Interpretation*”)) which cannot be cured has occurred or will occur, and in the event that all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are then voluntarily prepaid by the New VFZ Facilities Borrower pursuant to Clause 7.2(a) (“*Voluntary Prepayment*”) of the New VFZ Facilities Agreement, redeem the Notes in whole, but not in part. If the Issuer exercises such redemption right, it must pay the Noteholders a price equal to the principal amount of the Notes plus interest and other amounts (including any Additional Amounts), if any, to the date of redemption. See Condition 6(b) (“*Redemption, Purchase and Cancellation; Approved Exchange Offer—Early Redemption: Tax Event*”).

## ***Tax Plan 2020 of the Dutch government***

On 17 September 2019, the Dutch Ministry of Finance published its Tax Plan 2020 (*Pakket Belastingplan 2020*). The Tax Plan 2020 includes several measures, one of which may in particular become relevant within the context of the payments in respect of the Notes, being the introduction of a conditional withholding tax on interest and royalties.

The Tax Plan 2020 proposes to introduce a conditional withholding tax on interest and royalties that will apply as of 1 January 2021. The conditional withholding tax is an anti-abuse measure and will apply to interest and royalty payments by a Dutch entity (broadly defined) to a related entity or permanent establishment of such entity (i) in a specifically listed low-tax jurisdiction that has no profits tax or a tax rate that is lower than 9%, or which is included in the EU Blacklist for non-cooperative jurisdictions or (ii) in certain abusive situations (for example, artificial arrangements whereby interest and royalty payments are diverted through a high-tax jurisdiction to ultimately end up in a low-tax or EU blacklisted jurisdiction). The conditional withholding tax will be levied at a rate of 21.7%, equal to the headline Dutch corporate income tax rate in 2021.

Entities (i.e. a payer and payee) are related to one another if (i) the payer has a ‘qualifying interest’ in the payee or vice versa or (ii) a third entity has a qualifying interest in both the payer and the payee. Entities can also be related if they are considered a cooperating group that jointly, directly or indirectly, have a qualifying interest in an entity. A qualifying interest is an interest through which directly or indirectly sufficient influence can be exercised, such that the activities of the relevant entity can be determined. In any event, an interest is qualifying if it represents more than 50% of the statutory voting rights in an entity.

Given the scope of application of the law proposal as well as its spirit, payments on listed and other securities (e.g., Notes) issued in the market are expected generally not to be caught by this conditional withholding tax, if the law proposal is implemented in its proposed form.

If the conditional withholding tax becomes due with respect to interest payments on the Notes, the Issuer will become obliged to pay Additional Amounts (as defined under Condition 9 (“*Taxation*”)) to the recipient of such interest payments or Issuer may redeem the relevant Notes as described in “*Summary of the Notes—Additional amounts; tax redemption.*”

## ***An active trading market may not develop for the Notes and the price of the Notes may fluctuate.***

The Issuer intends to make an application for listing on the Official List of Euronext Dublin and admission to trading on the Global Exchange Market thereof, but it cannot assure you that the Notes will become or remain listed. If the Issuer can no longer maintain the listing on the Official List of Euronext Dublin or it becomes unduly burdensome to make or maintain such listing (for the avoidance of doubt, the preparation of financial statements in accordance with the International Financial Reporting Standards or any accounting standard other than U.S. GAAP and any other standard pursuant to which VodafoneZiggo prepares its financial statements shall constitute such undue burden), the Issuer may cease to make or maintain such listing on the Official List of Euronext Dublin, provided that the Issuer will use all reasonable efforts to obtain and maintain the listing of the Notes on another stock exchange (which may be a stock exchange that is not regulated by the European Union), although there can be no assurance that the Issuer will be able to do so. Notwithstanding the foregoing, the Issuer may at its sole option at any time, without the consent of the holders of the Notes or the Trustee, de-list the Notes from any stock exchange for the purposes of moving the listing of such Notes to the Official List of The International Stock Exchange.

The liquidity of any market for the Notes will depend on the number of holders of the Notes, the interest of securities dealers in making a market in the Notes and other factors. Accordingly, the Issuer cannot assure you as to the development or liquidity of any market for the Notes. If an active trading market does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial issue price depending upon prevailing interest rates, the market for similar securities, general economic conditions, the Issuer’s performance and business prospects and certain other factors.

Factors including the following may have a significant effect on the market price of the Notes:

- actual or anticipated fluctuations in operating results of the Issuer, including its ability to generate cash flow from operations;
- perceived business prospects of the Issuer;

- ability or perceived ability of the Issuer to access capital markets and other sources of financing in the future;
- general economic conditions, including prevailing interest rates; and
- the market for similar securities.

***We may incur additional indebtedness prior to, or within a short time period following, the Issue Date of the Notes, which indebtedness could increase our leverage and may have terms that are more or less favorable than the terms of the Notes and our other existing indebtedness***

We or our subsidiaries may incur substantial additional debt, including in connection with a refinancing of our existing debt, to fund any future acquisition or for general corporate purposes. In connection with our financial strategy, we continually evaluate different financing alternatives, and we may decide to enter into new credit facilities, access the debt capital markets or incur other indebtedness from time to time, including following the consummation of this offering and prior to, or within a short time period following, the Issue Date of the Notes. Any such offering or incurrence of debt will be made at our election or the election of our relevant subsidiaries, and if such debt is in the form of securities, would be offered and sold pursuant to, and on the terms described in, a separate offering circular. The interest rate with respect to any such additional debt will be set at the time of the pricing or incurrence of such debt and may be less than or greater than the interest rate applicable to the Notes and our other existing debt, including, in the case of a refinancing, the debt that is being refinanced, which would have a corresponding effect on our cash interest expense on a pro forma basis. In addition, the maturity date of any such additional debt will be set at the time of pricing or incurrence of such debt and may be earlier or later than the maturity date of the Notes and our other existing debt. The other terms of such additional debt would be as agreed with the relevant lenders or holders thereof and could be more or less favorable than the terms of the Notes or our other existing indebtedness. There can be no assurance that we or our subsidiaries will elect to raise any such additional debt or that any effort to raise such debt will be successful, and there can be no assurance as to the timing of such offering or incurrence, the amount or terms of any such additional debt. If we incur new debt in addition to our current debt, the related risks that we now face, even in a refinancing transaction, as described above and elsewhere in these “Risk Factors” could intensify.

## **Risks Relating to the Receivables and the SCF Platform**

### ***Receivables—payment, deduction and set-off risk***

The principal risk associated with the Assigned Receivables is the risk of payment default by the Obligors. A payment default could delay the payment of interest on the Notes on the date such interest is due, as well as the return of principal in respect of the Notes beyond the Maturity Date and/or impair the amount of such return.

In order to constitute a VFZ Account Receivable, a Receivable must arise under an agreement pursuant to which the relevant Buyer Entity has agreed not to assert any right of set-off, counterclaim or deduction save those that have been specified in a Credit Note allocated to the Payment Obligation in respect of such Receivable (though Credit Notes may not be allocated to any Payment Obligation following transfer of such Payment Obligation through the SCF Platform). Depending on the jurisdiction of the relevant Buyer Entity or the Platform Provider, such exclusion might not be effective in a liquidation or administration of such Buyer Entity or the Platform Provider and mandatory set-off might be required. Furthermore, VFZ Accounts Receivable are purchased by the Issuer at a price calculated after taking full account of any amounts specified in any Credit Note (if any) allocated to the relevant Payment Obligation. In addition, the Platform Provider has also agreed to make and calculate all payments to the Issuer without (and free and clear of any deduction for) set-off or counterclaim, unless specifically provided for under the Framework Assignment Agreement.

### ***Reliance on representations and warranties***

The Issuer will purchase VFZ Accounts Receivable from the Platform Provider in reliance on representations and warranties of the Buyer Parent and the Platform Provider in the Framework Assignment Agreement. The Issuer will not carry out any independent investigation of the VFZ Accounts Receivable to be purchased. The rights of the Issuer under these representations and warranties are charged in favour of the Security Trustee under the Trust Deed.

### ***The transfer of VFZ Accounts Receivable under the Framework Assignment Agreement takes place only under equity until an Obligor Enforcement Notification is given to the Obligors***

Pursuant to the terms of the Framework Assignment Agreement and notwithstanding that the Buyer Parent gives certain representations relating to the VFZ Accounts Receivable pursuant to the terms of the Framework

Assignment Agreement, the Issuer may not serve (or cause or permit to be served) an Obligor Enforcement Notification prior to the occurrence of (i) a failure by the relevant Obligor to pay any Payment Obligation in full to the Platform Provider on the date such payment was due (taking into account any applicable grace period under the APMSA), (ii) a specified insolvency event in respect of any Obligor, (iii) a breach of the representations and warranties of the Buyer Parent with respect to the eligibility of the VFZ Accounts Receivable, which is not capable of remedy (or if such breach is capable of remedy, is not remedied within five Business Days of notice) (each such event in (i) to (iii), an “**Obligor Event of Default**”), or (iv) a specified insolvency event in respect of the Platform Provider. Accordingly, on each Assignment Date (as defined in “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”), an assignment by the Platform Provider to the Issuer of a VFZ Account Receivable pursuant to the Framework Assignment Agreement will take place by way of an equitable assignment.

Under the terms of the Framework Assignment Agreement (see “*Summary of Principal Documents—Framework Assignment Agreement*” for a summary of the principal terms of the Framework Assignment Agreement), the Platform Provider will represent and warrant, immediately prior to each Assignment Date, *inter alia*, that it is entitled to assign the relevant Payment Obligations pursuant to the terms of the Framework Assignment Agreement, and that it has not assigned, transferred or otherwise disposed of, or created any encumbrance or security interest over, such VFZ Accounts Receivable. Furthermore, the Buyer Parent will also represent and warrant, pursuant to the terms of the Framework Assignment Agreement on each Assignment Date, *inter alia*, that the VFZ Accounts Receivable are capable of being freely and validly transferred in the manner provided by the Framework Assignment Agreement so that on purchase the Issuer will receive good title, and that the VFZ Accounts Receivable are due and payable in full without any right of set-off, counterclaim or deduction in favour of the Buyer Entities.

Notwithstanding the representations and warranties provided by the Buyer Parent and the Platform Provider, until an Obligor Enforcement Notification is given to the Obligors and the assignment is otherwise elevated to a full legal assignment in accordance with the terms of the Framework Assignment Agreement, the Issuer would not take priority over any interest of a later encumbrancer or transferee of the legal title to the Platform Provider’s rights who had no notice of the transfer to the Issuer. This may materially and adversely affect the Issuer’s ability to make payments under the Notes.

***Commingling of amounts due to the Issuer in the SCF Bank Account may delay or reduce payments on the Notes***

Until an Obligor Enforcement Notification is given to the Obligors, each Obligor will discharge its payment obligations under the Assigned Receivables by making payment to the Platform Provider’s SCF Bank Account.

The APMSA provides that the uploading of an Electronic Data File containing details of a Receivable onto the SCF Platform, and the designation of such uploaded Receivable as “approved” by a Buyer Entity, will initially give rise to a Parent Payment Obligation, an independent and primary obligation by VodafoneZiggo to make payment or cause payment to be made to the relevant recipient on the Confirmed Payment Date in respect of such Receivable. Upon each sale and assignment of a Parent Payment Obligation and the related Receivable from the Supplier to the Platform Provider through the SCF Platform, a Payment Obligation (which will be a new independent and primary, irrevocable, legal, valid and binding payment obligation) will arise whereby each Obligor will become jointly and severally liable with each other Obligor to make payment or cause payment to be made to the relevant recipient on the Confirmed Payment Date in respect of such Receivable. Prior to the service of an Obligor Enforcement Notification, such payments will be made by the Obligors to the Platform Provider’s SCF Bank Account to satisfy the Payment Obligation comprising an Assigned Receivable on the relevant Confirmed Payment Date; the Obligors will also make payments to the SCF Bank Account to satisfy Payment Obligations owing to other Relevant Recipients (who are not the Issuer) participating in the SCF Platform. In turn, the Platform Provider will act as collection agent for the Issuer pursuant to the terms of the Framework Assignment Agreement, and has agreed to pay each amount received in respect of an Assigned Receivable into the relevant Issuer Transaction Account (although the Platform Provider may validly retain and reinvest certain amounts on the Issuer’s behalf; see “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”) and to notify the Issuer as soon as reasonably practicable if all or any part of an Assigned Receivable is not paid in full on the date such payment was due (taking into account any applicable grace period under the APMSA).

Therefore, any amounts that are paid by the Obligors into the SCF Bank Account in connection with the settlement of Assigned Receivables are at risk of being commingled with other funds paid by the Obligors into



the same account in connection with the settlement of Payment Obligations owing to other Relevant Recipients. If cash collected upon the settlement of Assigned Receivables and due to the Issuer is commingled with other funds (including funds due to other Relevant Recipients) in the SCF Bank Account, it may not be traceable, such that upon the insolvency of any of the Obligors, it may be impossible to separate the amounts due to the Issuer from amounts due to other creditors of the Obligors (including other Relevant Recipients). If there is a shortfall in the amounts necessary to satisfy the claims of all creditors in such an event, this may reduce amounts available to pay Noteholders.

***Reliance on the Platform Provider acting as paying agent for the Obligors and as collection agent for the Issuer under the SCF Platform Documents and the Framework Assignment Agreement may lead to a loss on the Notes***

Pursuant to the terms of the APMSA the Obligors authorize the Platform Provider as paying agent with respect to transactions executed on the SCF Platform. On the Confirmed Payment Date for a VFZ Account Receivable, the Platform Provider will debit the SCF Bank Account for the amount collected from the relevant Obligor in connection with the settlement of such VFZ Account Receivable, and will forward such amounts to the Issuer or such other participating funding provider that purchased the VFZ Account Receivable.

The Platform Provider, acting as paying agent for the Obligors pursuant to the APMSA and as collection agent for the Issuer under the Framework Assignment Agreement, must make payments to the Issuer net of any deduction or withholding required to be made from such payments by any law, regulation or practice, and the Issuer will bear the risk of such deduction or withholding. Moreover, save in the case of breach of contract, gross negligence or wilful misconduct, the Platform Provider is not: (a) responsible for any loss or liability arising out of its failure, owing to causes outside its control (such as, but not limited to, the imposition of foreign exchange restrictions or any act or omission of any Obligor) to remit to the Issuer any amount due to it under the Framework Assignment Agreement or any Assignment Framework Note; or (b) liable to remit to the Issuer any amount greater than the amount actually collected from an Obligor in connection with the settlement of an Assigned Receivable, notwithstanding the fact that such amount may be less than the Certified Amount due and payable. Additionally, where any amount is owed by an Obligor in respect of an Assigned Receivable, the Platform Provider is not obliged to pay any part of such amount to the Issuer until it has been able to establish to its satisfaction that it has actually received such amount from the Obligor. In connection therewith, the Platform Provider benefits from a clawback provision in the Framework Assignment Agreement which provides that, save for the Platform Provider's gross negligence or wilful misconduct, if at any time (including after termination of the Framework Assignment Agreement) the Platform Provider pays an amount to the Issuer which the Platform Provider either did not actually receive or is required to return to the relevant Obligor or any third party by operation of mandatory rules of law, then the Issuer must, on demand, refund such amount to the Platform Provider, together with interest (if any) accrued thereon from the date which is five Business Days following the date of demand to the date of refund.

Any of the circumstances described above may result in a delay in payments to Noteholders under the Notes or permanent reduction in amounts available to pay Noteholders under the Notes.

***Exposure to credit risk of the Platform Provider***

As of the Issue Date, the Platform Provider pursuant to the terms of the Framework Assignment Agreement and the SCF Platform Documents will be ING Bank N.V., an entity incorporated under the laws of the Netherlands with registered number 33031431 and acting through its office at Bijlmerplein 888, 1102 MG Amsterdam, the Netherlands, and which, in its ordinary course of business, provides wholesale banking services (including trade receivables finance products such as the SCF Platform through which it assigns Payment Obligations (and, where applicable, the related Receivables) to various participating funders, including the Issuer).

Pursuant to the Framework Assignment Agreement, the Issuer agrees to allow the Platform Provider to retain, on the Issuer's behalf (for a specified period), certain amounts which would otherwise be due to the Issuer. This arrangement provides the Platform Provider with additional liquidity to purchase, on the Issuer's behalf, further VFZ Accounts Receivable as and when they become available on the SCF Platform; it also enhances operational efficiency by minimizing unnecessary or redundant payment flows between the Issuer and the Platform Provider. In exchange, the Platform Provider agrees to pay interest on certain of these retained amounts, which accrues on a daily basis at a fixed margin over 1-month EURIBOR, for the period of retention. The Framework Assignment Agreement also permits the Platform Provider to hold certain other funds (which would otherwise be due to the Issuer) for a fixed period of time, without accruing interest, and such funds may or



may not be applied for the Issuer's benefit towards further purchases of VFZ Accounts Receivable; *provided, however*, that the Platform Provider may not retain any amounts otherwise due to the Issuer and which are not invested in VFZ Accounts Receivable for longer than four Business Days from the relevant date of receipt and/or in an aggregate amount greater than €50.0 million at any time. For more information on the forms of liquidity provided by the Issuer to the Platform Provider to purchase VFZ Accounts Receivable on the Issuers' behalf under the Framework Assignment Agreement, see "*General Description of VodafoneZiggo's Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*" found elsewhere in this Offering Circular.

The Issuer will, therefore, be exposed to the credit risk related to the Platform Provider as counterparty to the Framework Assignment Agreement to the extent of the cash of the Issuer held by the Platform Provider. If the credit quality of the Platform Provider deteriorates, it may default on its obligation to make payments thereunder. In the event of the insolvency of the Platform Provider, the Issuer will be treated as a general creditor of the Platform Provider, and may not be able to recover any of its funds held thereby. Furthermore, there may be practical impediments or timing delays associated with enforcement of the Issuer's rights against the Platform Provider in the case of its insolvency. A failure by the Platform Provider to make payment when due to the Issuer of any relevant funds it holds, together with, if applicable, any interest accrued thereon, would reduce the funds available to the Issuer to perform its obligations, which could result in a reduction or delay in payments on the Notes.

In the event of a Ratings Trigger Event, the Issuer will deliver a notice of termination under the Framework Assignment Agreement, and will not be obliged to fund further purchases of VFZ Accounts Receivable (to the extent an Assignment Notice has not been served or deemed to have been served in respect thereof prior to the date of service of the notice of termination).

The short term, unsecured, unguaranteed and unsubordinated debt obligations of ING Bank N.V. are rated "F1+" by Fitch, "P-1" by Moody's and "A-1" by S&P. The long term, unsecured, unguaranteed and unsubordinated debt obligations of ING Bank N.V. are rated "A+" by Fitch, "Aa3" by Moody's and "A+" by S&P.

In the case of an SCF Platform Addition or an SCF Platform Replacement, which may be established without the consent of the Noteholders, a different entity may be appointed as Platform Provider and such appointment does not require the consent of the Noteholders. There can be no assurance on the level of exposure to the credit risk of such new or replacement Platform Provider.

***The Framework Assignment Agreement may be terminated without the consent of the Issuer or the Noteholders***

The Issuer depends on its rights under the Framework Assignment Agreement to access the SCF Platform and to purchase eligible VFZ Accounts Receivable, the repayment of which at a premium (in conjunction with certain payments from the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement) allows the Issuer to service its obligations under the Notes. Further, the Issuer has no control over how frequently the VFZ Accounts Receivables will be offered to it for purchase under the Framework Assignment Agreement, and there is no minimum number of Assignment Framework Notes or sale of VFZ Accounts Receivables under the Framework Assignment Agreement. Under its terms, the Framework Assignment Agreement and/or any Assignment Framework Note thereunder may be terminated by the Platform Provider, without the consent of the Issuer or the Noteholders, upon provision of 10 Business Days' prior written notice to the Issuer, *provided that* the effective date of such termination shall not be earlier than the effective date of termination of the APMSA. The Platform Provider may also terminate the Framework Assignment Agreement and/or any Assignment Framework Note with immediate effect upon the occurrence of certain events, including a breach of material obligations of the Buyer Parent (subject to a 30 days grace period), a material breach of the representation and warranties of the Buyer Parent (subject to a 30 days grace period), or if a specified insolvency event has occurred in respect of the Buyer Parent. Termination of the Framework Assignment Agreement shall preclude the service of further Assignment Notices, thus preventing the Issuer from purchasing further VFZ Accounts Receivable, in which case the Issuer would be dependent upon (i) the repayment of any Assigned Receivables outstanding prior to such termination and (ii) payments from the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement to fund interest payments on the Notes. Upon repayment of any outstanding Assigned Receivables, funding of payments on the Notes would no longer benefit from the purchase and repayment of VFZ Accounts Receivable. In such case the Issuer would be entirely dependent upon payments by the New VFZ Facilities Borrower and VZ Financing I B.V. to which the Issuer is entitled under the New VFZ Facilities Agreement

(including any Shortfall Payments) and Expenses Agreement, as applicable, to fund payments under the Notes. See “—*The Issuer is an unaffiliated special purpose financing company which will depend on payments in respect of the Assigned Receivables, the New VFZ Facilities Agreement and the Expenses Agreement to provide it with funds to meet its obligations under the Notes*” and “—*Limited recourse obligations*”.

### ***Reliance on third parties***

Each of the Notes Trustee, the Security Trustee and the Issuer is a party to arrangements with a number of other third parties that have agreed to perform certain services in relation to the VFZ Accounts Receivable and the New VFZ Facilities Agreement, as further described in “*Summary of Principal Documents—Agency and Account Bank Agreement*” included elsewhere in this Offering Circular. For example, the Administrator has agreed to provide certain portfolio administration and calculation services, the Account Bank has agreed to provide certain cash management services and the Paying Agent has agreed to provide payment services, in each case either itself or through its delegates, in respect of the VFZ Accounts Receivable and New VFZ Facilities Loans under the Agency and Account Bank Agreement. Each of the Notes Trustee, the Security Trustee and the Issuer will rely on the relevant third party or its delegate to exercise the rights and carry out the obligations under the Agency and Account Bank Agreement. In the event that any relevant third party or its delegate fails to perform its obligations under the respective agreement, the Notes may be adversely affected. For example, disruptions in the duties of the Administrator, which may be caused by the failure to appoint a successor or the failure of the Administrator to carry out its services, could lead to a loss on the Notes. Each of the Issuer and the Security Trustee may, from time to time, become subject to regulatory or other requirements that may require it to appoint additional third parties (or increase the level of responsibility of an existing third party) to provide relevant services and/or incur additional costs and expenses to enable it to comply with such regulatory requirements. The Issuer and the Security Trustee, as the case may be, could be in breach of regulatory requirements or otherwise adversely affected if they were unable to find a third party to provide the relevant services or perform them themselves. Moreover, such regulatory requirements may give rise to additional costs and expenses for the affected entity which would be payable prior to payments with respect to the Notes and thereby reduce amounts available to make such payments under the Notes.

### ***Termination of the Administrator may cause disruptions in processes that could affect the timeliness of payments on the Notes***

If the appointment of The Bank of New York Mellon, London Branch as Administrator is terminated under the terms of the Agency and Account Bank Agreement, it will be necessary for the Issuer to appoint a successor to undertake the obligations of the Administrator. See “*Summary of Principal Documents—Agency and Account Bank Agreement*” for a description of the circumstances in which termination of the Administrator may occur and the consequences of such termination. The transfer to a new Administrator may create disruptions in processes that could cause delays in the payments received by the Issuer and, ultimately, in payments due on the Notes.

### **Investment Company Act**

#### ***Restrictions on Ownership of Notes and the Investment Company Act***

The Notes will be sold only to Eligible Non-U.S. Persons in offshore transactions in reliance on Regulation S. The Issuer has not registered with the SEC as an investment company pursuant to the Investment Company Act, in reliance on the exception contained in Section 3(c)(7) of the Investment Company Act. Section 3(c)(7) of the Investment Company Act provides that an entity will not be within the statutory definition of “investment company” so long as (a) such entity’s outstanding securities offered within the U.S. are owned exclusively by U.S. residents that are “qualified purchasers” at the time of acquisition of such securities and (b) such entity does not make, or propose to make, a public offering of its securities in the United States. In some cases persons who would not otherwise be deemed to be qualified purchasers can own securities of the entity, such as “knowledgeable employees” of the entity and certain transferees identified in Rules 3c-5 or 3c-6 under the Investment Company Act. In addition, resales of the Notes in a transaction exempt from the registration requirements under the U.S. Securities Act, as the case may be, are restricted as described under “*Transfer Restrictions*”.

No opinion or no-action position has been requested of the SEC with respect to the status of the Issuer as an investment company under the Investment Company Act.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the Investment Company Act, had failed, to register as an investment company, possible consequences include, but

are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. In addition, such a finding would constitute an Issuer Event of Default under the Conditions. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

## **Risks Relating to Our Financial Profile**

***Our substantial leverage could adversely affect our business, financial condition and results of operations and prevent us from fulfilling our obligations under the Notes.***

We have a substantial amount of indebtedness. As of 30 June 2019 the total principal amount of third-party borrowings of VodafoneZiggo was €10.9 billion (equivalent) (which includes finance lease obligations). We also had €800.0 million available to draw under the Revolving Credit Facility (which represents the entire amount available thereunder).

We may incur substantial additional debt in the future. Although the Existing Credit Facility, and the indentures governing the Existing Notes will and/or do contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our and our subsidiaries' existing debt levels, the related risks that we now face would increase. In addition, the aforementioned indentures and the Existing Credit Facility will not prevent us from incurring obligations that do not constitute indebtedness under those agreements. Our indebtedness, as defined in the aforementioned arrangements, is not affected by the adoption of ASU No. 2016-02, Leases (ASU 2016-02), as of 1 January 2019. By adopting this ASU 2016-02 we will recognize substantial lease liabilities and substantial right-of-use assets.

Further, the indentures governing the Existing Notes and the Existing Credit Facility each allow us, in certain circumstances, to make dividend payments and to make other distributions under the applicable covenants thereunder limiting restricted payments or to make minority investments or investments in joint ventures. See the discussions under the heading "*Description of Other Indebtedness*" for further information about our substantial debt.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, and in turn, the Issuer's ability to satisfy its obligations under the Notes offered hereby.

In addition, the Existing Credit Facility and the indentures governing the Existing Notes contain financial and other restrictive covenants that will limit our ability to engage in activities that may be in our long term best interests, including, among other things, borrowing additional funds. These restrictions are subject to significant exceptions. Our failure to comply with such covenants could result in an event of default under the Existing Credit Facility and/or the Existing Notes, which, if not cured or waived, could result in the acceleration of all our debts or have a similar material adverse effect on us.

We may incur substantial additional debt in the future, including in connection with any future acquisition. In connection with our financial strategy, we continually evaluate different financing alternatives, and we may decide to enter into new credit facilities, or incur other indebtedness from time to time, including during the period following the consummation of this offering. If we incur new debt in addition to our current debt, the related risks that we now face, as described above and elsewhere in these "*Risk Factors*", could intensify.

***Our substantial leverage could limit our ability to obtain additional financing and have other adverse effects.***

We seek to maintain our debt at levels that provide for attractive equity returns without assuming undue risk. In this regard, we generally seek to maintain our debt at levels that result in a consolidated debt balance that is less than 5.0 times our Covenant EBITDA (as defined herein and Note 11 of the 2018 Annual Report). At 30 June 2019, the principal amount of our total third-party outstanding debt and finance lease obligations was approximately €10.9 billion (equivalent). We believe that we have sufficient resources to repay or refinance the current portion of our debt and finance lease obligations and to fund our foreseeable liquidity requirements

during the next 12 months. However, as our debt maturities grow in later years, we anticipate that we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to refinance or otherwise extend our debt maturities in light of the current market conditions. In this regard, it is not possible to predict how economic conditions, sovereign debt concerns and/or any adverse regulatory developments could impact the credit markets we access and, accordingly, our future liquidity and financial position.

Our ability to service or refinance our debt and to maintain compliance with our leverage covenants is dependent primarily on our ability to maintain or increase our Covenant EBITDA and to achieve adequate returns on our capital expenditures and acquisitions. Accordingly, if our Covenant EBITDA declines or we encounter other material liquidity requirements, we may be required to seek additional debt financing in order to meet our debt obligations and other liquidity requirements as they come due. In addition, our current debt levels may limit our ability to incur additional debt financing to fund capital expenditures, working capital needs, acquisitions, or other general corporate requirements. We can give no assurance that any additional debt financing will be available on terms that are as favorable as the terms of our existing debt or at all.

***We may incur additional indebtedness prior to, or within a short time period following, the Issue Date of the Notes, which indebtedness could increase our leverage and may have terms that are more or less favorable than the terms of the Notes and our other existing indebtedness.***

We may incur substantial additional indebtedness, including to refinance our existing indebtedness, to fund any future acquisition or for general corporate purposes, which may include loans, distributions or other payments to our direct or indirect shareholders or share buybacks. Such additional indebtedness may include the incurrence of Further Notes issued by the Issuer under the Trust Deed and the upsizing of VodafoneZiggo's existing indebtedness. In connection with our financial strategy, we continually evaluate different financing alternatives, and may decide to enter into new credit facilities, access the debt capital markets (including through an additional term loan facility or the entry into additional financing arrangements, funded with the proceeds of notes issued by the Issuer or another financing company) or incur other indebtedness from time to time, including following the consummation of this offering and prior to, or within a short time period following, the Issue Date of the Notes. Any such offering or incurrence of debt will be made at our election, and if such debt is in the form of securities (including Further Notes under the Trust Deed), would be offered and sold pursuant to, and on the terms described in, a separate offering circular. The interest rate with respect to any such additional indebtedness will be set at the time of the pricing or incurrence of such indebtedness and, to the extent the interest rate is greater than the interest rate applicable to any indebtedness that is refinanced, or to the extent of any incremental indebtedness, such offering or incurrence would be expected to increase our cash interest expense on a pro forma basis. In addition, the maturity date of any such additional indebtedness will be set at the time of pricing of such incurrence or offering and may be earlier or later than the maturity date of the Notes. The other terms of such additional debt would be as agreed with the relevant lenders or holders thereof and could be more or less favorable than the terms of the Notes or our other existing indebtedness. There can be no assurance that we will elect to raise any such additional debt or that any effort to raise such debt will be successful, and there can be no assurance as to the timing of such offering or incurrence, the amount or terms of any such additional debt. If we incur new debt in addition to its current debt, the related risks that we now face, even in a refinancing transaction, as described above and elsewhere in these "Risk Factors", could intensify.

***We may not be able to generate sufficient cash to meet our debt service obligations.***

Our ability to make interest payments on the Existing Notes and to meet our other debt service obligations, including under the Existing Credit Facility, and the Existing Notes, or to refinance our debt, depends on our future operating and financial performance, which will be affected by our ability to successfully implement our business strategy as well as general economic, financial, competitive, regulatory and other factors beyond our control. If we cannot generate sufficient cash to meet our debt service requirements, we may, among other things, need to refinance all or a portion of our debt, obtain additional financing, delay planned capital expenditures or investments or sell material assets.

If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations under the Existing Notes. In that event, borrowings under other debt agreements or instruments that contain cross default or cross acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all of our debts. See "Description of Other Indebtedness".



***We are subject to debt covenants that could adversely affect our ability to finance our future operations and capital needs and to pursue business opportunities and activities.***

The indentures governing the Existing Notes, and other agreements governing our indebtedness (including the Existing Credit Facility) contain covenants that significantly restrict our ability to, among other things:

- incur or guarantee additional debt or issue certain preferred stock;
- pay dividends, redeem capital stock and make certain investments;
- make certain other restricted payments;
- create or permit to exist certain liens;
- impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to us;
- transfer, lease or sell certain assets including subsidiary stock;
- merge or consolidate with other entities;
- enter into certain transactions with affiliates;
- enter into unrelated businesses; and
- impair the security interests for the benefit of the holders of the Existing Notes.

All of these limitations are subject to significant exceptions and qualifications, including the ability to pay dividends, make investments or to make significant prepayments of related-party debt. However, these covenants could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

In addition to limiting our flexibility in operating our business, the breach of any covenants or obligations under the agreements governing our debt may result in a default under the applicable debt agreement and could trigger acceleration of the related debt. Such a default or acceleration could in turn trigger defaults under other agreements governing our debt. A default under the agreements governing our other debt could materially adversely affect our growth, our financial condition and results of operations and result in us not having sufficient assets to fulfil the obligations under the relevant series of Existing Notes. See “*Description of Other Indebtedness*”.

***We are exposed to interest rate risks. Shifts in such rates may adversely affect our debt service obligations.***

We are exposed to the risk of fluctuations in interest rates, primarily under the Existing Credit Facility, which are indexed to EURIBOR and LIBOR rates. Although we enter into various derivative transactions to manage exposure to movements in interest rates, there can be no assurance that we will be able to continue to do so at a reasonable cost or at all. If we are unable to effectively manage our interest rate exposure through derivative transactions, any increase in market interest rates would increase our interest rate exposure and debt service obligations, which would exacerbate the risks associated with our leveraged capital structure.

In July 2017, the U.K. Financial Conduct Authority (the authority that regulates LIBOR) announced that it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. Currently, it is not possible to predict the exact transitional arrangements for calculating applicable reference rates that may be made in the U.K., the U.S., the Eurozone or elsewhere given that a number of outcomes are possible, including the cessation of the publication of one or more reference rates. Our loan documents contain provisions that contemplate alternative calculations of the base rate applicable to our LIBOR-indexed debt to the extent LIBOR is not available, which alternative calculations we do not anticipate will be materially different from what would have been calculated under LIBOR. Additionally, no mandatory prepayment or redemption provisions would be triggered under our loan documents in the event that the LIBOR rate is not available. It is possible, however, that any new reference rate that applies to our LIBOR-indexed debt could be different than any new reference rate that applies to our LIBOR-indexed derivative instruments. We anticipate managing this difference and any resulting increased variable-rate exposure through modifications to our debt and/or derivative instruments, however future market conditions may not allow immediate implementation of desired modifications and/or the company may incur significant associated costs.

***We are exposed to various foreign currency exchange rate risks.***

The functional currency of our operations is the euro. Accordingly, we are exposed to foreign currency exchange risk with respect to our dollar denominated debt, which includes Term Loan Facility E (as defined in



“Description of Other Indebtedness of VodafoneZiggo—Existing Credit Facility”), the 2027 Dollar Senior Secured Notes, the 2025 Dollar Senior Notes and the 2027 Senior Notes. Although we generally seek to match the denomination of our borrowings, and the borrowings of our subsidiaries, with the euro, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the euro. With respect to Term Loan Facility E, the 2027 Dollar Senior Secured Notes, the 2025 Dollar Senior Notes and the 2027 Senior Notes, we have entered into currency swaps to synthetically convert the interest and principal payments due under the Term Loan Facility E, 2027 Dollar Senior Secured Notes, the 2025 Dollar Senior Notes and the 2027 Senior Notes into euro for a period up until the respective maturity date of the Term Loan Facility E, 2027 Dollar Senior Secured Notes, the 2025 Dollar Senior Notes and the 2027 Senior Notes.

***Disruptions in the credit and equity markets could increase the risk of default by the counterparties to our derivative and other financial instruments, undrawn debt facilities and cash investments and may impact our future financial position.***

Although we seek to manage the credit risks associated with our derivative and other financial instruments, cash investments and undrawn debt facilities, we are exposed to the risk that our counterparties could default on their obligations to us. While we regularly review our credit exposures and currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance of default or failure could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity. In this regard, (1) we may incur losses to the extent that we are unable to recover debts owed to us, including cash deposited and the value of financial losses, (2) we may incur significant costs to recover amounts owed to us, and such recovery may take a long period of time or may not be possible at all, (3) our derivative liabilities may be accelerated by the default of our counterparty, (4) we may be exposed to financial risks as a result of the termination of affected derivative contracts, and it may be costly or impossible to replace such contracts or otherwise mitigate such risks, (5) amounts available under committed credit facilities may be reduced and (6) disruption to the credit markets could adversely impact our ability to access debt financing on favourable terms, or at all. At 30 June 2019, our exposure to counterparty credit risk included (1) derivative assets with an aggregate fair value of €0.8 million, (2) cash and cash equivalent and restricted cash balances of €343.2 million and (3) aggregate undrawn debt facilities of €800.0 million.

Furthermore, under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty. Furthermore, the underlying risks that are the subject of the relevant derivative contracts would no longer be effectively hedged due to the insolvency of our counterparty, unless and until we novate or replace the derivative contract.

In addition, where a counterparty is in financial difficulty, under the laws of certain jurisdictions, the relevant regulators may be able to (i) compel the termination of one or more derivative instruments, determine the settlement amount and/or compel, without any payment, the partial or full discharge of liabilities arising from such early termination that are payable by the relevant counterparty or (ii) transfer the derivative instruments to an alternative counterparty. However, no assurance can be given that the relevant regulators would in fact do so or that such actions would not result in substantial costs to us.

## Risks Relating to Our Industry and Our Business

*We operate in increasingly competitive markets, and there is a risk that we will not be able to effectively compete with other service providers.*

The Netherlands market for video, broadband internet, fixed-line telephony and mobile services is highly competitive and rapidly evolving. Technological advances and product innovations have increased and are likely to continue to increase giving customers several options for the provision of their telecommunications services. Our customers want access to high quality telecommunication services that allow for seamless connectivity. Accordingly, our ability to offer converged services (video, internet, fixed telephone and mobile) is a key component of our strategy. We compete with companies that provide fixed-mobile convergence bundles, as well as companies that are established in one or more communication products and services. Consequently, our business faces significant competition.

For all our services, we compete with the provision of similar services from operator Koninklijke KPN N.V. (“**KPN**”), Tele2 Netherlands Holding B.V. (“**Tele2**” as of January 2019 merged with T-Mobile), T-Mobile Netherlands B.V. (“**T-Mobile**”) and smaller parties. KPN and other competitors using KPN’s fixed network offer (i) internet protocol television (“**IPTV**”) over fiber optic lines where the fiber is to the home, cabinet, or building or to the node networks (fiber-to-the-home/-cabinet/-building/-node is referred to herein as “**FTTx**”) networks and through broadband internet connections using DSL or very high-speed DSL technology (“**VDSL**”), KPN’s network also offers several enhancements to VDSL, such as “vectoring” and “pair bonding”, and (ii) digital terrestrial television (“**DTT**”). Where KPN has enhanced its VDSL system, it allows for offers of broadband internet with download speeds of up to 150 Mbps and on its FTTx networks, it allows for download speeds of up to 500 Mbps. The ability of competitors to offer a bundled triple-play of video, broadband internet and telephony services and fixed-mobile convergence services, creates significant competitive pressure on our operations, including the pricing and bundling of our video products. The video services of competitors include many of the interactive features we offer our subscribers (e.g. KPN introduced a new set-top box that is capable of 4K TV that is expected to enhance the video experience for its customers). Portions of our network have been overbuilt by KPN’s and other providers’ FTTx networks and expansion of these networks is expected to continue.

We also experience competition from (i) direct-to-home satellite (“**DTH**”) service providers, such as Canal Digital, a subsidiary of M7 Group S.A., (ii) OTT video content aggregators utilizing our or our competitors’ high-speed internet connections, and (iii) movie theaters, video websites and home video products. In addition, we compete to varying degrees with other sources of information and entertainment, such as online entertainment, newspapers, magazines, books, live entertainment/ concerts and sporting events. Free-to-air television is not a significant competitive factor because the Netherlands is predominately a pay television market.

We compete with KPN and T-Mobile (Tele2 as of January 2019 merged with T-Mobile) in the mobile market, offering 2G, 3G and 4G services, where pressure on market price continues, characterized by aggressive promotional campaigns, heavy marketing spend and increasing (data) bundles. Furthermore, there is increasing competition from MVNOs, some of which focus on niche segments. While in the business market, we see growing customer requirements to provide unified communication solutions with a focus on employee mobility, seamless fixed and mobile transition and digital workspace.

Connectivity Services in the high end business market are also offered by competitors like Eurofiber (nationwide fiber access services) and international service providers like British Telecom, Colt, etc.

In the business segment we also compete with service providers offering ‘value added services’, mostly in OTT service models based on Hosted Cloud technologies. These can be both local providers with nationwide coverage and international cloud hosting providers like Microsoft, Amazon Web Services and IBM.

Changes in market share are driven primarily by the combination of price and quality of services provided. To improve our competitive position, we continuously monitor and update our portfolios.

We offer attractive bundle options, plus fixed-mobile convergence options, allowing our subscribers the ability to select various combinations of services to meet their needs. Our competitive strategy with respect to our services includes:

- Video services: We include MediaBox XL, MediaBox Next, Replay TV and Movies & Series in our extended digital video tier offers. Ziggo GO is also available, providing subscribers the ability to watch

linear and VoD programming through a second or third screen application on smart phones, tablets and laptops and to record programs remotely. We introduced MediaBox Next in March 2019, which provides a new 4K next-generation TV entertainment platform to subscribers. In addition, we continue to improve the quality of our programming and modify our video options by offering attractive content packages.

- Mobile services: We offer a wide range of 2G, 3G and 4G mobile services and are expanding our Community WiFi network. We also continue to invest in our mobile network to improve the availability and quality of our services.
- Broadband internet services: We promote our speeds of up to 500 Mbps in the consumer market (600Mbps at B2B) and we seek to increase the maximum speed of our connections by fully utilizing the technical capabilities of EURO DOCSIS 3.0 and DOCSIS 3.1 technologies of our cable system. We expect the internet speeds on our network will continue to increase with the deployment of our next generation gateways in our cable networks.
- Fixed-line telephony services: We position our services as “anytime” and “anywhere” and offer a variety of innovative calling plans to meet the needs of our customers, such as national or international calling, unlimited off-peak calling and minute packages, including calls to fixed and mobile phones.

We expect the level and intensity of competition to continue to increase from both existing competitors and new market entrants as a result of changes in the Dutch and European regulatory framework of the industries in which we operate, advances in technology, the influx of new market entrants and strategic alliances and cooperative relationships among industry participants. Increased competition could result in increased customer churn, reductions of customer acquisition rates for some products and services and significant price competition. In combination with difficult economic environments, these competitive pressures could adversely impact our ability to increase or, in certain cases, maintain the revenue, ARPU, RGUs, OCF and liquidity of our operations.

***Our business is concentrated in the Netherlands.***

We operate exclusively in the Dutch market and our success is therefore closely tied to general economic developments in the Netherlands and cannot be offset by developments in other markets. Negative developments in the Dutch economy, in particular with elevated levels of unemployment and a housing market which is still in recovery coupled with negative developments arising from the ongoing struggles in Europe relating to sovereign debt issues, may have a direct adverse impact on the spending patterns of retail consumers, both in terms of the products they subscribe for and usage levels. Unfavorable economic conditions may impact a significant number of our current and potential subscribers and, as a result, it may be (i) more difficult to attract new subscribers, (ii) more likely that subscribers will downgrade or disconnect their services and (iii) more difficult to maintain our existing ARPU level. Accordingly, our ability to increase or maintain our revenue, ARPU, RGUs and OCF, as the case may be, operating cash flow, operating cash flow margin and liquidity could be adversely affected if the economic environment remains uncertain or declines further. Negative changes in demand as a result of a declining economic environment could have a material adverse effect on our revenue and operating cash flow.

***Our property and equipment additions may not generate a positive return.***

The television, broadband internet, fixed-telephony and mobile communications businesses in which we operate are capital intensive. Significant additions to our property and equipment are required to add customers to our networks and to upgrade our broadband communications networks and CPE to enhance our service offerings and improve the customer experience. Such expansion and improvements require significant capital expenditures for equipment and associated labor costs. Significant competition, the introduction of new technologies, the expansion of existing technologies, such as FTTx and advanced DSL, or adverse regulatory developments could cause us to decide to undertake previously unplanned upgrades of our networks and CPE. In addition, no assurance can be given that any future upgrades will generate a positive return or that we will have adequate capital available to finance such future upgrades. If we are unable to, or elect not to, pay for costs associated with adding new customers, expanding or upgrading our networks or making our other planned or unplanned additions to our property and equipment, our growth could be limited, and our competitive position could be harmed.

***Adverse economic developments could reduce customer spending for our cable television, broadband, fixed-line telephony and mobile services and increase churn.***

Customer churn is a measure of the number of customers who stop subscribing for one or more of our products or services. Churn arises mainly as a result of competitive influences, relocation of subscribers,

deterioration of personal financial circumstances and price increases. In addition, our customer churn rate may also increase if we are unable to deliver satisfactory services. For example, any interruption or unavailability of our services, which may not be under our control, could contribute to increased customer churn. Increased customer churn may have a material adverse effect on our business, financial condition and results of operation.

Most of our revenue is derived from customers who could be impacted by adverse economic developments globally, in Europe and in the Netherlands. Ongoing struggles in Europe related to sovereign debt issues, among other things, has contributed to a challenging economic environment. Accordingly, unfavorable economic conditions may impact a significant number of our customers and, as a result, it may be (i) more difficult for us to attract new customers, (ii) more likely that customers will downgrade or disconnect their services and (iii) more difficult for us to maintain ARPU at existing levels. The Netherlands may also seek new or increased revenue sources due to fiscal deficits. Such actions may further adversely affect our company. Accordingly, our ability to increase, or, in certain cases, maintain, our revenue, ARPUs, RGUs and OCF, as the case may be, operating cash flow, operating cash flow margins and liquidity could be materially adversely affected if the economic environment in Europe remains uncertain or declines (including as a result of the U.K.'s vote to leave the European Union). We are currently unable to predict the extent of any of these potential adverse effects. For a description of the risks associated with the U.K.'s vote to leave the European Union, see “—*The U.K. referendum advising for the exit of the U.K. from the E.U. could have a material adverse effect on our business, financial condition or results of operations.*”

***Changes in technology may limit the competitiveness of and demand for our products and services.***

Technology in the video, telecommunications and data services industries is changing rapidly, including advances in current technologies and the emergence of new technologies. New technologies, products and services may impact customer behavior and therefore demand for our products and services. The ability to anticipate changes in technology and consumer tastes and to develop and introduce new and enhanced products on a timely basis will affect our ability to continue to grow, increase our revenue and number of subscribers and remain competitive. New products and services, once marketed, may not meet consumer expectations or demand, can be subject to delays in development and may fail to operate as intended. A lack of market acceptance of new products and services that we may offer, or the development of significant competitive products or services by others, could have a material adverse impact on our revenue and operating cash flow.

***We depend almost exclusively on our relationships with third-party programming providers and broadcasters for programming content, and a failure to acquire a wide selection of popular programming on acceptable terms could adversely affect our business.***

The success of our video subscription business depends, in large part, on our ability to provide a wide selection of popular programming to our subscribers. We generally do not produce our own content and we depend on our agreements, relationships and cooperation with public and private broadcasters and collective rights associations to obtain such content. If we fail to obtain a diverse array of popular programming for our pay television services, including a sufficient selection of high-definition channels, out-of-home rights and non-linear content (such as video-on-demand, Replay TV and digital video recorder capability), on satisfactory terms, we may not be able to offer a compelling video product to our customers at a price they are willing to pay. Additionally, we are frequently negotiating and renegotiating programming agreements and our annual costs for programming can vary. There can be no assurance that we will be able to renegotiate or renew the terms of our programming agreements on acceptable terms or at all. We expect that programming and copyright costs will continue to rise in future periods as a result of, among other factors, higher costs associated with the expansion of our digital video content, including rights associated with ancillary product offerings and rights that provide for the broadcast of live sporting events, and retransmission or copyright fees payable to public broadcasters.

If we are unable to obtain or retain attractively priced competitive content, demand for our existing and future television services could decrease, thereby limiting our ability to attract new customers, maintain existing customers and/or migrate customers from lower tier programming to higher tier programming, thereby inhibiting our ability to execute our business plans. Furthermore, we may be placed at a competitive disadvantage if certain of our competitors obtain exclusive programming rights, particularly with respect to popular sports and movie programming. In addition, “must carry” requirements may consume channel capacity otherwise available for more attractive programming.



***We depend on third-party suppliers and licensors to supply necessary equipment, software and certain services required for our businesses.***

We rely on third-party vendors for the equipment, software and services that we require in order to provide services to our customers. Our suppliers often conduct business worldwide and their ability to meet our needs is subject to various risks, including political and economic instability, natural calamities, interruptions in transportation systems, terrorism and labor issues. In addition, further to geopolitical developments and security threats suppliers may be subject to investigations, possibly leading to restrictions in the use of their products. As a result, we may not be able to obtain the equipment, software and services required for our businesses on a timely basis or on satisfactory terms. Any shortfall in customer premises equipment could lead to delays in connecting customers to our services, and accordingly, could adversely impact our ability to maintain or increase our RGUs, revenue and cash flows. Also, if demand exceeds the suppliers' and licensors' capacity or if they experience financial difficulties, the ability of our businesses to provide some services may be materially adversely affected, which in turn could affect our businesses' ability to attract and retain customers. Although we actively monitor the creditworthiness of our key third-party suppliers and licensors, the financial failure of a key third-party supplier or licensor could disrupt our operations and have an adverse impact on our revenue and cash flows. Additionally, we rely upon intellectual property that is owned or licensed by us to use various technologies, conduct our operations and sell our products and services. Legal challenges could be made against our use of our or our licensed intellectual property rights (such as trademarks, patents and trade secrets) and we may be required to enter into licensing arrangements on unfavorable terms, incur monetary damages or be enjoined from use of the intellectual property rights in question. Furthermore, VodafoneZiggo is partially dependent on KPN for the supply of fiber lines to provide fixed network services to its enterprise customers. KPN's wholesale fiber services to businesses ("Fiber to the Office" or "FttO") are no longer regulated by the ACM.

***Failure in our technology or telecommunications systems or leakage of sensitive customer data could significantly disrupt our operations, which could reduce our customer base and result in lost revenue.***

Our success depends, in part, on the continued and uninterrupted performance of our information technology and network systems, including internet sites, data hosting and processing facilities and other hardware, software and technical applications and platforms, as well as our customer service centers. Some of these are managed, hosted, provided or used by third-party service providers or their vendors, to assist in conducting our business. In addition, the hardware supporting a large number of critical systems for our cable network in a particular country or geographic region is housed in a relatively small number of locations. Our and our third-party service providers' systems and equipment (including our routers and set-top boxes) are vulnerable to damage or security breach from a variety of sources, including telecommunications failures, power loss, malicious human acts, security flaws, and natural disasters. Moreover, despite security measures, our and our third-party service providers' servers, systems and equipment are potentially vulnerable to physical or electronic break-ins, computer viruses, worms, phishing attacks and similar disruptive actions. We and our third party service providers may not be able to anticipate or respond in an adequate and timely manner to attempts to obtain authorized access to, disable or degrade our or our third party service providers' systems because the techniques for doing so change frequently, are increasingly complex and sophisticated and are difficult to detect for periods of time. In addition, the security measures and procedures we and our third-party service providers have in place to protect sensitive consumer data and other information may not be sufficient to counter all data security breaches, cyber-attacks, or system failures. In some cases, mitigation efforts may depend on third parties who may not deliver products or services that meet the required contractual standards or whose hardware, software or network services may be subject to error, defect, delay, or outage.

Furthermore, our operating activities could be subject to risks caused by misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in our information technology systems and networks and those of our third-party vendors, including customer, personnel and vendor data. As a result of the increasing awareness concerning the importance of safeguarding personal information, the potential misuse of such information and legislation that has been adopted or is being considered across all of our markets regarding the protection, privacy and security of personal information, information-related risks are increasing, particularly for businesses like ours that handle a large amount of personal customer data. Failure to comply with these data protection laws may result in, among other consequences, fines, litigation or regulatory actions.

Despite the precautions we have taken, unanticipated problems affecting our systems could cause business disruptions such as failures in our information technology systems, disruption in the transmission of signals over our networks or similar problems. Further, although we devote significant resources to our cybersecurity



programs and have implemented security measures to protect our systems and data, and to prevent, detect and respond to data security incidents, there can be no assurance that our efforts will prevent these threats. Any disruptive situation that causes loss, misappropriation, misuse or leakage of data could damage our reputation and the credibility of our operations, and could subject us to potential liability, including litigation or other legal actions against us or the imposition of penalties, fines, fees or liabilities, which may not be covered by our insurance policies. Further, sustained or repeated system failures that interrupt our ability to provide service to our customers or otherwise meet our business obligations in a timely manner could adversely affect our reputation and result in a loss of customers and an adverse impact on revenue. Also, a cybersecurity breach could require us to devote significant management resources to address the problems associated with the breach and to expend significant additional resources to upgrade further the security measures we employ to protect personal information against cyber-attacks and other wrongful attempts to access such information, which could result in a disruption of our operations

***Unauthorized access to our network resulting in piracy could result in a loss of revenue.***

We rely on the integrity of our technology to ensure that our services are provided only to identifiable paying customers. Increasingly sophisticated means of illicit piracy of television, broadband and telephony services are continually being developed in response to evolving technologies. Furthermore, billing and revenue generation for our pay television services rely on the proper functioning of our encryption systems. While we continue to invest in measures to manage unauthorized access to our networks, any such unauthorized access to our cable television service could result in a loss of revenue, and any failure to respond to security breaches could raise concerns under our agreements with content providers, all of which could have a material adverse effect on our business and results of operations.

***Strikes, work stoppages and other industrial actions could disrupt our operations or make it more costly to operate our businesses***

We are exposed to the risk of strikes, work stoppages and other industrial actions. In the future we may experience lengthy consultations with labor unions and works councils or strikes, work stoppages or other industrial actions. The Group's collective labor agreement entered into force as of 1 July 2018 and expired on 31 July 2019. As of the date of this Offering Circular, a new collective labor agreement has not yet been put in place. However, under Dutch law, the Group's collective labor agreement will have continued effect until a new collective labor agreement has been agreed upon with the unions. Strikes and other industrial actions, as well as the negotiation of new collective bargaining agreements or salary increases in the future, could disrupt our operations and make it more costly to operate our facilities. In addition, strikes called by employees of any of our key providers of materials or services could result in interruptions in the performance of our services. The occurrence of any of the above risks could have a material adverse effect on our business, financial condition and results of operations.

***Our revenue has declined in recent periods and no assurance can be given that further declines will not occur in future periods.***

Due in large part to the impacts of strong competition, VodafoneZiggo's revenue has declined by 2.0% from €3,974.5 million during the fiscal year ended 31 December 2017 (on a pro forma basis to give effect to the adoption of ASU 2014-09, *Revenue from Contracts with Customers*) to €3,895.4 million during the fiscal year ended 31 December 2018 and by 3.6% from €4,146.6 million during the fiscal year ended 31 December 2016 (after giving pro forma effect to the consummation of the JV Transaction) to €3,995.3 million during the fiscal year ended 31 December 2017. To the extent that revenue declines occur in future periods, VodafoneZiggo will be challenged to reduce costs to offset any such revenue declines in order to maintain or grow OCF or adjusted EBITDA, as applicable. To the extent that revenue declines are not fully offset with synergies or other cost savings measures, Covenant EBITDA of VodafoneZiggo would decline, potentially resulting in a reduction of the borrowing capacity and, accordingly, financial flexibility. For additional information, see "Selected Consolidated Financial and Operating Data of VodafoneZiggo" herein and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2019 Financial Statements and the 2018 Annual Report.

***We may not be successful at entering new businesses or broadening the scope of our existing product and service offerings.***

From time to time we may enter or have recently entered into new businesses that are adjacent or complementary to our existing businesses and that broaden the scope of our existing product and service

offerings. We may not achieve our expected growth if we are not successful in these efforts. In addition, entering into new businesses and broadening the scope of our existing product and service offerings may require significant upfront expenditures that we may not be able to recoup in the future. These efforts may also divert management's attention and expose us to new risks and regulations, which may have a material adverse effect on our business, results of operations and financial condition.

***Changes in value-added or similar revenue based tax rates could adversely affect our cash flows.***

Most of our revenue is derived from the Netherlands, which administer value-added or similar revenue-based taxes. Any increases in these taxes could have an adverse impact on our ability to maintain or increase our revenue to the extent that we are unable to pass such tax increases on to our customers. In the case of revenue-based taxes for which we are the ultimate taxpayer, we will also experience increases in our operating expenses and corresponding declines in our operating cash flow and operating cash flow margin to the extent of any such tax increases. Any future increases in value-added tax rates or similar revenue based taxes could affect our operating expenses and have an adverse impact on our cash flows.

***Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our results of operations and cash flow.***

The tax laws and regulations in the Netherlands may be subject to change and there may be changes in interpretation and enforcement of tax law. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws and regulations are modified by the competent authorities in an adverse manner. In addition, the tax authorities in the Netherlands may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, including the tax treatment or characterization of our indebtedness, including the Notes, existing and future intercompany loans and guarantees or the deduction of interest expenses. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws and regulations are modified by the competent authorities in an adverse manner.

Further, the withholding tax treatment of interest paid to lenders based in the U.K. under any present or future loan could be negatively affected as a result of Brexit. See “*—The U.K. referendum advising for the exit of the U.K. from the E.U. could have a material adverse effect on our business, financial condition or results of operations.*”

We regularly assess the likelihood of such outcomes and have established tax allowances which represent management's best estimate of the potential assessments. The resolution of any of these tax matters could differ from the amount reserved, which could have a material adverse effect on our cash flows, business, financial condition and results of operations for any affected reporting period.

***We are exposed to sovereign debt and currency instability risks in Europe that could have an adverse impact on our liquidity, financial condition and cash flows.***

Our operations are subject to macroeconomic and political risks that are outside of our control. For example, high levels of sovereign debt in the U.S. and certain European countries combined with weak growth and high unemployment, could lead to fiscal reforms (including austerity measures), sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility, and potentially, disruptions in the credit and equity markets, as well as other outcomes that might adversely impact us. With regard to currency instability issues, concerns exist in the Eurozone with respect to individual macro-fundamentals on a country-by-country basis, as well as with respect to the overall stability of the European monetary union and the suitability of a single currency to appropriately deal with specific fiscal management and sovereign debt issues in individual Eurozone countries. Further, the United Kingdom held a referendum on 23 June 2016, to determine whether the United Kingdom should leave the European Union or remain as a member state, and the outcome of that referendum was in favor of leaving the European Union (“Brexit”). It is possible that members of the European monetary union could hold a similar referendum regarding their membership within the Eurozone in the future. The realization of these concerns could lead to the exit of one or more countries from the European monetary union and the re-introduction of individual currencies in these countries, or, in more extreme circumstances, the possible dissolution of the euro entirely, which could result in the redenomination of a portion, or in the extreme case, all of our euro-denominated assets, liabilities and cash flows to the new currency of the country in which they originated. This could result in a mismatch in the currencies of our assets, liabilities and cash flows. Any such mismatch, together with the capital market disruption that would likely accompany any such redenomination event, could have a material adverse impact on our liquidity and financial condition.

Furthermore, any redenomination event would likely be accompanied by significant economic dislocation, particularly within the Eurozone countries, which in turn could have an adverse impact on demand for our products, and accordingly, on our revenue and cash flows. Moreover, any changes from euro to non-euro currencies in the Netherlands would require us to modify our billing and other financial systems. No assurance can be given that any required modifications could be made within a timeframe that would allow us to timely bill our customers or prepare and file required financial reports. In light of the significant exposure that we have to the euro through our euro-denominated borrowings, derivative instruments, cash balances and cash flows, a redenomination event could have a material adverse impact on us.

***The U.K. referendum advising for the exit of the U.K. from the E.U. could have a material adverse effect on our business, financial condition or results of operations.***

On 23 June 2016, the U.K. held a referendum in which voters approved, on an advisory basis, an exit from the E.U., commonly referred to as “Brexit”. Following the failure to reach a separation deal by the original deadline of 29 March 2019, the E.U. granted the U.K. an extension until 31 October 2019. Uncertainty remains as to what kind of separation agreement, if any, may be approved by the U.K. Parliament. It is possible that the U.K. will again fail to reach a separation agreement with the E.U. by the new 31 October 2019 deadline which, absent another extension, would require the U.K. to leave the E.U. under a so-called “hard Brexit” or “no-deal Brexit” without agreements on trade, finance and other key elements. The foregoing has caused considerable uncertainty.

Political parties in several other member states of the E.U. have proposed that a similar referendum be held on their country’s membership in the E.U. It is unclear whether any other member states of the E.U. will hold such referendums, but further disruption can be expected if there are.

Areas where the uncertainty created by the U.K.’s vote to withdraw from the E.U. is relevant include, but are not limited to, trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks, industrial policy pursued within European countries, immigration policy pursued within European Union countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally.

It could also, among other outcomes, disrupt the free movement of goods, services and people between the U.K. and the E.U., undermine bilateral cooperation in key geographic areas and significantly disrupt trade between the U.K. and the E.U. or other nations as the U.K. pursues independent trade relations. The initial impact of the announcement of Brexit caused significant volatility in global capital markets, as well as significant currency fluctuations.

The potential impacts, if any, of the uncertainty relating to Brexit or the resulting terms of the withdrawal of the U.K. from the E.U. on customer behavior, economic conditions, interest rates, currency exchange rates, availability of capital or other matters are unclear. Examples of the impact Brexit could have on our business, financial condition or results of operations include:

- changes in foreign currency exchange rates and disruptions in the capital markets. For further discussion of risks related to changes in foreign currency exchange rates and disruptions in the capital markets, see “—*We are exposed to sovereign debt and currency instability risks in Europe that could have an adverse impact on our liquidity, financial condition and cash flows*”;
- global economic uncertainty, which may cause our customers to reevaluate what they are willing to spend on our products and services; and rules relating to data protection, consumer protection and e-commerce;
- various geopolitical forces may impact the global economy and our business, including, for example, other E.U. Member States proposing referendums to, or electing to, exit the E.U.

Any of these effects of Brexit, and others that we cannot anticipate, could adversely impact our business, results of operations and financial condition.

**Risks Relating to Legislative and Regulatory Matters**

***We are subject to significant government regulation and supervision, which may increase our costs and otherwise adversely affect our business, and further changes could also adversely affect our business.***

Video distribution, broadband internet, fixed-line telephony, mobile and content businesses are subject to significant regulation and supervision by various regulatory bodies in the Netherlands, including Dutch and

European Union authorities. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

The video distribution, broadband internet, fixed-line telephony and mobile businesses are regulated at the E.U. level. In the Netherlands, these regulations are implemented through the Telecommunicatiewet (the Dutch Telecommunications Act, “DTA”) and the Mediawet (the Dutch Media Act, “DMA”) and related legislation and regulations. The Authority for Consumers and Markets (“ACM”, *Autoriteit Consument & Markt*), in which the former Independent Post and Telecommunications Authority (*Onafhankelijke Post en Telecommunicatie Autoriteit*) has been integrated, and the Dutch Radiocommunications Agency (*Agentschap Telecom*) supervise and enforce compliance with certain parts of the DTA. Pursuant to the DTA, the ACM is designated as a National Regulatory Authority. The Dutch Media Authority (*Commissariaat voor de Media*) is authorized to enforce compliance with the DMA.

Complying with existing regulations is burdensome, and future changes may increase our operational and administrative expenses and limit our revenues, which in turn could have a material adverse effect on our business, financial condition and results of operations. Recent regulatory developments include ACM rendering its final decision on 28 September 2018 in its Local Loop Unbundling market analysis (currently referred to as Wholesale Fixed Access (WFA)) in which it aims to impose inter alia an obligation on us to offer wholesale cable access to competitors in the Netherlands. We have appealed ACM’s decision and we expect a verdict before the end of 2019. The Dutch Government is also planning to (re-)auction mobile spectrum licenses in the 700, 1400 and 2100 MHz bands in early 2020, which is relevant for our ability to secure sufficient and required spectrum for our mobile service offerings. The Dutch Government submitted a legislative proposal (Wet Melding Ongewenste Zeggenschap Telecom, “WOZT”) to Parliament on 5 March. This proposal introduces measures for the Minister to act against undesired control in the telecom sector and is aimed at protecting the public interest. The implementation of the European Electronic Communications Code (“EECC”) will also amend the DTA and will update and introduce regulation that will impact various aspects of our business, for instance spectrum regulation, symmetrical access and end-users rights. This new telecom code will enter into force 21 December 2020. Regulatory requirements in relation to the markets in which we operate and other regulatory risks are further described in the section entitled “Regulatory” in the 2018 Annual Report.

## **Risks Relating to Our Management, Principal Shareholders and Related Parties**

### ***The loss of certain key personnel could harm our business.***

We have experienced employees at both the corporate and operational levels who possess substantial knowledge of our business and operations and are important to the success of our business. There can be no assurance that we will be successful in retaining the services of these employees or that we would be successful in hiring and training suitable replacements without undue costs or delays. As a result, the loss of any of these key employees could cause significant disruptions to our integration efforts and our business operations generally, which could materially adversely affect our results of operations.

### ***The interests of our indirect parent company or companies, as the case may be, may conflict with our interests and this could adversely affect our business.***

Liberty Global and Vodafone International are our indirect parents (the “JV Parents”) owning, indirectly, all of the voting interests in us. When business opportunities, or risks and risk allocation matters arise, the interests of Liberty Global and the JV Parents may be different from, or in conflict with, our interests on a stand-alone basis. Our indirect parent companies may allocate certain or all of their risks to us. The ability of the VodafoneZiggo to manage its own business and affairs is subject to certain veto rights of the JV Parents set out in the shareholders’ agreement between the parties. There can be no assurance that the JV Parents will permit us to pursue certain business opportunities, which could have a material adverse impact on our results of operations.

The JV Parents’ interests may differ from each other resulting in diverging business goals and strategies for the joint venture. If disagreements develop among the JV Parents, this could result in a deadlock in decision making and our business, financial condition, results of operations, cash flows and prospects may be harmed. Joint ventures implicate additional risks, such as:

- inability to take actions with respect to joint venture activities that are believed to be favourable to one of the parties if the other party disagrees;

- business decisions or other actions or omissions of joint venture partners that may result in harm to reputation or adversely affect the value of investments; and
- actions of joint venture partners that could result in negative impacts on debt and equity.

These and other risks related to the joint venture could have a material adverse effect on our business, financial condition and results of operations.



## USE OF PROCEEDS

The Issuer expects that the net proceeds from the issuance of the Notes, together with any upfront payments payable by the New VFZ Facilities Borrower under the New VFZ Facilities Agreement, will be approximately €400.0 million and will be used by the Issuer to finance the acquisition of VFZ Accounts Receivable pursuant to the terms of the Framework Assignment Agreement or to fund the New VFZ Facilities Loans under the New VFZ Facilities Agreement, as further described below.

To the extent that there are not sufficient VFZ Accounts Receivable available for purchase on the first Value Date falling on or after the Issue Date, the Issuer will advance any excess proceeds from the issuance of the Notes to the New VFZ Facilities Borrower as Excess Cash Loans under the Excess Cash Facility pursuant to the New VFZ Facilities Agreement. It is expected that the Issuer will complete its initial purchases of new and existing VFZ Accounts Receivable by 31 March 2020. On the Issue Date, the Issuer will also fund an Issue Date Facility Loan in a principal amount equal to the Subscription Proceeds under the Issue Date Facility to the New VFZ Facilities Borrower, pursuant to the New VFZ Facilities Agreement.

## DESCRIPTION OF THE ISSUER

### General

The Issuer, VZ Vendor Financing B.V., is a limited liability company under Dutch law (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat in Amsterdam, the Netherlands and registered with the Dutch commercial register under number 76130592. The registered office of the Issuer is at Herikerbergweg 238, Luna ArenA, 1101CM Amsterdam and its telephone number is +31 (0) 205755600.

The Issuer does not have an authorized share capital. The Issuer has issued 100 ordinary shares of €1 each and will issue a number of ordinary shares equal to the Minimum Issuer Capitalization Amount (the “**Issue Date Shares**”, together with the Existing Shares, the “**Shares**”), if any, in connection with the offering of the Notes, which are and will be, respectively, fully paid up and held by the Foundation. The holder of the ordinary share will have the ability to elect directors of the Issuer and may be able to take certain other actions permitted by shareholders under the Articles of Association. Neither VodafoneZiggo nor any of its subsidiaries owns directly or indirectly any of the share capital of the Issuer. With the exception of the Foundation pursuant to the Issue Date Arrangements Agreement, no person has been granted the right to subscribe for any share capital of the Issuer.

TMF Management B.V. (the “**Managing Director**”), a Dutch company, acts as the Managing Director for the Issuer. The office of the Managing Director serves as the general business office of the Issuer. Through the office and pursuant to the terms of the issuer management agreement entered into on or before the Issue Date (the “**Issuer Management Agreement**”) between the Issuer and the Managing Director, the Managing Director performs various management functions on behalf of the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Issuer Management Agreement. In consideration for the foregoing, the Managing Director receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The terms of the Issuer Management Agreement provide that either party may terminate the Issuer Management Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Issuer Management Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Issuer Management Agreement at any time by giving not less than two months’ written notice to the other party. The termination of the Managing Director becomes effective only upon the appointment by the Issuer of a successor managing director servicer. The Issuer Management Agreement will contain standard limited recourse and non-petition provisions with respect to the Issuer.

The Managing Director’s principal office is at Herikerbergweg 238, 1101 CM, Amsterdam, The Netherlands.

### Business

The principal objects of the Issuer are set forth in Article 3 of its Articles of Association and are as follows: (a) to acquire, purchase, manage, alienate and encumber receivables that arise from or in connection with the purchase of goods or services by any third party and to exercise any rights connected to such receivables; (b) to acquire funds to finance the acquisition of receivables mentioned under (a), by way of issuing bonds or other securities or by way of entering into loan agreements, to enter into agreements in connection thereto and to repay such bonds, securities or loan agreements; (c) to lend and to invest any funds held by the Issuer; (d) to limit interest rate and other financial risks, amongst others by entering into derivatives agreements, such as swaps; (e) in connection with the foregoing: (i) to borrow funds, among other things to repay the obligations under the securities mentioned under (b); (ii) to grant and to release security rights to third parties; and (f) to perform all activities which are incidental to or which may be conducive to the attainment of the foregoing objects, all in the broadest sense of the word. Cash flow derived from the Assigned Receivables, repayments made in respect of the New VFZ Facilities Loans drawn, as well as Shortfall Payments made, under the New VFZ Facilities Agreement and payments under the Expenses Agreement will be the Issuer’s only sources of funds to fund payments in respect of the Notes.

So long as any of the Notes are outstanding, the Issuer will be subject to the restrictions set out in the Conditions and in the Trust Deed. In particular, the Issuer has undertaken not to carry out any business other than issuing the Notes (and any further notes as permitted by the Trust Deed), acquiring, holding and disposing of the VFZ Accounts Receivable, funding the New VFZ Facilities Loans and making payments under the New VFZ

Facilities Agreement and Expenses Agreement, or otherwise carrying out its obligations in accordance with the Transaction Documents to which it is party, and exercising the rights and performing the obligations under each such agreement and all other transactions incidental thereto. The Issuer will not have any substantial liabilities other than in connection with the Notes (and any further notes permitted by the Trust Deed) and any secured obligations. The Issuer will not have any subsidiaries and, save in respect of the proceeds of the Issuer's issued share capital, the Issuer will not be able to accumulate any surpluses.

The Issuer has, and will have, no material assets other than the Assigned Receivables held from time to time, the balances standing to the credit of the Issuer Transaction Accounts and the benefit of the Transaction Documents to which the Issuer is or may become a party or in respect of which it has or may have any right, title, benefit or interest (including the New VFZ Facilities Agreement, the Expenses Agreement, the Issue Date Arrangements Agreement and the Framework Assignment Agreement), such fees (as agreed) payable to it in connection with the issue of the Notes and the sum of €100 representing the proceeds of its issued and paid up ordinary share capital which is held in the Issuer Transaction Accounts. The only assets of the Issuer available to meet claims of the Noteholders and the other Secured Parties are the assets comprising the Notes Collateral.

The Notes (and any further notes as permitted by the Trust Deed) are obligations of the Issuer alone and are not the obligations of, or guaranteed in any way by, the Directors, the company secretary of the Issuer, the Foundation, any of the other parties to the Transaction Documents or any Obligor.

### **Directors**

The Articles of Association provide that the board of directors of the Issuer will consist of one managing director (the “**Managing Director**”).

The Managing Director of the Issuer as at the date of this Offering Circular is TMF Management B.V. The business address of the Managing Director is Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam, the Netherlands. The Managing Director of the Issuer may engage in other activities and have other directorships. The Managing Director of the Issuer does not have any actual or potential conflict between its duties to the Issuer and its private interest or other duties.

### **Business Activity**

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the acquisition of the VFZ Accounts Receivable, the authorization and issue of the Notes, the funding of the New VFZ Facilities Loans under the New VFZ Facilities Agreement, the making of payments under the New VFZ Facilities Agreement and Expenses Agreement, or otherwise carrying out its obligations in accordance with the Transaction Documents to which it is party, and activities incidental to the exercise of its rights in compliance with its obligations under the Trust Deed, the other Transaction Documents to which it is party entered into in connection with the issue of the Notes, the purchase of the VFZ Accounts Receivable, the funding of the New VFZ Facilities Loans under the New VFZ Facilities Agreement and the making of payments under the New VFZ Facilities Agreement and Expenses Agreement.

### **Subsidiaries**

The Issuer has no subsidiaries.

### **Financial Statements**

Since its date of incorporation, and save as disclosed herein, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Offering Circular. The Issuer intends to publish its financial statements in respect of the period ending on 31 December 2020. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December, in each year.

The independent auditors of the Issuer are KPMG Accountants N.V., who are chartered accountants and are members of the Institute of Chartered Accountants and registered independent statutory auditors qualified to practice in the Netherlands.

## CAPITALIZATION OF THE ISSUER

The following table sets forth, in each case as of 16 October 2019 (the date of incorporation of the Issuer), (i) the actual capitalization of the Issuer and (ii) capitalization of the Issuer on an as adjusted basis after giving effect to the issuance of the Notes and completion of the Transactions.

<b>CASH AND CASH EQUIVALENTS AND CAPITALIZATION OF THE ISSUER</b>	<b>16 October 2019</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>in millions</b>	
<b>Total cash and cash equivalents</b> .....	€ —	€ —
<b>Third-party debt:</b>		
Total third-party debt before deferred financing costs - Notes offered hereby* .....	€ —	€ 400.0
Deferred financing costs <sup>(1)</sup> .....	—	(4.0)
<b>Total carrying amount of third-party debt</b> .....	—	396.0
<b>Total equity</b> <sup>(2)</sup> .....	—	2.0
<b>Total capitalization</b> .....	€ —	€ 398.0

\* Assumes Notes issued at par.

- (1) The “As Adjusted” amount reflects the payment of fees to the Initial Purchasers related to the issuance of the Notes.
- (2) The “As Adjusted” amount reflects the payment of the Subscription Proceeds by the New VFZ Facilities Borrower to the Foundation pursuant to the Issue Date Arrangements Agreement and the subsequent subscription by the Foundation for the Issue Date Shares.

## DESCRIPTION OF THE RECEIVABLES

*The following description includes a summary of certain provisions of the Discounted Payments Purchase Agreements, the Accounts Payable Management Services Agreement and the Framework Assignment Agreement, which does not purport to be complete and is qualified by reference to the detailed provisions of each such agreement.*

### Overview: Creation of VFZ Accounts Receivable

In the course of their business, VodafoneZiggo and its subsidiaries purchase goods and/or services from suppliers pursuant to the terms of various supply contracts, and those suppliers issue invoices requiring the relevant Buyer Entity to make payment for the purchase of such goods and/or services on the terms specified in the applicable invoice and supply contract. Certain of VodafoneZiggo's subsidiaries (the **"Buyer Subsidiaries"**) may accede as buyer entities to the Accounts Payable Management Services Agreement (as defined elsewhere in this Offering Circular and further described in *"Summary of Principal Documents—Accounts Payable Management Services Agreement"*), between, among others, VodafoneZiggo and the Platform Provider, pursuant to which the invoices owing by VodafoneZiggo and the Buyer Subsidiaries are factored or sold through the SCF Platform, an online portal established and administered by the Platform Provider. Each Supplier (as defined below) and the Platform Provider have entered into a Discounted Payments Purchase Agreement (as defined elsewhere in this Offering Circular and further described in *"Summary of Principal Documents—Discounted Payments Purchase Agreement"*), pursuant to which such Supplier will accept payment of invoices through the SCF Platform. Each invoice evidences an amount payable by a Buyer Entity to a Supplier as a result of an existing business relationship, and includes all rights attaching thereto under the relevant contract to which such invoice relates and the SCF Platform Documents (each a **"Receivable"** and collectively, the **"Receivables"**).

From time to time, a Buyer Entity may upload an Electronic Data File containing details of Receivables (including, among other things, the amount, the invoice date and the currency) payable to a Supplier onto the SCF Platform. The designation of such uploaded Receivables as "approved" by a Buyer Entity (an **"Approved Platform Receivable"**) will initially give rise to an independent and primary obligation owed by VodafoneZiggo to make payment (or cause payment to be made) to the Relevant Recipient on the Confirmed Payment Date in respect of such Approved Platform Receivable (a **"Parent Payment Obligation"**). As permitted in accordance with the terms pursuant to which the relevant assets were acquired and/or services supplied, the relevant Buyer Entity will specify, in such Electronic Data File, the date on which such Parent Payment Obligation and the related Receivable will be paid (which date will be either the payment due date indicated on the original invoice or a date up to 360 days from the payment due date indicated on the original invoice date, each a **"Confirmed Payment Date"**).

As part of its participation in the SCF Platform, each Supplier has agreed that it will offer to sell Parent Payment Obligations and the related Receivables to the Platform Provider. In such cases, the Platform Provider may purchase the relevant Parent Payment Obligation and such related Receivable from the Supplier at a price intended to be equal to the original face value of the invoice owed to the Supplier (as further described under *"Summary of Principal Documents—Discounted Payments Purchase Agreements"*). Following such sale and assignment of a Parent Payment Obligation and the related Receivable from the Supplier to the Platform Provider through the Platform, a new independent and primary, irrevocable, legal, valid and binding payment obligation of each Obligor (on a joint and several basis) will arise to pay the Relevant Recipient on the Confirmed Payment Date.

Each Obligor will become jointly and severally liable with each other Obligor to make payment or cause payment to be made to the Relevant Recipient on the Confirmed Payment Date in respect of such Parent Payment Obligation (such Parent Payment Obligation, as enhanced by the joint and several payment undertaking of each Obligor, a **"Payment Obligation"**). Pursuant to the Framework Assignment Agreement (as defined below), the Platform Provider may subsequently offer to sell and assign to the Issuer, on a non-recourse basis, eligible Payment Obligations and the related Receivables (solely to the extent that such Receivables have been acquired by the Platform Provider) (collectively and as further described and defined below, the **"VFZ Accounts Receivable"**).

### Sale and Assignment of the Receivables from the Suppliers to the Platform Provider: the Discounted Payments Purchase Agreement

In conjunction with the SCF Platform, each Supplier has entered into, or will enter into, a Discounted Payments Purchase Agreement (each based on a standard form) with the Platform Provider. Upon an Upload by a



Buyer Entity and the designation of such uploaded Receivable as “approved”, (i) the price of such Receivable is increased (in accordance with the relevant supply contract, including any supplement thereto) by adding to the initial face value of such Receivable the Applied Discount (as defined in the context of the APMSA) (as displayed on the SCF Platform on the relevant day) calculated for the period between the date of the Upload and the Confirmed Payment Date; and (ii) the Supplier to which such Approved Platform Receivable relates will automatically and irrevocably offer to sell to the Platform Provider the relevant Parent Payment Obligation and the Receivable related thereto at a discounted price (the “**Net Purchase Amount**”) (as determined by deducting from the grossed-up amount of the relevant invoice (calculated in accordance with the relevant supply contract, including any supplement thereto, as described above), such Applied Discount (as defined in the context of the APMSA) (as displayed on the SCF Platform on the relevant day), such that the Platform Provider pays an amount equal to the original face value of such invoice owed to the Supplier). Upon making such irrevocable offer, the Supplier agrees not to sell, offer to sell, transfer, pledge or offer as security to any other person, or consent to any other lien on, any Receivable that relates to the relevant Parent Payment Obligation. The Platform Provider may, at its sole discretion, elect to either accept or decline to purchase the relevant Parent Payment Obligation and the Receivable related thereto by posting such acceptance or rejection on the SCF Platform in accordance with the terms of the relevant Discounted Payments Purchase Agreement. If the Platform Provider accepts such offer, it shall cause the Net Purchase Amount to be paid to the relevant Supplier bank account on either the same Business Day (if the acceptance takes place before 11:30AM CET) or the following Business Day (if the acceptance takes place after 11:30AM CET). Each such offer accepted by the Platform Provider pursuant to a Discounted Payments Purchase Agreement will result in the sale, assignment and transfer to the Platform Provider of all of such Supplier’s rights, title and interest in and to the relevant Parent Payment Obligation and the Receivable related thereto, without any further action or documentation on the part of the Supplier, the relevant Buyer Entity or the Platform Provider being required.

The Supplier is deemed to represent and warrant to the Platform Provider upon the date of each offer (and the date of the relevant Initial Transfer) that, with respect to each Parent Payment Obligation (and any Receivable related thereto, where applicable), among other things: (i) the Supplier (solely) holds the full legal and beneficial right, title and interest in and to the relevant Parent Payment Obligation and the Receivable related thereto; (ii) the Supplier is entitled to sell and transfer the relevant Parent Payment Obligation and the Receivable related thereto to the Platform Provider pursuant to the terms of the relevant Discounted Payments Purchase Agreement, and the relevant Parent Payment Obligation and the Receivable related thereto is transferred to the Platform Provider following acceptance of the offer; (iii) no mortgage, charge, pledge, lien, other encumbrance or other personal right or right in rem exists in relation to the relevant Parent Payment Obligation or Receivable related thereto, and the relevant Parent Payment Obligation has not been transferred nor made subject to any mortgage, charge, pledge, lien, or other encumbrance in advance; and (iv) the Parent Payment Obligation and the Receivable related thereto is free of any adverse claims, including any lien, right of set-off, netting, abatement, reduction, claim, defence or counterclaim. Following each Initial Transfer, the Platform Provider, in its capacity as agent for the relevant Supplier, shall provide notice of such transfer to the Buyer Parent and the relevant Buyer Subsidiary.

Additionally, pursuant to the relevant Discounted Payments Purchase Agreement, any tax applicable to the transfer from the Supplier to the Platform Provider of a Parent Payment Obligation and any Receivable related thereto shall be solely payable by that Supplier. The Supplier also represents and warrants that upon payment by the Platform Provider of the outstanding amount owing under any Parent Payment Obligation to the relevant bank account established in such Supplier’s own name on the Confirmed Payment Date, the applicable Parent Payment Obligation shall be satisfied and the relevant Buyer Entity’s obligation to pay the Supplier for the corresponding Receivable shall be extinguished in an amount equal to such amount paid.

Subject to the agreement of the relevant Suppliers to the standard form, each Discounted Payments Purchase Agreement gives the Platform Provider the right, without the consent of or notice to the Supplier, to assign, transfer, mortgage, charge or otherwise deal in any other manner with any or all of its rights and obligations under the relevant Discounted Payments Purchase Agreement, in whole or in part (including, for the avoidance of doubt, any of the Parent Payment Obligations and Receivables related thereto purchased by the Platform Provider thereunder). In turn, pursuant to the Framework Assignment Agreement (as described above), the Platform Provider’s right, title and interest in and to the whole of each VFZ Account Receivable are assigned to the Issuer. For a further description of the Discounted Payments Purchase Agreements, see “*Summary of Principal Documents—Discounted Payments Purchase Agreements*”.

## **Uploading of Receivables onto the SCF Platform and Purchase by the Platform Provider: the Accounts Payable Management Services Agreement**

On 23 February 2015, the Platform Provider and VodafoneZiggo, among others, entered into the Accounts Payable Management Services Agreement, or the APMSA. Under the terms of the APMSA, the Obligor, together with certain other subsidiaries of VodafoneZiggo that may accede to the APMSA from time to time as further described below (collectively, the **“Buyer Entities”** and each a **“Buyer Entity”**), may upload Electronic Data Files containing details of Receivables payable to a Supplier on to the SCF Platform to enable the purchase by the Platform Provider of such Receivables (and the Parent Payment Obligations arising in respect thereof) from the relevant Supplier.

On the Issue date, the eligible Buyer Entities will be Ziggo B.V., Ziggo Services B.V., Vodafone Libertel B.V., UPC Nederland B.V. (collectively, the **“Non-Obligor Buyer Subsidiaries”** and each a **“Non-Obligor Buyer Subsidiary”**), together with the Obligor Subsidiaries, the **“Buyer Subsidiaries”** and each a **“Buyer Subsidiary”**), the Obligor Subsidiaries, and the Buyer Parent. Additional Buyer Subsidiaries may accede to the APMSA by entering into an accession letter (substantially in form set out in the APMSA) with the Platform Provider and the Buyer Parent, and an existing Buyer Subsidiary may cease to be a **“Buyer Entity”** for the purposes of the APMSA if the Platform Provider or Buyer Parent provides written notice to such effect. Additional Obligor Subsidiaries may become party to the APMSA either by acceding as a **“Designated Buyer Subsidiary”** (provided they are specified as such in the relevant accession letter) or, with respect to an existing Non-Obligor Buyer Subsidiary, if such Non-Obligor Buyer Subsidiary is specified in writing by the Buyer Parent to be a **“Designated Buyer Subsidiary”** for purposes of the APMSA. Pursuant to the Agency and Account Bank Agreement, the Buyer Parent will undertake to the Issuer that the Buyer Parent may notify the Platform Provider of a resignation of an Obligor Subsidiary only if all Outstanding Amounts owed by such Obligor Subsidiary (as principal obligor) in respect of its Assigned Receivables have been settled in accordance with the APMSA on or prior to the date of its resignation, and the Buyer Parent will agree to promptly provide written notification of the same to the Issuer (or the Administrator on its behalf).

From time to time, a Buyer Entity may execute an Upload and designate such uploaded Receivables as **“approved”**. Each Approved Platform Receivable will initially give rise to a Parent Payment Obligation, being an independent and primary obligation by VodafoneZiggo to make payment or cause payment of the Certified Amount to be made to the relevant recipient on the Confirmed Payment Date in respect thereof. Each Buyer Entity agrees that, immediately following such designation, the relevant Obligor shall pay the Certified Amount in full (without any deduction or withholding) and no Buyer Entity shall be entitled to claim set-off or counterclaim against any party in relation to the payment of the whole or part of such Certified Amount. Upon each Initial Transfer (being the sale and assignment of a Parent Payment Obligation and the applicable Receivable related thereto from the Supplier to the Platform Provider through the SCF Platform), the relevant Parent Payment Obligation will become a Payment Obligation, pursuant to which each Obligor will become jointly and severally liable with each other Obligor to make payment or cause payment to be made to the relevant recipient on the Confirmed Payment Date in respect thereof. Each Obligor acknowledges that, upon such Initial Transfer, it and each other Obligor shall be liable by itself and for each other Obligor to pay the Certified Amount in full (without any deduction or withholding) and no Obligor shall be entitled to claim set-off or counterclaim against any party in relation to the payment of the whole or part of such Certified Amount. The Non-Obligor Buyer Subsidiaries will not be liable for any Payment Obligations.

The obligations of the Buyer Entities described above will not be affected by an act, omission, matter or thing which, but for the relevant provisions of the Framework Assignment Agreement, would reduce, release or prejudice any of such obligations, including: (a) any time, waiver or consent granted to, or composition with, any Buyer Entity or other person; (b) the release of any Buyer Entity or other person under the terms of any composition or arrangement with any creditor of any person (other than the relevant recipient of any Parent Payment Obligation and the Receivable relating thereto); (c) any failure to realize the full value of any security; (d) any incapacity or lack of power, authority or legal personality of a Buyer Entity or any other person; (e) any amendment, novation, supplement or restatement (however fundamental) or replacement of the APMSA or any other documents; (f) any unenforceability, illegality or invalidity or any obligation of any person under the APMSA; or (g) any insolvency or similar proceedings. Each Buyer Entity also waives any right it may have of first requiring the Platform Provider to proceed against or enforce any other rights or security or claim from any person before claiming from them pursuant to the APMSA, regardless of any applicable law or provision to the contrary. The Buyer Entities further agree to refrain from exercising any of the following rights which they may have under the APMSA until all amounts which may be or become payable by a Buyer Entity in connection with the APMSA have been irrevocably paid in full: (a) to be indemnified by any other Buyer Entity; (b) to claim

contribution from any other guarantor of any Buyer Entity's obligations under the APMSA; (c) to take the benefit of any rights of the Platform Provider or a transferee under the APMSA in respect of the Buyer Entities; (d) to bring legal or other proceedings for an order requiring any Buyer Entity to make any payment or perform any other obligation in respect of which any Buyer Entity has given an undertaking or indemnity under the provisions of the APMSA; (e) to exercise any right of set-off against any Buyer Entity; and/or (f) to claim or prove as a creditor of any Buyer Entity in competition with the Platform Provider or a transferee.

The Buyer Parent has notified the Platform Provider in writing that Eligible Platform Receivables (as defined and further described under "*Summary of Principal Documents—Accounts Payable Management Services Agreement*" included elsewhere in this Offering Circular) may include those with a Confirmed Payment Date of up to 360 days from the issuance date of the relevant invoice. In respect of Initial Transfers of such Receivables, a margin of 2.20% per annum calculated on the basis of the relevant Outstanding Amounts (which includes the Platform Provider Processing Fee) over the base rate (the "**Margin**") shall be applied from the date of the relevant Initial Transfer until the Confirmed Payment Date in respect of such Payment Obligation (and the Receivable related thereto, solely to the extent that such Receivable has been acquired by the Platform Provider). The base rate (being, in this case, Euribor with a floor of zero) is determined by the remaining tenor between the date of the relevant transfer and the Confirmed Payment Date (i.e. between 1 and 30 days, 1 month base rate will apply; between 31 and 60 days, 2 months base rate will apply). The applicable base rate plus the applicable Margin are used to calculate the Applied Discount that the Platform Provider will deduct from the Certified Amount in the case of transfer by the Platform Provider of the VFZ Account Receivable prior to the Confirmed Payment Date, and accordingly is used in the calculation of the Purchase Price Amount for each VFZ Account Receivable. The Margin under the APMSA may not be amended without the written consent of the Issuer, and pursuant to the terms of the other Transaction Documents, the Issuer will agree to provide its written consent to any amendment of the Margin (without being required to seek the consent of the Noteholders) so long as the obligations of the New VFZ Facilities Borrower in favour of the Issuer under Clause 11.2 ("*Facility Fees*") of the New VFZ Facilities Agreement remain in full force and effect.

If a Buyer Entity wishes to reduce the amount of any Approved Platform Receivable for any reason (including as a result of any lien, right of set-off, defence, claim, counterclaim, or other certain adverse claim), it may post the amount to be deducted from such Approved Platform Receivable (each, a "**Credit Note**") as an entry in an Electronic Data File to the SCF Platform Website and such Credit Note will be allocated to the corresponding Payment Obligation on the following Business Day. No Credit Notes may be allocated to a Payment Obligation following the relevant Certified Amount Fixed Date; however, such Credit Note will be allocated to a Payment Obligation which has not yet been transferred through the SCF Platform in accordance with the terms of the APMSA. Additionally, each Buyer Entity agrees to be responsible for the accuracy of all information submitted by them onto the SCF Platform Website in respect of VFZ Accounts Receivable and the Buyer Parent agrees to comply with certain reporting requirements set out in the APMSA.

Under the APMSA, each Buyer Entity represents, warrants and covenants to the Platform Provider at the date of an Upload resulting in any Payment Obligation arising and at the date of any transfer via the SCF Platform of a Payment Obligation and the Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) (including each Assignment Date), as applicable, among other things: (i) that the Approved Platform Receivable relating to each Payment Obligation meets certain criteria under the APMSA, including (but not limited to) having a Confirmed Payment Date of no more than 360 days from the issuance date of the relevant invoice and being denominated in an agreed currency; (ii) that the Approved Platform Receivable is not subject to any mortgage, charge, pledge, lien, other encumbrance or other personal right or right in rem of any third party and has, to the best of the relevant Buyer Entity's knowledge, not been transferred or transferred in advance; (iii) that each Payment Obligation and the Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) is free of any adverse claims, including any lien, right of set-off, netting, abatement, reduction, claim, defence or counterclaim; (iv) that each Payment Obligation and Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) can be validly transferred in accordance with the terms of the APMSA; and (v) that each Payment Obligation will be settled by an Obligor by the payment of the relevant Certified Amount on the relevant Confirmed Payment Date without withholding, deduction or set-off.

#### **Assignment of the VFZ Accounts Receivable by the Platform Provider to the Issuer: the Framework Assignment Agreement**

On or about the Issue Date, the Issuer, as purchaser, will enter into the Framework Assignment Agreement with, among others, the Platform Provider, the Buyer Parent and The Bank of New York Mellon, London Branch

as administrator. Under the Framework Assignment Agreement, from time to time commencing on the Issue Date, the Issuer may purchase and have assigned to it on a non-recourse basis, up to the total amount of Committed Principal Proceeds, and the Platform Provider may sell and assign on a non-recourse basis, eligible VFZ Accounts Receivable that are made available by Suppliers and uploaded by the Buyer Entities to the SCF Platform.

Each VFZ Account Receivable to be purchased by the Issuer must meet, and the Buyer Parent will represent and warrant (on behalf of itself and as agent for the Buyer Entities) on the date of each Assignment (each such date, an “**Assignment Date**”) in accordance with the Framework Assignment Agreement, that such VFZ Account Receivable meets, the following eligibility criteria: that such VFZ Account Receivable (i) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is owed by the Obligors on a joint and several basis; (ii) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is governed by English law; (iii) is denominated in euro; (iv) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is the legal, valid and binding obligation of each Obligor; (v) is capable of being freely and validly transferred in the manner provided by the Framework Assignment Agreement, so that on purchase the Issuer will receive good title; (vi) is due and payable in full without any right of set-off, counterclaim or deduction in favour of the Buyer Entities; and (vii) has a maturity date that is no later than two Business Days prior to the Maturity Date of the Notes. Additionally, immediately prior to each Assignment Date, the Platform Provider will represent and warrant that it is entitled to assign the relevant Payment Obligation pursuant to the terms of the Framework Assignment Agreement, and that it has not assigned, transferred or otherwise disposed of, or created any encumbrance or security interest over, such Payment Obligation. Furthermore, the Platform Provider will undertake that it will not, without the consent of the Issuer, take any action that would adversely affect a Payment Obligation or the Issuer’s interest(s) therein (as further described in “*Summary of Principal Documents—Framework Assignment Agreement*” included elsewhere in this Offering Circular).

Each Payment Obligation will be the joint and several obligation of VodafoneZiggo and each of the Obligor Subsidiaries. On the Issue Date, the eligible Obligor Subsidiaries will be VZ Financing I B.V. and VZ Financing II B.V. (each, an “**Obligor Subsidiary**” and collectively, the “**Obligor Subsidiaries**”, together with the Buyer Parent, the “**Obligors**”).

#### ***Purchases of VFZ Accounts Receivable with Requested Purchase Price Amounts***

On or following the Issue Date (as further described in “*Description of VodafoneZiggo—Capitalization of VodafoneZiggo*” included elsewhere in this Offering Circular), the Platform Provider is expected to sell and assign to the Issuer VFZ Accounts Receivable for a Requested Purchase Price Amount of €400.0 million which the Issuer will fund with all or a portion of the Committed Principal Proceeds. See “*Use of Proceeds*”. It is expected that the Issuer will complete its initial purchases of new and existing VFZ Accounts Receivable by 31 March 2020. In connection with such sale and assignment, the Platform Provider will deliver to the Issuer:

1. an Assignment Framework Note to be accepted and agreed to by the Issuer, pursuant to which the Issuer will agree, among other things, to purchase Payment Obligations (and the Receivables related thereto, solely to the extent that such Receivables have been acquired by the Platform Provider), in whole but not in part, at the relevant Purchase Price Amounts in an aggregate amount equal to a limit (in respect of purchased Payment Obligations which have not been settled) specified therein (the “**Purchase Limit**”); and
2. one or more Assignment Notices instructing the Issuer to pay to the Platform Provider, as consideration for the sale and assignment of the relevant VFZ Accounts Receivable, a requested amount (a “**Requested Purchase Price Amount**”) on the date falling five Business Days following receipt by the Issuer of such Assignment Notice (a “**Value Date**”).

As used herein, a “**Purchase Price Amount**” means, in relation to any VFZ Account Receivable, an amount equal to the Outstanding Amount (as defined below) of such VFZ Account Receivable *less* the Applied Discount (as defined in the context of the APMSA) (as defined below) calculated as at the relevant Assignment Date. “**Outstanding Amount**” means, with respect to a Payment Obligation, an amount equal to (i) the gross amount of the Approved Platform Receivable in respect of which the Payment Obligation arose, *less* (ii) the sum of all Credit Notes allocated to that Payment Obligation pursuant to the terms of the APMSA. “**Applied Discount**” refers (i) in the context of the APMSA, to the discount amount that the Platform Provider will deduct from the Certified Amount in case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement and (ii) in the context



of the Framework Assignment Agreement, to the discount amount that the Platform Provider will deduct from the Certified Amount in the case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APMSA, and each relevant Discounted Payments Purchase Agreement, *less* the Platform Provider Processing Fee.

From time to time following the Issue Date, the Platform Provider may, at its discretion (but not more than once per week prior to the service of a notice of termination (as further described below)) and to the extent that the Requested Purchase Price Amount specified in such Assignment Notice together with all other outstanding Requested Purchase Price Amounts which have not been applied towards the purchase of VFZ Accounts Receivable would not exceed €50.0 million at such time (the “**Requested Purchase Price Amount Aggregate Limit**”), serve further Assignment Notices (which may also be Primary Assignment Notices (as defined and further described below under “—*Collections on Assigned Receivables and Further Purchases of VFZ Accounts Receivable with Collected Principal Amounts*”)) to the Issuer pursuant to the relevant Assignment Framework Note.

Following the receipt of an Assignment Notice, so long as no Non-Compliance Event (as defined below) has occurred and is continuing, the Issuer will pay, on the relevant Value Date, the relevant Requested Purchase Price Amount (which may be adjusted as further described below) to the Platform Provider, which shall have the effect of the Platform Provider immediately selling and assigning, without further action on the part of any person or entity, all of its rights, title and interest in and to the relevant Payment Obligations (and the Receivables related thereto, solely to the extent that such Receivables have been acquired by the Platform Provider) at the relevant Purchase Price Amounts to the Issuer pursuant to the relevant Assignment Framework Note. The assignment of any Payment Obligation (and the Receivable in respect of which such Payment Obligation has arisen, solely to the extent that such Receivable has been acquired by the Platform Provider) from the Platform Provider to the Issuer, (each pursuant to the Framework Assignment Agreement), is referred to herein as an “**Assignment**”.

The Requested Purchase Price Amount (and the corresponding VFZ Accounts Receivable) will be adjusted if the aggregate of all Requested Purchase Price Amounts, together with (without double counting) the aggregate of all Purchase Price Amounts in respect of outstanding Assigned Receivables would be higher than the relevant Purchase Limit specified in that Assignment Framework Note. In such event, the Issuer must notify the Platform Provider within two Business Days of receipt of the relevant Assignment Notice (i) of such circumstance and (ii) that the Requested Purchase Price Amount will (A) be reduced to equal the amount which would cause the aggregate Requested Purchase Price Amount, together with (without double counting) the aggregate of all Purchase Price Amounts in respect of outstanding Assigned Receivables to equal such Purchase Limit and/or (B) cancelled to the extent necessary such that the relevant assignment is for the whole, and not part, of the VFZ Accounts Receivable.

The Issuer will not be obliged to pay a Requested Purchase Price Amount specified in an Assignment Notice if any of the following events (each, a “**Non-Compliance Event**”) have occurred and is continuing (provided that the Issuer notifies the Platform Provider, within two Business Days of the receipt of such Assignment Notice, that one or more Non-Compliance Events have occurred and of the Issuer’s intention not to comply with such Assignment Notice): (i) if the Framework Assignment Agreement or relevant Assignment Framework Note has been terminated prior to the date of such Assignment Notice; (ii) if the terms and conditions of such Assignment Notice materially deviate from the terms and conditions of the Framework Assignment Agreement or the relevant Assignment Framework Note; (iii) if an Obligor Event of Default (as defined below) is continuing in respect of any Obligor; and/or (iv) if a specified insolvency event occurs in respect of the Platform Provider which directly results in the Platform Provider not continuing its business as contemplated under the Framework Assignment Agreement. If, following the receipt of a Requested Purchase Price Amount on a Value Date, the Platform Provider has acquired (or determines that it will on such Value Date acquire) insufficient VFZ Accounts Receivable to apply the whole of the Requested Purchase Price Amount received on such Value Date, the Platform Provider will either (i) serve, on such Value Date, one or more notices (substantially in the form set out in the Framework Assignment Agreement, each, a “**Purchase Price Return Notice**”) to the Issuer and, on the Business Day following the date of such Purchase Price Return Notice (a “**Settlement Date**”), pay to the Issuer Collection Account, the excess Requested Purchase Price Amount not applied towards the purchase of VFZ Accounts Receivable (such excess, the “**Excess Requested Purchase Price Amount**”); or (ii) retain such Excess Requested Purchase Price Amount for a period of up to four Business Days following such Value Date (an “**Excess Retention Period**”, and the final day thereof (which, at the Platform Provider’s discretion, may occur prior to the fourth Business Day following such Value Date), the “**Excess Retention Period End Date**”) to be applied towards the purchase of any VFZ Accounts Receivable arising during such Excess Retention Period. If the Platform Provider chooses to retain such Excess Requested Purchase Price Amount, it further agrees that (i) if



the Platform Provider acquires any VFZ Accounts Receivable during such Excess Retention Period, it will sell and assign such VFZ Accounts Receivables to the Issuer (and the Platform Provider will be deemed to have served an Assignment Notice in respect of such Assigned Receivables); and (ii) on the Business Day prior to the Excess Retention Period End Date, the Platform Provider will serve a Purchase Price Return Notice in respect of any remaining Excess Requested Purchase Price Amount to the Issuer, and subsequently pay such remaining Excess Requested Purchase Price Amount to the Issuer Collection Account on such Excess Retention Period End Date, together with all Excess Requested Purchase Price Interest (as defined below) due in respect thereof. **“Excess Requested Purchase Price Interest”** shall accrue daily at the Funding Rate, calculated on any Excess Requested Purchase Price Amount retained by the Platform Provider (and not applied towards the purchase of VFZ Accounts Receivable), from (and including) the first day of the relevant Excess Retention Period to (and including) the relevant Excess Retention Period End Date, or such later date on which the Issuer receives such Excess Requested Purchase Price Amount together with all interest due in respect thereof. As used herein, **“Funding Rate”** means a rate equal to the per annum margin specified in Clause 13.1 of the APMSA (less the Platform Provider Processing Fee) over 1-month EURIBOR; *provided that* if 1-month EURIBOR is less than zero, 1-month EURIBOR shall be deemed to be zero.

Additionally, if on any Business Day the aggregate Requested Purchase Price Amounts held by the Platform Provider (and not applied towards the purchase of VFZ Accounts Receivable) exceeds the Requested Purchase Price Amount Aggregate Limit (such excess, an **“Aggregate Amount Excess”**), the Platform Provider will immediately serve a Purchase Price Return Notice in respect of such Aggregate Amount Excess, and pay such Aggregate Amount Excess to the Issuer Collection Account on the relevant Settlement Date. Any Aggregate Amount Excess not returned to the Issuer by the relevant Settlement Date (such amount, a **“Delayed Aggregate Amount”**) shall accrue interest daily at the Funding Rate, calculated from (and including) such Settlement Date to (and including) such later date on which the Issuer receives the Delayed Aggregate Amount, together with all interest due in respect thereof (the **“Delayed Aggregate Amount Interest”**).

#### ***Collections on Assigned Receivables and Further Purchases of VFZ Accounts Receivable with Collected Principal Amounts***

Prior to the service of an Obligor Enforcement Notification, the Platform Provider will act as collection agent for the Issuer in respect of any Collected Amounts received or recovered relating to Assigned Receivables, in accordance with the SCF Platform Documents. Except in circumstances where certain Collected Principal Amounts are applied towards the purchase of new VFZ Accounts Receivable (as further described below), the Platform Provider will apply any Collected Amount, within one Business Day of receipt or recovery thereof (such scheduled date of application, a **“Collected Amount Forwarding Date”**), in or towards the repayment to the Issuer of an amount equal to the Outstanding Amount of the relevant Assigned Receivables (to the extent that such Assigned Receivables remain outstanding and has not been settled or otherwise paid to the Issuer).

From time to time, the Platform Provider may serve an Assignment Notice (a **“Primary Assignment Notice”**) which states that any Collected Principal Amounts in respect of Assigned Receivables relating to such Primary Assignment Notice are to be treated as further payments of Requested Purchase Price Amounts. So long as (i) no Non-Compliance Event has occurred and is continuing (and in respect of which the Issuer has notified the Platform Provider that the purchase mechanics described in this paragraph will not apply), (ii) the Requested Purchase Price Amount Aggregate Limit will not be exceeded upon the deemed payment of the Requested Purchase Price Amount in the New Assignment Notice (as defined below), upon receipt by the Platform Provider of any Collected Amount on an Assigned Receivable relating to such Primary Assignment Notice, or (iii) no notice of termination has been served (as further described below), then (a) the Platform Provider will be deemed to have served an Assignment Notice on exactly the same terms as the Primary Assignment Notice, except for the Requested Purchase Price Amount (which will be equal to the Collected Principal Amount that would otherwise be due and payable to the Issuer) (such notice, the **“New Assignment Notice”**); and (b) the Platform Provider’s obligation to pay such Collected Principal Amount to the Issuer will be set off against the Issuer’s obligation to pay the Requested Purchase Price Amount under the New Assignment Notice. For the avoidance of doubt, the purchase mechanics described in this paragraph will not affect the Platform Provider’s obligation to pay to the Issuer any Premium on the relevant Collected Amount Forwarding Date. If, three Business Days following the service of a New Assignment Notice, the Platform Provider still holds any Collected Amounts which have not been utilised for the purchase of new VFZ Accounts Receivable (such amounts, **“Unutilised Collected Amounts”**), the Platform Provider will immediately serve a Purchase Price Return Notice to the Issuer in respect of such Unutilised Collected Amounts, and will pay such Unutilised Collected Amounts to the Issuer Collection Account on the relevant Settlement Date. The Platform Provider will pay the Issuer interest on any **“Retained Collected Amounts”** (being any Collected Amount which has not been paid to the Issuer towards satisfaction of

the relevant Outstanding Amount and not been used to purchase further VFZ Accounts Receivable as described above). Interest on Retained Collected Amounts shall accrue daily at the Funding Rate, calculated from (and including) the relevant scheduled Collected Amount Forwarding Date to (and including) the relevant Settlement Date or such later date on which the Issuer receives the Retained Collected Amount, together with all interest due in respect thereof, as the case may be, and will be paid to the Issuer Collection Account on the relevant Settlement Date or such later date, as applicable.

#### **Implementation of an Additional Online System: an SCF Platform Addition**

At any time, VodafoneZiggo and the Buyer Subsidiaries may, at their option, elect to participate in an additional online system established and administered by another Platform Provider. In connection with any SCF Platform Addition, VodafoneZiggo and the Buyer Subsidiaries may enter into additional accounts payable management services agreements (or equivalent) and the Issuer may (and upon request by VodafoneZiggo, shall) enter into one or more additional receivables assignment agreements (or equivalent), pursuant to which the Issuer will purchase eligible VFZ Accounts Receivable from such additional Platform Provider. The consent of the Noteholders will not be required for VodafoneZiggo, the Buyer Subsidiaries and the Issuer to give effect to any SCF Platform Addition (including the modification of any Transaction Documents to implement such SCF Platform Addition), and the Administrator will enter into any SCF Platform Addition Documentation if the Administrator receives written confirmation from VodafoneZiggo (with a copy to the Notes Trustee) that, in VodafoneZiggo's determination, the entry into such SCF Platform Addition Documentation is reasonably required to implement such SCF Platform Addition and does not materially and adversely affect the interests of the Noteholders.

## CAPITALIZATION OF VODAFONEZIGGO

The following table sets forth, in each case as of 30 June 2019 (i) the actual consolidated cash and cash equivalents and capitalization of VodafoneZiggo, (ii) the consolidated cash and cash equivalents and capitalization of VodafoneZiggo on an as adjusted basis after giving effect to the Financing Transactions and (iii) the consolidated cash and cash equivalents and capitalization of VodafoneZiggo on an as adjusted basis after giving effect to (a) the Financing Transactions and (a) the Transactions.

This table should be read in conjunction with “General Description of VodafoneZiggo’s Business, the Issuer and the Offering”, “Use of Proceeds”, “Summary Financial and Operating Data of VodafoneZiggo”, “Description of Other Indebtedness of VodafoneZiggo”, “Terms and Conditions of the Notes” and the 2019 Q2 Financial Statements.

Except as set forth in the footnotes to this table, there have been no material changes to VodafoneZiggo’s cash and cash equivalents and third-party capitalization since 30 June 2019.

CASH AND CASH EQUIVALENTS AND CAPITALIZATION OF VODAFONEZIGGO*	30 June 2019		
	Actual	As Adjusted - Financing Transactions	As Adjusted - Financing Transactions and Transactions
		in millions	
<b>Total cash and cash equivalents</b> <sup>(1)(2)(3)</sup> .....	€ 342.4	€ 275.9	€ 270.9
<b>Third-party debt:</b>			
VodafoneZiggo Credit Facility <sup>(4)</sup> .....	€ 4,472.9	€ 4,472.9	€ 4,472.9
VodafoneZiggo Financing Facility <sup>(3)(5)</sup> .....	—	—	2.0
VodafoneZiggo Senior Secured Notes <sup>(3)(6)</sup> .....	3,407.4	3,400.9	3,400.9
VodafoneZiggo Senior Notes <sup>(7)</sup> .....	2,045.5	1,852.4	1,852.4
Vendor financing <sup>(8)</sup> .....	998.3	998.3	998.3
Other <sup>(9)</sup> .....	—	181.2	181.2
Total third-party debt before unamortized premiums, discounts and deferred financing costs .....	10,924.1	10,905.7	10,907.7
Premiums, discounts, fair value adjustments and deferred financing costs, net <sup>(10)</sup> .....	(2.6)	(40.0)	(40.0)
Total carrying amount of third-party debt .....	10,921.5	10,865.7	10,867.7
Finance lease obligations .....	22.3	22.3	22.3
Total third-party debt and finance lease obligations .....	10,943.8	10,888.0	10,890.0
Related-party debt .....	1,600.0	1,600.0	1,600.0
<b>Total debt and finance lease obligations</b> <sup>(11)</sup> .....	12,543.8	12,488.0	12,490.0
<b>Total owner’s equity</b> <sup>(11)(12)</sup> .....	4,746.1	4,738.1	4,738.1
<b>Total capitalization</b> <sup>(11)</sup> .....	€17,289.9	€17,226.1	€17,228.1

\* After giving effect to any incurrence of indebtedness in connection with a Potential Financing Transaction in compliance with the applicable covenants, including in connection with permitted refinancing debt, permitted acquisition debt or other exceptions to the restriction on our ability to incur indebtedness, the total debt and finance lease obligations and total capitalization presented above could increase, and such increase could be material. See “Risk Factors—Risks Relating to Our Financial Profile—We may incur additional indebtedness prior to, or within a short time period following, the Issue Date of the Notes, which indebtedness could increase our leverage and may have terms that are more or less favourable than the terms of the Notes and our other existing indebtedness.”

- (1) The “As Adjusted - Financing Transactions” amount reflects the net impact of (i) an increase in cash related to the proceeds received (a) from the issuance of the 2030 Senior Secured Notes, (b) associated with the Additional Term Loan, net of an assumed aggregate original issue discount of €5.6 million, and (c) associated with the Handset Securitization Facility, (ii) a decrease in cash related to (1) the prepayment in full of Term Loan Facility F, (2) the 2020 Senior Secured Notes Redemption and the 2025 Senior Secured Notes Redemption, including aggregate estimated redemption premium of €22.8 million, and (3) the repayment in full of the 2024 Senior Notes, including estimated redemption premium of €6.9 million, and (iii) a decrease in cash of €12.8 million associated with the upfront payment of estimated aggregate fees and expenses in connection with the completion of the Financing Transactions.

- (2) The “As Adjusted - Refinancing Transactions and Transactions” amount reflects the Refinancing Transactions and is further adjusted to reflect a decrease in cash of €5.0 million associated with the upfront payment of fees and expenses in connection with the issuance of the Notes pursuant to the New VFZ Facilities Agreement. For additional information, see *“Use of Proceeds.”*
- (3) The “As Adjusted - Refinancing Transactions and Transactions” amounts assume the expected purchase of available VFZ Accounts Receivables by the Issuer for an aggregate Purchase Price Amount of €400.0 million (**“Initial Purchases”**), comprising new and existing VFZ Accounts Receivable purchased directly from the Platform Provider, between the Issue Date and 31 March 2020. Prior to the utilization of the Committed Principal Proceeds to fund the Initial Purchases, the Issuer will advance any unutilized Committed Principal Proceeds to the New VFZ Facilities Borrower, as the borrower under the New VFZ Facilities Agreement, as Excess Cash Loans under the Excess Cash Facility pursuant to the New VFZ Facilities Agreement. In that event, there would be an impact on total cash and cash equivalents, amounts utilised under the New VFZ Facilities Loans, total third-party debt and total capitalization presented above. Any actual impact would depend on the amount of VFZ Accounts Receivable made available to the Issuer for purchase, and could be material.
- (4) The amounts reflected exclude the undrawn Revolving Credit Facility, which remains fully undrawn. See *“Description of Other Indebtedness of VodafoneZiggo-Existing Credit Facility.”* The “As Adjusted” amounts reflect the impact of the Additional Term Loan and the prepayment in full of Term Loan Facility F in connection with the Term Loan Refinancing.
- (5) The “As Adjusted - Refinancing Transactions and Transactions” amount reflects the Refinancing Transactions and is further adjusted to reflect the funding of an Issue Date Facility Loan equal to the Subscription Proceeds under the Issue Date Facility.
- (6) The “As Adjusted” amounts reflect the completion of the 2020 Senior Secured Notes Redemption and the 2025 Senior Secured Notes Redemption.
- (7) The “As Adjusted” amounts reflect the repayment in full of the 2024 Senior Notes in connection with the August 2019 Refinancing.
- (8) These obligations are due within one year and accordingly are excluded from our indebtedness included in our covenant calculations.
- (9) The “As Adjusted” amounts reflect the Handset Securitization Facility.
- (10) The “As Adjusted” amounts reflect the net impact of (i) the write off of €24.5 million of aggregate unamortized premiums associated with the 2020 Senior Secured Notes, the 2025 Senior Secured Notes, Term Loan Facility F and the 2024 Senior Notes, (ii) €12.8 million of aggregate estimated deferred financing costs assumed to be paid in connection with the issuance of the 2030 Senior Secured Notes, the Additional Term Loan and the Handset Securitization Facility, (iii) the write off of €5.5 million of aggregate deferred financing costs associated with the 2025 Senior Secured Notes and Term Loan Facility F and (iv) the original issue discount of €5.6 million associated with the Additional Term Loan.
- (11) In the event that additional indebtedness were incurred in connection with any Potential Financing Transaction, there would be an expected impact on total cash and cash equivalents, total debt and capital lease obligations, total owner’s equity and total capitalization presented above. Any actual impact would depend on the amount of additional indebtedness incurred and the use of proceeds thereof, and could be material. See *“Risk Factors—Risks Relating to the Notes—We may incur additional indebtedness prior to, or within a short time period following, the Issue Date of the Notes, which indebtedness could increase our leverage and may have terms that are more or less favorable than the terms of the Notes and our other existing indebtedness”*.
- (12) The “As Adjusted” amounts reflect (i) an aggregate €29.7 million loss on extinguishment of debt related to the estimated redemption premiums to be paid in connection with the 2020 Senior Secured Notes Redemption, the 2025 Senior Secured Notes Redemption and the redemption in full of the 2024 Senior Notes, (ii) a gain on extinguishment of debt related to the write off of €24.5 million of aggregate unamortized premiums associated with the 2020 Senior Secured Notes, the 2025 Senior Secured Notes, Term Loan Facility F and the 2024 Senior Notes, (iii) a loss on extinguishment of debt related to the write off of €5.5 million of aggregate deferred financing costs associated with the 2025 Senior Secured Notes and Term Loan Facility F and (iv) an assumed related income tax benefit of €2.7 million.

## SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA OF VODAFONEZIGGO

The tables below set out summary financial and operating data of VodafoneZiggo for the indicated periods. The historical consolidated balance sheet and statement of operations data have been derived from the 2019 Financial Statements incorporated by reference herein.

The 2019 Financial Statements have been prepared in accordance with U.S. GAAP. The following information should be read in conjunction with the 2019 Financial Statements and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” contained in the 2019 Financial Statements. Our historical results do not necessarily indicate results that may be expected for any future period.

	Six months ended 30 June	
	2019	2018
	in millions	
<b>VodafoneZiggo Consolidated Statements of Operations Data:</b>		
Revenue . . . . .	€1,928.4	€1,924.1
Operating costs and expenses (exclusive of depreciation and amortization, shown separately below):		
Programming and other direct costs of services . . . . .	403.0	422.3
Other operating . . . . .	243.3	241.3
Selling, general and administrative . . . . .	303.8	306.6
Charges for JV Services . . . . .	110.4	113.4
Depreciation and amortization . . . . .	777.0	768.3
Impairment, restructuring and other operating items, net . . . . .	12.4	29.7
	<u>1,849.9</u>	<u>1,881.6</u>
Operating income . . . . .	<u>78.5</u>	<u>42.5</u>
Non-operating income (expense):		
Interest expense:		
Third-party . . . . .	(246.5)	(229.3)
Related-party . . . . .	(44.6)	(49.9)
Realized and unrealized gains (losses) on derivative instruments, net . . . . .	(71.4)	135.7
Foreign currency transaction gains (losses), net . . . . .	(38.8)	(138.7)
Gains on debt modification and extinguishment, net . . . . .	35.1	—
Other income, net . . . . .	<u>1.6</u>	<u>2.7</u>
	<u>(364.6)</u>	<u>(279.5)</u>
Loss before income taxes . . . . .	(286.1)	(237.0)
Income tax benefit . . . . .	<u>61.1</u>	<u>60.8</u>
Net loss . . . . .	<u>€ (225.0)</u>	<u>€ (176.2)</u>
	<u>30 June</u>	<u>31 December</u>
	<u>2019</u>	<u>2018</u>
	in millions	
<b>VodafoneZiggo Consolidated Balance Sheet Data:</b>		
Cash and cash equivalents . . . . .	€ 342.4	€ 239.4
Total assets . . . . .	€20,426.3	€20,307.5
Total current liabilities (excluding current portion of debt and finance lease obligations) . . . . .	€ 1,241.3	€ 1,250.0
Total debt and finance lease obligations . . . . .	€12,543.8	€12,552.1
Total liabilities . . . . .	€15,680.2	€15,337.4
Total owner's equity . . . . .	€ 4,746.1	€ 4,970.1



The below consolidated cash flow data presents the historical cash flows of VodafoneZiggo's operations for the periods indicated.

	Six months ended 30 June	
	2019	2018
	in millions	
<b>VodafoneZiggo Consolidated Cash Flow Data:</b>		
Net cash provided by operating activities	€ 566.7	€ 496.3
Net cash used by investing activities	€(170.2)	€ (78.6)
Net cash used by financing activities	€(295.6)	€(337.2)
	As of and for the six months ended June 30,	
	2019	2018
<b>VodafoneZiggo Summary Statistical and Operating Data:<sup>(a)</sup></b>		
<b>Footprint</b>		
Homes passed	7,227,700	7,154,100
Two-way homes passed	7,214,100	7,143,200
<b>Subscribers (RGUs)</b>		
Basic Video	497,500	545,400
Enhanced Video	3,386,000	3,382,500
Total Video	3,883,500	3,927,900
Internet	3,341,000	3,298,800
Telephony	2,460,200	2,537,600
Total RGUs	9,684,700	9,764,300
<b>Fixed Customer Relationships</b>		
Fixed Customer relationships	3,887,800	3,931,600
RGUs per Fixed Customer Relationship	2.49	2.48
Q2 Monthly ARPU per Fixed Customer Relationship	€ 46	€ 46
<b>Fixed Customer Bundling</b>		
Single-Play	13.8%	15.9%
Double-Play	23.3%	19.4%
Triple-Play	62.9%	64.7%
<b>Mobile SIMs</b>		
Postpaid	4,325,900	4,113,700
Prepaid	640,900	748,200
Total mobile	4,966,800	4,861,900
Q2 Monthly Mobile ARPU:		
Postpaid (including interconnect revenue)	€ 20	€ 21
Prepaid (including interconnect revenue)	€ 3	€ 3
<b>Convergence</b>		
Converged Households	1,192,000	960,000
Converged SIMs	1,748,000	1,383,000
Converged Households as a % of Internet RGUs	36%	29%

(a) For information concerning how VodafoneZiggo defines and calculates its operating statistics, see “*Business of VodafoneZiggo—Introduction*” in the 2018 Annual Report.

	Six months ended 30 June	
	2019	2018
	in millions, except percentages	
<b>VodafoneZiggo Summary Operating Data:</b>		
Revenue .....	€1,928.4	€1,924.1
OCF <sup>(a)</sup> .....	€ 868.8	€ 842.1
OCF margin .....	45.1%	43.8%
Property and equipment additions .....	€ 377.6	€ 393.6
Property and equipment additions as a % of revenue .....	19.6%	20.5%

(a) OCF is the primary measure used by our chief operating decision maker and management to evaluate the operating performance of our businesses. OCF is also a key factor that is used by our internal decision

makers to (i) determine how to allocate resources and (ii) evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, OCF is defined as operating income before depreciation and amortization, share-based compensation, related-party fees and allocations, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (a) gains and losses on the disposition of long-lived assets, (b) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (c) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our internal decision makers believe OCF is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (1) readily view operating trends, (2) perform analytical comparisons and benchmarking between entities and (3) identify strategies to improve operating performance. We believe our OCF measure is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other public companies. OCF should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or loss, cash flow from operating activities and other U.S. GAAP measures of income or cash flows. A reconciliation of operating income to OCF is as follows:

	<b>Six months ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>in millions</b>	
Operating income .....	€ 78.5	€ 42.5
Share-based compensation		
Depreciation and amortization .....	777.0	768.3
Impairment, restructuring and other operating items, net .....	12.4	29.7
OCF .....	<u>€868.8</u>	<u>€842.1</u>

## DESCRIPTION OF OTHER INDEBTEDNESS OF VODAFONEZIGGO

*The following contains a summary of the material provisions of the material indebtedness of VodafoneZiggo. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the underlying documents. The following summary is, unless indicated otherwise, presented as of the date hereof. Some of the capitalized terms used herein are defined in the applicable agreements and not all such definitions have been included herein.*

### Existing Credit Facility

The Ziggo Borrowers (as defined below) have entered into the Existing Credit Facility (as defined below). The terms of the Existing Credit Facility are summarized below, without giving effect to the Term Loan Refinancing.

The Existing Credit Facility comprises (i) a \$2,525.0 million term loan facility (“**Term Loan Facility E**”), (ii) a €2,250 million term loan facility (“**Term Loan Facility F**” and, together with Term Loan Facility E, the “**Term Loan Facilities**”) and (iii) a €800.0 million revolving loan facility (“**Revolving Credit Facility**” and together with the Term Loan Facilities, the “**Facilities**”) which have been made available as additional facilities pursuant to a senior facilities agreement originally dated 5 March 2015, between, among others, The Bank of Nova Scotia as Facility Agent, Ziggo B.V. (the “**EUR Borrower**”) and Ziggo Financing Partnership (the “**US Borrower**”) as borrowers (the “**Ziggo Borrowers**”), certain lenders party thereto (the “**Ziggo Lenders**”) and ING Bank N.V. as Security Agent (the “**Existing Credit Facility**”). The Ziggo Lenders’ commitments may be increased and additional facilities can be included under the Existing Credit Facility subject to certain conditions and the consent of the Ziggo Lenders providing such increased commitment or additional facility.

Following the Ziggo Group Combination and the occurrence of the SPV Structure Termination as defined in the agreement governing the Existing Credit Facility, the Term Loan Facilities and the rights, title, benefits, interest and obligations thereunder were novated by Ziggo Secured Finance B.V., as original borrower under Term Loan Facility F, and Ziggo Secured Finance Partnership, as original borrower under Term Loan Facility E, to the EUR Borrower and the US Borrower, respectively. As a result of such novation, Ziggo Secured Finance B.V. and Ziggo Secured Finance Partnership were released from their obligations under the Term Loan Facilities on 8 March 2018 and such novation and release has been a deemed repayment in full and cancellation of the relevant senior secured proceeds loans.

### Structure

The Term Loan Facilities are bullet repayment loans that are subject to interest periods from time to time of, at the relevant borrower’s election, one, two, three or six months (or any other period of up to 12 months as all lenders under the relevant facility may agree with the borrower), but not beyond the final maturity date which, for both Term Loan Facilities, is 15 April 2025. The Revolving Credit Facility can be repaid and redrawn at the end of interest period up until one month prior to the final maturity date on 31 January 2026.

### Conditions to Borrowings

Drawdowns under the Existing Credit Facility are subject to conditions precedent on the date the drawdown is requested and on the drawdown date including (other than in connection with a Certain Funds Acquisition) the following: (i) no default is continuing or would occur as a result of that drawdown and (ii) certain representations and warranties specified in the Existing Credit Facility are true in all material respects.

### Interest Rates and Fees

The interest rate in respect of the Facility E for each relevant interest period is equal to the aggregate of (i) 2.50% per annum and (ii) LIBOR, subject to a LIBOR floor set at zero. The interest rate in respect of the Facility F for each relevant interest period is equal to the aggregate of (i) 3.00% per annum and (ii) EURIBOR, subject to a EURIBOR floor set at zero. The interest rate in respect of the Revolving Credit Facility for each relevant interest period is equal to the aggregate of (i) 2.75% (“**Revolving Credit Facility Margin**”) and (ii) EURIBOR and has a fee on unused commitments of 40% of such margin per year. The Revolving Credit Facility Margin is subject to a margin ratchet which provides for margin to decrease under a step down to 2.50% if either (x) Total Net Debt to Annualised EBITDA for the latest ratio period is less than or equal to 3.75:1 or (y) if Senior Net Debt to Annualised EBITDA for the latest ratio period is less than or equal to 3.00:1 and the ratio of Total Net Debt to Annualised EBITDA is less than or equal to 4.00:1.

Interest on the Facilities accrues daily from and including the first day of an interest period and is payable on the last day of each interest period (unless the interest period is longer than six months, in which case interest is payable on the last day of each six-month period) and is calculated on the basis of a year of 360 days unless market practice differs in the relevant interbank market for a currency.

### ***Guarantees and Security***

The Existing Credit Facility requires that members of the Bank Group which generate not less than 80% of the pro forma EBITDA of the Bank Group (excluding the EBITDA attributable to any joint venture) in any financial year, to guarantee the payment of all sums payable by the borrowers and the guarantors under the Existing Credit Facility to the facility agent, the lenders and the other finance parties under the Existing Credit Facility and the other finance documents specified therein and such members are required to grant security over all or substantially all of their assets to secure the payment of all sums payable under the Existing Credit Facility and the other finance documents specified therein, provided that following the redemption of the 2020 Senior Secured Notes, the lenders have agreed that the only security that will remain in place is security over shares in obligors (other than the Parent), subordinated shareholder loans to members of the Bank Group and the rights of ABC B.V. in relation to loans to its subsidiaries. The Senior Secured guarantors have provided guarantees and security in favour of the facility agent, the lenders and the other finance parties specified in the Existing Credit Facility in respect of their obligations and liabilities under the Existing Credit Facility and the other finance documents specified therein.

### ***Mandatory Prepayment***

Upon the occurrence of a change of control, if the Instructing Group so requires, the Facility Agent will cancel the lenders' commitments and declare each lender's loans due and payable on not less than 30 Business Days' notice.

### ***Financial Covenants***

The Existing Credit Facility requires the Parent, in the event that on the last day of any Ratio Period, the aggregate outstanding amount under any Revolving Facility (other than cash collateralised or undrawn Documentary Credits) and any net indebtedness under an Ancillary Facility exceeds an amount to  $33\frac{1}{3}$  per cent. of the aggregate Revolving Facility Commitments and each Ancillary Facility Commitment (the **"Financial Ratio Test Condition"**), to procure that the Consolidated Net Leverage Ratio shall not exceed the Maintenance Covenant Financial Ratio (a ratio level to be agreed between ABC B.V. and the Composite Revolving Facility Instructing Group, being the Lenders under Maintenance Covenant Revolving Facilities whose available commitments under the Maintenance Covenant Revolving Facilities exceed 50% of the total available commitments under the Maintenance Covenant Revolving Facilities). The financial covenant described above is for the benefit of Revolving Facility Lenders and a breach of the financial covenant will need to result in the Composite Revolving Facility Instructing Group instructing the Facility Agent to accelerate the Maintenance Covenant Revolving Facility Commitments in order for it to trigger an Event of Default for the other Lenders. The Revolving Credit Facility is designated as a Maintenance Covenant Revolving Facility and the Maintenance Covenant Financial Ratio for the purpose of the Existing Credit Facility is set at 4.75:1.

### ***Representations and Warranties***

The Existing Credit Facility contains certain representations and warranties usual for facilities of this type, which are subject to exceptions and appropriate materiality qualifications.

### ***Events of Default***

The Existing Credit Facility contains certain customary events of default, including, without limitation, in relation to misrepresentations and cross-default, the occurrence of which, subject to certain exceptions and materiality qualifications, would allow the Facility Agent (on the instructions of the Instructing Group) to (among other things) (i) cancel the total commitments, and/or (ii) declare that all or part of the outstanding loans be payable on demand.

### ***Undertakings***

The Existing Credit Facility restricts the ability of the Ziggo Borrowers and certain other Bank Group entities which have acceded to the Existing Credit Facility as Guarantors from, among other things, undertaking

certain action including incurring indebtedness, paying dividends, making distributions, creating security interests in assets, disposing of assets and merging or transferring assets, in each case, subject to limited exceptions and qualifications.

The Existing Credit Facility also requires the Ziggo Borrowers and the members of the Bank Group which are Guarantors thereunder, to observe certain affirmative undertakings, which are subject to materiality and other customary and agreed exceptions. These affirmative undertakings, include, but are not limited to, undertakings related to (i) authorisations; (ii) notification of default (iii) compliance with laws; (iv) *pari passu* ranking; (v) not amending constitutional documents; and, in relation to members of the Bank Group only, (vi) the maintenance of insurance; (vii) not changing the nature of its business; (viii) payment of taxes; (ix) intellectual property and (x) certain quarterly and annual financial reporting obligations including the delivery of compliance certificates in relation to the testing of the financial covenant in the event that the Financial Ratio Test Condition is met.

Certain defined terms in this “—*Existing Credit Facility*” section have the following meanings:

“**Bank Group**” means ABC B.V., Vodafone Nederland Holding II B.V., any other Affiliate Covenant Party and each Restricted Subsidiary (as defined therein).

“**Instructing Group**” means at any time Lenders (as defined therein) the aggregate of whose Available Commitments (as defined therein) and participations in outstanding Advances (as defined therein) exceeds 50% of the aggregate Available Commitments and outstanding Advances of all of the Lenders, unless it is used in relation to a single facility, in which case it means 50% of the aggregate Available Commitments and “outstanding” Advances of all Lenders in relation to that facility.

## Notes

### 2020 Senior Secured Notes

On 28 March 2013, Ziggo BV issued €750.0 million aggregate principal amount of 3.625% Senior Secured Notes due 27 March 2020 (the “**2020 Senior Secured Notes**”). As of 30 June 2019, €71.7 million aggregate principal amount of 2020 Senior Secured Notes remained outstanding. The 2020 Senior Secured Notes are listed on the Luxembourg Stock Exchange. The 2020 Senior Secured Notes are senior secured obligations of Ziggo BV and are guaranteed on a senior secured basis by certain of its subsidiaries who also guarantee the Existing Credit Facility.

Ziggo BV may redeem all or part of the 2020 Senior Secured Notes at any time by paying a specified “make-whole premium”. The indenture governing the 2020 Senior Secured Notes contains limited covenants that restrict the ability of ABC B.V. and its restricted subsidiaries to impair the security interests with respect to the collateral securing the 2020 Senior Secured Notes but do not otherwise contain any restrictive covenants.

The indenture governing the 2020 Senior Secured Notes contains certain customary events of default, including, among others, the non-payment of principal or interest on the 2020 Senior Secured Notes and certain failures to perform or observe other obligations.

### 2025 Senior Notes

On 29 January 2015, Ziggo Bond Finance issued (i) €400.0 million aggregate principal amount of 4.625% Senior Notes due 2025 (the “**Original 2025 Euro Senior Notes**”) and (ii) \$400.0 million (€352.2 equivalent) aggregate principal amount of 5.875% Senior Notes due 2025 (the “**Original 2025 Dollar Senior Notes**”, and together with the Original 2025 Euro Senior Notes, the “**Original 2025 Senior Notes**”). On 31 July 2018, Ziggo Bond Company issued €550.0 aggregate principal amount of 4.625% Senior Notes due 2025 (the “**Additional 2025 Euro Senior Notes**”, together with the Original 2025 Senior Notes, the “**2025 Senior Notes**”). As of 30 June 2019, €400.0 million aggregate principal amount of Original 2025 Euro Senior Notes remained outstanding and \$400.0 million (€352.2 equivalent) of Original 2025 Dollar Senior Notes remained outstanding. As of 30 June 2019, €550.0 million aggregate principal amount of Additional 2025 Euro Senior Notes remained outstanding. The 2025 Senior Notes are listed on the Global Exchange Market of Euronext Dublin.

In connection with the Ziggo Group Assumption, on 8 March 2018, Ziggo Bond Finance entered into an accession agreement among Ziggo Bond Company, as acceding issuer, Ziggo Bond Finance, as old issuer of the Original 2025 Senior Notes (the “**Old 2025 Senior Notes Issuer**”) and Deutsche Trustee Company Limited as trustee, whereby Ziggo Bond Company acceded as issuer and assumed the obligations of the Old 2025 Senior



Notes Issuer under (i) the indenture dated as of 29 January 2015, between, among others the Old 2025 Senior Notes Issuer and Deutsche Trustee Company Limited as trustee (the “**2025 Senior Notes Indenture**”) and (ii) the global notes representing the €400.0 million aggregate principal amount of Original 2025 Euro Senior Notes and \$400.0 million aggregate principal amount of the Original 2025 Dollar Senior Notes issued under the 2025 Senior Notes Indenture. See “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering – Recent Developments of VodafoneZiggo – Ziggo Group Combination and Ziggo Group Assumption*” for more information.

At any time prior to 15 January 2020, Ziggo Bond Company may redeem all or part of the 2025 Senior Notes by paying a specified “make-whole premium”. On or after 15 January 2020, Ziggo Bond Company may redeem all or part of the 2025 Senior Notes at certain redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date. If an event treated as a change of control occurs at any time, then Ziggo Bond Company must make an offer to each holder of the 2025 Senior Notes to purchase such holder’s 2025 Senior Notes at a purchase price in cash in an amount equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, if any, to the date of the purchase.

The 2025 Senior Notes Indenture contains customary covenants that restrict the ability of Ziggo Bond Company and its restricted subsidiaries to incur more debt, issue, sell or pledge capital stock, impair the security interests merge with or into another entity.

The 2025 Senior Notes Indenture contains certain customary events of default, including, among others, the non-payment of principal or interest on the 2025 Senior Notes and certain failures to perform or observe other obligations.

### **2025 Senior Secured Notes**

On 4 February 2015, Ziggo Secured Finance issued €800.0 million aggregate principal amount of 3.750% Senior Secured Notes due 2025 (the “**2025 Senior Secured Notes**”). As of 30 June 2019, €800.0 million aggregate principal amount of 2025 Senior Secured Notes remained outstanding. The 2025 Senior Secured Notes are listed on the Global Exchange Market of Euronext Dublin.

In connection with the Ziggo Group Assumption, on 8 March 2018, Ziggo Secured Finance entered into an accession agreement among Ziggo BV, as acceding issuer, Ziggo Secured Finance, as old issuer of the 2025 Senior Secured Notes (the “**Old 2025 Senior Secured Notes Issuer**”) and Deutsche Trustee Company Limited as trustee, whereby Ziggo BV acceded as issuer and assumed the obligations of the Old 2025 Senior Secured Notes Issuer under (i) the indenture dated as of 4 February 2015, between, among others the Old 2025 Senior Secured Notes Issuer and Deutsche Trustee Company Limited as trustee (the “**2025 Senior Secured Notes Indenture**”) and (ii) the global notes representing the €800.0 million aggregate principal amount of 2025 Senior Secured Notes issued under the 2025 Senior Secured Notes Indenture. The 2025 Senior Secured Notes are senior secured obligations of Ziggo BV and are guaranteed on a senior secured basis by certain of its subsidiaries who also guarantee the Existing Credit Facility. See “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering – Recent Developments of VodafoneZiggo – Ziggo Group Combination and Ziggo Group Assumption*” for more information.

At any time prior to 15 January 2020, Ziggo BV may redeem all or part of the 2025 Senior Secured Notes by paying a specified “make-whole premium”. In addition, at any time prior to 15 January 2020, during each 12 month period, Ziggo BV may redeem up to 10% of the principal amount of the 2025 Senior Secured Notes at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest to (but excluding) the date of redemption. On or after 15 January 2020, Ziggo BV may redeem all or part of the 2025 Senior Secured Notes at certain redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date. In addition, at any time prior to 15 January 2018, Ziggo BV may redeem up to 40% of the 2025 Senior Secured Notes (at a redemption price of 103.750% of the principal amount) with the net proceeds from one or more specified equity offerings. If an event treated as a change of control occurs at any time, then Ziggo BV must make an offer to each holder of the 2025 Senior Secured Notes to purchase such holder’s 2025 Senior Secured Notes at a purchase price in cash in an amount equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, if any, to the date of the purchase.

The 2025 Senior Secured Notes Indenture contains customary covenants that restrict the ability of Ziggo BV and its restricted subsidiaries to incur more debt, issue, sell or pledge capital stock, impair the security interests merge with or into another entity.

The 2025 Senior Secured Notes Indenture contains certain customary events of default, including, among others, the non-payment of principal or interest on the 2025 Senior Secured Senior Notes and certain failures to perform or observe other obligations.

### **2027 Senior Notes**

On 23 September 2016, Ziggo Bond Finance issued \$625.0 million (€550.2 equivalent) aggregate principal amount of 6.000% Senior Notes due 2027 (the “**2027 Senior Notes**”). As of 30 June 2019, \$625.0 million (€550.2 equivalent) of 2027 Senior Notes remained outstanding. The 2027 Senior Notes are listed on the Global Exchange Market of Euronext Dublin.

In connection with the Ziggo Group Assumption, on 8 March 2018, Ziggo Bond Finance entered into an accession agreement among Ziggo Bond Company, as acceding issuer, Ziggo Bond Finance, as old issuer of the 2027 Senior Notes (the “**Old 2027 Senior Notes Issuer**”) and Deutsche Trustee Company Limited as trustee, whereby Ziggo Bond Company acceded as issuer and assumed the obligations of the Old 2027 Senior Notes Issuer under (i) the indenture dated as of 23 September 2016, between, among others the Old 2027 Senior Notes Issuer and Deutsche Trustee Company Limited as trustee (the “**2027 Senior Notes Indenture**”) and (ii) the global notes representing the \$625.0 million aggregate principal amount of 2027 Senior Notes issued under the 2027 Senior Notes Indenture. See “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering – Recent Developments of VodafoneZiggo – Ziggo Group Combination and Ziggo Group Assumption*” for more information.

At any time prior to 15 January 2022, Ziggo Bond Company may redeem all or part of the 2027 Senior Notes by paying a specified “make-whole premium”. On or after 15 January 2022, Ziggo Bond Company may redeem all or part of the 2027 Senior Notes at certain redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date. In addition, at any time prior to 15 January 2020, Ziggo Bond Company may redeem up to 40% of the 2027 Senior Notes (at a redemption price of 106.000% of the principal amount) with the net proceeds from one or more specified equity offerings. If an event treated as a change of control occurs at any time, then Ziggo Bond Company must make an offer to each holder of the 2027 Senior Notes to purchase such holder’s 2027 Senior Notes at a purchase price in cash in an amount equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, if any, to the date of the purchase.

The 2027 Senior Notes Indenture contains customary covenants that restrict the ability of Ziggo Bond Company and its restricted subsidiaries to incur more debt, issue, sell or pledge capital stock, impair the security interests or merge with or into another entity.

The 2027 Senior Notes Indenture contains certain customary events of default, including, among others, the non-payment of principal or interest on the 2027 Senior Notes and certain failures to perform or observe other obligations.

### **2027 Senior Secured Notes**

On 23 September 2016, Ziggo Secured Finance issued (i) €775.0 million aggregate principal amount of 4.250% Senior Secured Notes due 2027 (the “**2027 Euro Senior Secured Notes**”) and (ii) \$2,000.0 million (€1,760.7 million equivalent) aggregate principal amount of 5.500% Senior Secured Notes due 2027 (the “**2027 Dollar Senior Secured Notes**”), and together with the 2027 Euro Senior Secured Notes, the “**2027 Senior Secured Notes**”). As of 30 June 2019, €775.0 million aggregate principal amount of 2027 Euro Senior Secured Notes remained outstanding and \$2,000.0 million (€1,760.7 million equivalent) of 2027 Dollar Senior Secured Notes remained outstanding. The 2027 Senior Secured Notes are listed on the Global Exchange Market of Euronext Dublin.

In connection with the Ziggo Group Assumption, on 8 March 2018, Ziggo Secured Finance entered into an accession agreement among Ziggo BV, as acceding issuer, Ziggo Secured Finance, as old issuer of the 2027 Senior Secured Notes (the “**Old 2027 Senior Secured Notes Issuer**”) and Deutsche Trustee Company Limited as trustee, whereby Ziggo BV acceded as issuer and assumed the obligations of the Old 2027 Senior Secured

Notes Issuer under (i) the indenture dated as of 23 September 2016, between, among others the Old 2027 Senior Secured Notes Issuer and Deutsche Trustee Company Limited as trustee (the “**2027 Senior Secured Notes Indenture**”) and (ii) the global notes representing the €775.0 million aggregate principal amount of 2027 Euro Senior Secured Notes and \$2,000.0 million aggregate principal amount of 2027 Dollar Senior Secured Notes issued under the 2027 Senior Secured Notes Indenture. The 2027 Senior Secured Notes are senior secured obligations of Ziggo BV and are guaranteed on a senior secured basis by certain of its subsidiaries who also guarantee the Existing Credit Facility. See “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering – Recent Developments of VodafoneZiggo – Ziggo Group Combination and Ziggo Group Assumption*” for more information.

At any time prior to 15 January 2022, Ziggo BV may redeem all or part of the 2027 Senior Secured Notes by paying a specified “make-whole premium”. In addition, at any time prior to 15 January 2022, during each 12 month period, Ziggo BV may redeem up to 10% of the principal amount of the 2027 Senior Secured Notes at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest to (but excluding) the date of redemption. On or after 15 January 2022, Ziggo BV may redeem all or part of the 2027 Senior Secured Notes at certain redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date. In addition, at any time prior to 15 January 2020, Ziggo BV may redeem up to 40% of the 2027 Senior Secured Notes (at a redemption price of 104.250% of the principal amount of the 2027 Euro Senior Secured Notes and/or 105.500% of the principal amount of the 2027 Dollar Senior Secured Notes, as applicable) with the net proceeds from one or more specified equity offerings. If an event treated as a change of control occurs at any time, then Ziggo BV must make an offer to each holder of the 2027 Senior Secured Notes to purchase such holder’s 2027 Senior Secured Notes at a purchase price in cash in an amount equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, if any, to the date of the purchase.

The 2027 Senior Secured Notes Indenture contains customary covenants that restrict the ability of Ziggo BV and its restricted subsidiaries to incur more debt, issue, sell or pledge capital stock, impair the security interests or merge with or into another entity.

The 2027 Senior Secured Notes Indenture contains certain customary events of default, including, among others, the non-payment of principal or interest on the 2027 Senior Secured Senior Notes and certain failures to perform or observe other obligations.

## **Intercreditor Agreements**

### **Group Priority Agreement**

A priority agreement dated 12 September 2006 and as amended and restated on 6 October 2006, 17 November 2006, 28 March 2013 and 14 November 2014 has been entered into by, among others, ABC B.V. certain other members of the Bank Group (together with ABC B.V. and any other entity which accedes to the priority agreement as a debtor the “**Debtors**”) and certain other parties including the trustee (the “**Senior Secured Notes Trustee**”) of the existing senior secured notes issued or assumed by Ziggo BV (the “**Senior Secured Notes**”), the lenders under the Original Credit Facility, the senior agent under the Original Credit Facility (the “**Senior Agent**”), ING Bank N.V. as security agent (the “**Security Agent**”), and certain counterparties (the “**Hedge Counterparties**”) to hedging arrangements (the “**Group Priority Agreement**”).

“**Original Credit Facility**” refers to the senior facilities agreement dated 27 January 2014, which was made available to certain lenders to the Issuer, among others, (and which was refinanced in full on or about the time of the Ziggo Group Assumption).

### **General**

The Group Priority Agreement sets out, among other things, the relative ranking of certain debt of the Debtors, when payments can be made in respect of certain debt of the Debtors, when enforcement action can be taken in respect of that debt, the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

The following description is a summary of certain provisions, among others, that are contained in the Group Priority Agreement. It does not restate the Group Priority Agreement in its entirety. As such, you are urged to read the Group Priority Agreement.

### ***Pari Passu Debt***

The Group Priority Agreement includes provisions for any debt that may be incurred in the future by a member of the Bank Group which will rank equally with the Original Credit Facility, the Senior Secured Notes and the Hedging Liabilities (as defined under the caption “—*Ranking and Priority*” below) (the “**Pari Passu Debt**”). The incurrence of Pari Passu Debt will be subject to compliance with, the Existing Credit Facility, Original Credit Facility, Senior Secured Notes finance documents, the Existing Credit Facility, and any other *pari passu* debt documents that already exist at that time (“**Pari Passu Debt Documents**”). A creditor of Pari Passu Debt shall be referred to in this section as a “**Pari Passu Creditor**”. The Existing Credit Facility liabilities have been designated as Pari Passu Debt, and the relevant lenders have acceded as Pari Passu Creditors and their agent has acceded as a Pari Passu Representative (as defined below).

### ***Senior Secured Notes***

The Group Priority Agreement includes provisions relating to any future senior secured notes that may be issued by a member of the Bank Group, subject to compliance with the Existing Credit Facility, the Senior Secured Notes finance documents and the Pari Passu Debt Documents.

### ***Senior Unsecured Notes***

Furthermore, the Group Priority Agreement includes provisions relating to any senior unsecured notes (together the “**Senior Unsecured Notes**”) that may be issued by any holding company of ABC B.V. that is not a member of the Bank Group (a “**Senior Unsecured Notes Issuer**”) (subject to compliance with the Senior Secured Notes finance documents, the Original Credit Facility, the Existing Credit Facility and any other Pari Passu Debt Documents). Such provisions, among other things, provide for customary restrictions and limitations with respect to restrictions on payment, payment blockages, standstills on enforcement and the filing of claims. Any loan of the proceeds of an issuance of Senior Unsecured Notes from a Senior Unsecured Notes Issuer to ABC B.V. shall be referred to in this section as a “**Proceeds Loan**”. Please refer to the Group Priority Agreement for a more detailed explanation of these and other provisions related to any Senior Unsecured Notes that may be issued as well as other provisions defining the rights and obligations of the holders of the Senior Unsecured Notes.

### ***Ranking and Priority***

#### ***Priority of Debts***

The Group Priority Agreement provides that the liabilities owed by the Debtors to the creditors under the Original Credit Facility, certain hedging agreements, the Senior Secured Notes, the Pari Passu Debt Documents and the Senior Unsecured Notes (the “**Primary Creditors**”) shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- first, the liabilities of the lenders, issuing banks and ancillary lenders under the Original Credit Facility (each a “**Senior Lender**” and such liabilities the “**Senior Lender Liabilities**”), amounts owing to the agent and arrangers in relation to the Senior Lender Liabilities (the “**Senior Agent Liabilities**”), the liabilities owed in respect of the Senior Secured Notes (the “**Senior Secured Notes Liabilities**”), amounts owing to the trustee of any Senior Secured Notes (the “**Senior Secured Notes Trustee Amounts**”), the liabilities owed to the Hedge Counterparties in relation to certain hedging (the “**Hedging Liabilities**”), liabilities owing to the Pari Passu Creditors (the “**Pari Passu Liabilities**”), amounts owing to representatives of the Pari Passu Liabilities (the “**Pari Passu Representative Amounts**”), certain costs and expenses and other amounts owed to the trustee of any Senior Unsecured Notes (“**Senior Unsecured Notes Trustee Amounts**”), *pari passu* between themselves and without any preference between them;
- second, the liabilities owed in respect of the Senior Unsecured Notes and liabilities owed to any Senior Unsecured Notes Issuer under a Proceeds Loan (“**Senior Unsecured Notes Liabilities**”) *pari passu* between themselves and without any preference between them; and
- third, the amounts owed by one member of the Bank Group to another member of the Bank Group, and certain other subordinated liabilities, *pari passu* between themselves and without any preference between them.

### *Priority of Security*

The security shall rank and secure the following liabilities (only to the extent that such security is expressed to secure the relevant liabilities) in the following order:

- the Senior Lender Liabilities, the Senior Agent Liabilities, the Hedging Liabilities, the Senior Secured Notes Liabilities, the Senior Secured Notes Trustee Amounts, the Pari Passu Liabilities, the Pari Passu Representative Amounts and certain other liabilities to the relevant agents and trustees, *pari passu* and without any preference between them.

### *Senior Unsecured Notes Enforcement Action*

Until the date the Senior Lender Liabilities, the Hedging Liabilities, the Senior Secured Notes Liabilities and the Pari Passu Liabilities have been discharged (the “**Senior Secured Discharge Date**”) the holders of the Senior Unsecured Notes and/or the trustee of any Senior Unsecured Notes may not take any Enforcement Action (as defined below), other than as expressly permitted by the Group Priority Agreement.

### ***Restriction on Enforcement: Senior Lenders and Senior Secured Note Creditors and Pari Passu Creditors***

The Group Priority Agreement provides that no Senior Lender, Pari Passu Creditor or Senior Secured Notes creditor may take Enforcement Action in relation to the enforcement of transaction security without the prior written consent of an Instructing Group (as defined below).

An “**Instructing Group**” means those creditors under the Original Credit Facility, the Senior Secured Notes and the Pari Passu Debt Documents and those Hedge Counterparties whose senior secured credit participations at any time aggregate more than 50% of the total senior secured credit participations at that time.

### ***Restrictions Relating to Senior Unsecured Notes***

#### *Restriction on Payment and Dealings*

The Group Priority Agreement provides that, until the Senior Secured Discharge Date, except with the prior consent of the Senior Agent, the Pari Passu Debt Representative and the Senior Secured Notes Trustee, no Debtor shall (and ABC B.V. shall ensure that no other member of the Bank Group will):

- (i) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Senior Unsecured Notes Liabilities in cash or in kind or apply any such money or property in or towards discharge of any Senior Unsecured Notes Liabilities except as permitted by the provisions set out below under the captions “—*Permitted Senior Unsecured Note Payments*”, “—*Permitted Senior Unsecured Notes Guarantee and Proceeds Loan Enforcement*”, and the fourth paragraph under the caption “—*Effect of Insolvency Event; Filing of Claims*” or by a refinancing of the Senior Unsecured Notes as permitted by the Group Priority Agreement;
- (ii) exercise any set-off against any Senior Unsecured Notes Liabilities, except as permitted by the provisions set out in the caption “—*Permitted Senior Unsecured Note Payments*” below, the provisions set out in the caption “—*Restrictions on Senior Unsecured Notes Enforcement*” below or the fourth paragraph under the caption “—*Effect of Insolvency Event; Filing of Claims*” below; or
- (iii) create or permit to subsist any security over any assets of any member of the Bank Group or give any guarantee (and the Senior Unsecured Notes Trustee may not, and no holder of Senior Unsecured Notes may, accept the benefit of any such security or guarantee) from any member of the Bank Group for, or in respect of, any Senior Unsecured Notes Liabilities other than guarantees from those entities that are guarantors under the Original Credit Facility, the Senior Secured Notes and the Pari Passu Debt (the “**Senior Unsecured Notes Guarantees**”) which are subject to payment blockage, subordination and turnover provisions substantially similar to those in the Group Priority Agreement.



### *Permitted Senior Unsecured Note Payments*

Prior to the Senior Secured Discharge Date, the Debtors may make payments to the Senior Unsecured Notes creditors in respect of the Senior Unsecured Notes Liabilities then due in accordance with the indenture in respect of the Senior Unsecured Notes (the “**Senior Unsecured Notes Indenture**”) (such payments, collectively, “**Permitted Senior Unsecured Note Payments**”):

- (i) if:
  - (A) the payment is of:
    - (I) any of the principal amount of the Senior Unsecured Notes Liabilities which is permitted to be paid by the Original Credit Facility and is not prohibited from being paid by the indenture in respect of the Senior Secured Notes (the “**Senior Secured Notes Indenture**”) or the Pari Passu Debt Documents pursuant to which any Pari Passu Debt is outstanding; or
    - (II) any other amount which is not an amount of principal or capitalised interest;
  - (B) no Senior Unsecured Notes payment stop notice is outstanding; and
  - (C) no payment default under the Original Credit Facility or the Senior Secured Notes or the Pari Passu Debt Documents (excluding a payment default under those documents not constituting principal, interest or fees and not exceeding €250,000) (“**Senior Secured Payment Default**”) has occurred and is continuing;
- (ii) if those lenders under the Original Credit Facility and those Hedge Counterparties whose senior credit participations at any time aggregate more than 66 2/3 of the total senior credit participations at that time (the “**Majority Senior Creditors**”), the Senior Secured Notes Trustee and the Pari Passu Debt Representative give prior consent to that payment being made;
- (iii) if the payment is of certain amounts due to the Senior Unsecured Notes Trustee Amounts;
- (iv) certain defined permitted administrative costs and note security costs payable by the Senior Unsecured Notes Issuer;
- (v) costs, commissions, taxes, consent fees and expenses incurred in respect of (or reasonably incidental to) the Senior Unsecured Notes Indenture (including in relation to any reporting or listing requirements under the Senior Unsecured Notes Indenture);
- (vi) of any other amount not exceeding EUR 100,000 (or its equivalent in other currencies) in aggregate in any twelve month period;
- (vii) costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Senior Unsecured Notes in compliance with the Group Priority Agreement and the Original Credit Facility; or
- (viii) the principal amount of the Senior Unsecured Notes Liabilities on or after the final maturity date of the Senior Unsecured Notes Liabilities (provided that, such maturity date is as contained in the relevant Senior Unsecured Notes finance documents as originally entered into).

On or after the Senior Secured Discharge Date, the Debtors may make payments to the Senior Unsecured Notes creditors in respect of the Senior Unsecured Notes Liabilities in accordance with the Senior Unsecured Notes finance documents.

### *Payment Blockage Provisions*

Until the Senior Secured Discharge Date, except with the prior consent of the Senior Agent, the consent of the Senior Secured Notes Trustee and the consent of the representative of the Pari Passu Creditors (the “**Pari Passu Debt Representative**”), and subject to the provisions set out under the caption “—*Effect of Insolvency Event; Filing of Claims*” below, ABC B.V. shall not make (and shall procure that its subsidiaries shall not), and neither the Senior Unsecured Notes Trustee nor the holder of Senior Unsecured Notes may receive from ABC B.V. or any of its subsidiaries, any Permitted Senior Unsecured Note Payment (other than certain amounts due to the Senior Unsecured Notes Trustee for its own account) if:

- a Senior Secured Payment Default is continuing; or
- an event of default under the Original Credit Facility or the Senior Secured Notes Indenture or a Pari Passu Debt Document (a “**Senior Secured Event of Default**”) (other than a Senior Secured Payment

Default) is continuing, from the date of receipt by the Senior Unsecured Notes Trustee of a stop notice from the Senior Agent or the Senior Secured Notes Trustee or the Pari Passu Debt Representative (as the case may be) specifying the event or circumstance in relation to that Senior Secured Event of Default to ABC B.V., the Security Agent and the Senior Unsecured Notes Trustee until the earliest of:

- the date falling 179 days after receipt by the Senior Unsecured Notes Trustee of that payment stop notice;
- in relation to payments of Senior Unsecured Notes Liabilities, if a Senior Unsecured Notes standstill period is in effect at any time after delivery of that payment stop notice, the date on which that standstill period expires;
- the date on which the relevant Senior Secured Event of Default has been remedied or waived in accordance with the Original Credit Facility or the Senior Secured Notes Indenture or the Pari Passu Debt Documents (as applicable);
- the date on which the Senior Agent or the Senior Secured Notes Trustee or the Pari Passu Debt Representative (as applicable) delivers a notice to ABC B.V., the Security Agent and the Senior Unsecured Notes Trustee cancelling the relevant payment stop notice;
- the Senior Secured Discharge Date; and
- the date on which the Security Agent or the Senior Unsecured Notes Trustee takes Enforcement Action permitted under the Group Priority Agreement against a Debtor.

Unless the Senior Unsecured Notes Trustee waives this requirement, (i) a new Senior Unsecured Notes payment stop notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Unsecured Notes payment stop notice; and (ii) no Senior Unsecured Notes payment stop notice may be delivered in reliance on a Senior Secured Event of Default more than 45 days after the date the Senior Agent, the Senior Secured Notes Trustee and the Pari Passu Debt Representative (as applicable) received notice of that Senior Secured Event of Default.

The Senior Agent, the Pari Passu Debt Representative and the Senior Secured Notes Trustee may only serve one Senior Unsecured Notes payment stop notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the Senior Agent, the Pari Passu Debt Representative or the Senior Secured Notes Trustee to issue a Senior Unsecured Notes payment stop notice in respect of any other event or set of circumstances. No Senior Unsecured Notes payment stop notice may be served by the Senior Agent, the Pari Passu Debt Representative or the Senior Secured Notes Trustee in respect of a Senior Secured Event of Default which had been notified to the Senior Agent, the Pari Passu Debt Representative or the Senior Secured Notes Trustee at the time at which an earlier Senior Unsecured Notes payment stop notice was issued.

Any failure to make a payment due under a Senior Unsecured Notes Indenture as a result of the issue of a Senior Unsecured Notes payment stop notice or the occurrence of a Senior Secured Payment Default shall not prevent (i) the occurrence of an event of default (however defined in the Senior Unsecured Notes Indenture) as a consequence of that failure to make a payment in relation to the relevant Senior Unsecured Notes finance documents; or (ii) the issue of a Senior Unsecured Notes enforcement notice on behalf of the Senior Unsecured Notes creditors.

#### *Payment Obligations and Capitalization of Interest Continue*

No Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under any Senior Unsecured Notes finance document (including the Senior Unsecured Notes Indenture) by the operation of the provisions set out under each section above under the caption “—*Restrictions relating to Senior Unsecured Notes*” even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalization of interest (if any) in accordance with the Senior Unsecured Note finance documents shall continue notwithstanding the issue of a Senior Unsecured Notes payment stop notice.

### *Restrictions on Amendments and Waivers*

Subject to the following paragraph, the Group Priority Agreement provides that the Senior Unsecured Notes creditors may amend or waive the terms of the Senior Unsecured Notes finance documents (other than the Group Priority Agreement or any security document) in accordance with their terms at any time.

Prior to the Senior Secured Discharge Date, the Senior Unsecured Notes Trustee may not amend or waive the terms of the Senior Unsecured Notes where to do so would result in the Senior Unsecured Notes Finance Documents not being in compliance with the terms of the Original Credit Facility:

- (i) without the consent of the Majority Senior Creditors;
- (ii) (where to do so would not be in compliance with the Pari Passu Debt Documents) without the consent of the Pari Passu Debt Representative; and
- (iii) (where to do so would not be in compliance with the Senior Secured Notes) without the consent of the Senior Secured Notes Trustee.

### *Restrictions on Senior Unsecured Notes Enforcement*

Until the Senior Secured Discharge Date, except with the prior consent of or as required by an Instructing Group, neither the Senior Unsecured Notes Trustee nor any holders of Senior Unsecured Notes shall take or require the taking of any Enforcement Action in relation to:

- (i) the Senior Unsecured Notes Guarantees; and/or
- (ii) any Proceeds Loan, except as permitted under the provisions set out under the caption “—*Permitted Senior Unsecured Notes Guarantee and Proceeds Loan Enforcement*” below, provided however, that no such action required by the Security Agent need be taken except to the extent the Security Agent otherwise is entitled under the Group Priority Agreement to direct such action.

“**Enforcement Action**” is defined as:

- in relation to any liabilities:
  - the acceleration of any liabilities or the making of any declaration that any liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Lender, a holder of Senior Secured Notes, a holder of Pari Passu Debt or a holder of Senior Unsecured Notes to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the debt documents);
  - the making of any declaration that any liabilities are payable on demand;
  - the making of a demand in relation to a liability that is payable on demand;
  - the making of any demand against any member of the Bank Group in relation to any guarantee liabilities of that member of the Bank Group;
  - the exercise of any right to require any member of the Bank Group to acquire any liability (including exercising any put or call option against any member of the Bank Group for the redemption or purchase of any liability but excluding any mandatory prepayments or mandatory offers arising as a result of a change of control or asset sale (howsoever described) as set out in the Original Credit Facility, Senior Secured Notes finance documents, Senior Unsecured Notes finance documents or Pari Passu Debt Documents).
  - the exercise of any right of set-off, account combination or payment netting against any member of the Bank Group in respect of any liabilities other than the exercise of any such right:
    - as close-out netting by a Hedge Counterparty or by a hedging ancillary lender;
    - as payment netting by a Hedge Counterparty or by a hedging ancillary lender;
    - as inter-hedging agreement netting by a Hedge Counterparty;
    - as inter-hedging ancillary document netting by a hedging ancillary lender (the rights described in this and the preceding three bullet points of this paragraph, to be referred to as “**Permitted Netting**”); and

- which is otherwise expressly permitted under the Original Credit Facility, the Pari Passu Debt Documents, the Senior Secured Notes finance documents or the Senior Unsecured Notes finance documents to the extent that the exercise of that right gives effect to a permitted payment under the Group Priority Agreement; and
- the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Bank Group to recover any liabilities;
- the premature termination or close-out of any hedging transaction under any hedging agreement, save to the extent permitted by the Group Priority Agreement;
- the taking of any steps to enforce or require the enforcement of any security (including the crystallization of any floating charge forming part of the security),
- the entering into of any composition, compromise, assignment or similar arrangement with any member of the Bank Group which owes any liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the liabilities (other than any actions permitted under the Group Priority Agreement or any debt buy-backs pursuant to open market debt repurchases, tender offers or exchange offers not undertaken as part of an announced restructuring or turnaround plan or while a default was outstanding under the relevant finance documents); or
- the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to the winding up, dissolution, administration or reorganization of any member of the Bank Group which owes any liabilities, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the liabilities, or any of such member of the Bank Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Bank Group, or any analogous procedure or step in any jurisdiction,

except that the following shall not constitute Enforcement Action:

- the taking of any action falling within the seventh paragraph of the first bullet point above or the bullet point immediately above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; or
- a Primary Creditor, ancillary lender, Hedge Counterparty, issuing bank or the Senior Unsecured Note Trustee bringing legal proceedings against any person solely for the purpose of (A) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any debt document to which it is party; (B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; (C) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages;
- bringing legal proceedings against any person in connection with any securities violation, securities or listing relations or common law fraud or to restrain any actual or putative breach of the Senior Unsecured Note finance documents or the Senior Secured Finance Documents or for specific performance with no claims for damages; or
- allegation of material misstatements or omissions made in connection with the offering materials relating to the Senior Secured Notes or the Senior Unsecured Notes or in reports furnished to any of the noteholders or trustees or any exchange on which the notes are listed pursuant to information and reporting requirements under any of the notes finance documents (as applicable).

#### *Permitted Senior Unsecured Notes Guarantee and Proceeds Loan Enforcement*

The restrictions set out in the caption “—*Restrictions on Senior Unsecured Notes Enforcement*” above will not apply in respect of the Senior Unsecured Notes Guarantee liabilities or any Proceeds Loan, if:

- (i) an event of default (however defined in the Senior Unsecured Notes Indenture) (other than solely by reason of a cross default (other than a cross default arising from a Senior Secured Payment Default) arising from a Senior Secured Notes event of default) (the “**Relevant Senior Unsecured Note Default**”) is continuing;

- (ii) the Senior Agent has received a notice of the Relevant Senior Unsecured Note Default specifying the event or circumstance in relation to the Relevant Senior Unsecured Note Default from the Senior Unsecured Note Trustee;
- (iii) a Senior Unsecured Note Standstill Period (as defined below) has elapsed or otherwise terminated; and
- (iv) the Relevant Senior Unsecured Note Default is continuing at the end of the relevant Senior Unsecured Note Standstill Period.

Additionally, the restrictions set out in the caption “—*Restrictions on Senior Unsecured Notes Enforcement*” above will not apply in respect of the Senior Unsecured Notes Guarantee liabilities or any Proceeds Loan, if an Insolvency Event (other than as a result of any action taken by any Senior Unsecured Notes finance party) has occurred with respect to (i) a Senior Unsecured Notes Guarantor, in which case, Enforcement Action may be taken against the Senior Unsecured Notes Guarantor subject to that Insolvency Event (only), or (ii) a Senior Unsecured Notes Guarantor whose earnings before interest, tax, depreciation and amortisation (calculated on an unconsolidated basis but otherwise on the same basis as consolidated EBITDA) represent 10 per cent. or more of consolidated EBITDA or whose gross assets (excluding intra-group items) represents 10 per cent. or more of the gross assets of the Bank Group, in which case a Senior Unsecured Notes creditor may take Enforcement Action against any member of the Bank Group).

Promptly upon becoming aware of an Event of Default (as defined in the Senior Unsecured Notes Indenture) (a “**Senior Unsecured Note Default**”), the Senior Unsecured Notes Trustee may by notice (a “**Senior Unsecured Note Enforcement Notice**”) in writing notify the Senior Agent, the Pari Passu Debt Representative and the Senior Secured Notes Trustee of the existence of such Senior Unsecured Note Default.

#### *Senior Unsecured Note Standstill Period*

In relation to a relevant Senior Unsecured Note Default, a “**Senior Unsecured Note Standstill Period**” shall mean the period beginning on the date (the “**Senior Unsecured Note Standstill Start Date**”) the Senior Agent, the Senior Secured Notes Trustee and the Pari Passu Debt Representative receive a Senior Unsecured Note Enforcement Notice from the Senior Unsecured Notes Trustee in respect of a Senior Unsecured Note Default and ending on the earlier to occur of:

- (i) the date falling 179 days after the Senior Unsecured Note Standstill Start Date (the “**Senior Unsecured Note Standstill Period**”);
- (ii) the date the creditors under the Original Credit Facility and Senior Secured Notes and Pari Passu Debt Documents and the Hedge Counterparties (together the “**Senior Secured Creditors**”) take any Enforcement Action in relation to a particular guarantor of the Senior Unsecured Notes (a “**Senior Unsecured Note Guarantor**”), provided however, that:
  - (A) if a Senior Unsecured Note Standstill Period ends pursuant to this paragraph, the holders of the Senior Unsecured Notes and Senior Unsecured Notes Trustee may only take the same Enforcement Action in relation to the Senior Unsecured Note Guarantor as the Enforcement Action taken by the Senior Secured Creditors against such Senior Unsecured Note Guarantor and not against any other member of the Bank Group; and
  - (B) Enforcement Action for the purpose of this paragraph shall not include action taken to preserve or protect any security as opposed to realise it;
- (iii) the expiry of any other Senior Unsecured Note Standstill Period outstanding at the date such first mentioned Senior Unsecured Note Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);
- (iv) the date on which the Senior Agent, Senior Secured Notes Trustee and Pari Passu Debt Representative (to the extent prior to the relevant discharge date) give their consent to the termination of the relevant Senior Unsecured Note Standstill Period; and
- (v) a failure to pay the principal amount outstanding on the Senior Unsecured Notes at the final stated maturity of the Senior Unsecured Notes.

#### *Subsequent Senior Unsecured Note Defaults*

The Senior Unsecured Note finance parties and the Senior Unsecured Notes Issuer, as applicable, may take Enforcement Action under the provisions set out in the caption “—*Permitted Senior Unsecured Notes Guarantee*”



and Proceeds Loan Enforcement” above in relation to a Senior Unsecured Note Default even if, at the end of any relevant Senior Unsecured Note Standstill Period or at any later time, a further Senior Unsecured Note Standstill Period has begun as a result of any other Senior Unsecured Note Default.

### ***Effect of Insolvency Event; Filing of Claims***

The Group Priority Agreement provides that, after the occurrence of an Insolvency Event in relation to any member of the Bank Group, any party entitled to receive a distribution out of the assets of that member of the Bank Group in respect of liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Bank Group to pay that distribution to the Security Agent until the liabilities owing to the secured parties have been paid in full. In this respect, the Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption “—Application of Proceeds” below.

Generally, to the extent that any member of Bank Group’s liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Bank Group, any creditor which benefited from that set-off shall pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with the provisions set out in the caption “—Application of Proceeds” below. Certain exceptions apply to this obligation including Permitted Netting (as defined under the caption “—Restrictions on Senior Unsecured Notes Enforcement”).

If the Security Agent or any other secured party receives a distribution in a form other than in cash in respect of any of the liabilities, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards the liabilities.

After the occurrence of an Insolvency Event in relation to any member of Bank Group, each creditor irrevocably authorises the Security Agent, on its behalf, to:

- (i) take any Enforcement Action (in accordance with the terms of the Group Priority Agreement) against that member of the Bank Group;
- (ii) demand, sue, prove and give receipt for any or all of that member of Bank Group’s liabilities;
- (iii) collect and receive all distributions on, or on account of, any or all of that member of Bank Group’s liabilities; and
- (iv) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of the Bank Group’s liabilities.

Each creditor will (i) do all things that the Security Agent reasonably requests in order to give effect to the matters disclosed under this section and (ii) if the Security Agent is not entitled to take any of the actions contemplated by this section or if the Security Agent requests that a creditor take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require, although no trustee shall be under any obligation to grant such powers of attorney) to enable the Security Agent to take such action.

### ***Turnover***

Subject to certain exceptions, the Group Priority Agreement provides that if any creditor receives or recovers from any member of the Bank Group:

- (i) any payment or distribution of, or on account of or in relation to, any of the liabilities which is not either (x) a payment permitted under the Group Priority Agreement or (y) made in accordance with the provisions set out below under the caption “—Application of Proceeds”;
- (ii) any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Group Priority Agreement;
- (iii) any amount:
  - (A) on account of, or in relation to, any of the liabilities:
    - (I) after the occurrence of an acceleration event or the enforcement of any security; or

- (II) as a result of any other litigation or proceedings against a member of the Bank Group (other than after the occurrence of an Insolvency Event in respect of that member of the Bank Group); or
- (B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any security,
  - other than, in each case, any amount received or recovered in accordance with the provisions set out below under the caption “—*Application of Proceeds*”;
- (iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption “—*Application of Proceeds*”; or
- (v) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of the Bank Group which is not in accordance with the provisions set out below under the caption “—*Application of Proceeds*” and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of the Bank Group,

that creditor will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Group Priority Agreement and (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Group Priority Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Group Priority Agreement.

### ***Enforcement of Security***

#### ***Enforcement Instructions***

The Security Agent may refrain from enforcing the security unless instructed otherwise by the Instructing Group.

Subject to the security having become enforceable in accordance with its terms the Instructing Group may give, or refrain from giving, instructions to the Security Agent to enforce, or refrain from enforcing, the security as they see fit.

No secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the security documents except through the Security Agent.

#### ***Manner of Enforcement***

If the security is being enforced as set forth above under the caption “—*Enforcement Instructions*,” the Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as the Instructing Group shall instruct or, in the absence of any such instructions, as the Security Agent sees fit.

#### ***Exercise of Voting Rights***

Each creditor agrees with the Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Bank Group as instructed by the Security Agent. The Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group; it being understood that, absent such instructions, the Security Agent may elect to take no action.

#### ***Waiver of Rights***

To the extent permitted under applicable law and subject to certain provisions of the Group Priority Agreement, each of the secured parties and the Debtors waives all rights it may otherwise have to require that the security be enforced in any particular order or manner or at any particular time, or that any sum received or recovered from any person, or by virtue of the enforcement of any of the security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations, is so applied.

## ***Proceeds of Disposals***

### ***Distressed Disposals—General***

A “**Distressed Disposal**” is a disposal of an asset or shares of a member of the Bank Group which is (a) being effected at the request of an Instructing Group in circumstances where the security has become enforceable, (b) being effected by enforcement of the security or (c) being disposed of by a Debtor to a person or persons which are not a member of the Bank Group subsequent to an acceleration event or the enforcement of any security.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorised (at the cost of the relevant Debtor or ABC B.V. and without any consent, sanction, authority or further confirmation from any creditor or Debtor):

- (i) to release the security or any other claim over that asset and execute and deliver or enter into any release of that security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;
- (ii) if the asset which is disposed of consists of shares in the capital of a Debtor to release:
  - (A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;
  - (B) any security granted by that Debtor or any subsidiary of that Debtor over any of its assets; and
  - (C) any other claim of an intra-group lender, a subordinated creditor, or another Debtor over that Debtor’s assets or over the assets of any subsidiary of that Debtor,on behalf of the relevant creditors, Senior Agent, senior arrangers, Debtors, Senior Secured Notes Trustee, Pari Passu Debt Representative and the Senior Unsecured Note Trustee;
- (iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor to release:
  - (A) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;
  - (B) any security granted by any subsidiary of that holding company over any of its assets; and
  - (C) any other claim of an intra-group lender, a subordinated creditor or another Debtor over the assets of that holding company and any subsidiary of that holding company,on behalf of the relevant creditors, Senior Agent, senior arrangers, Debtors, Senior Secured Notes Trustee, Pari Passu Debt Representative and the Senior Unsecured Notes Trustee;
- (iv) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the Group Priority Agreement) decides to dispose of all or any part of the liabilities or the Debtor liabilities owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:
  - (A) (if the Security Agent (acting in accordance with the Group Priority Agreement) does not intend that any transferee of those liabilities or Debtor liabilities (the “**Transferee**”) will be treated as a Primary Creditor or a secured party for the purposes of the Group Priority Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Debtor liabilities, provided that, notwithstanding any other provision of any debt document, the Transferee shall not be treated as a Primary Creditor or a secured party for the purposes of the Group Priority Agreement; and
  - (B) (if the Security Agent (acting in accordance with the Group Priority Agreement) does intend that any Transferee will be treated as a Primary Creditor or a secured party for the purposes of the Group Priority Agreement), to execute and deliver or enter into any agreement to dispose of all (and not part only) of the liabilities owed to the Primary Creditors and all or part of any other liabilities and the Debtor liabilities, on behalf of, in each case, the relevant creditors and Debtors;
- (v) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the “**Disposed Entity**”) and the Security Agent (acting in accordance with the Group Priority Agreement) decides to transfer to another Debtor (the “**Receiving Entity**”) all or any part of the

Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of the intra-group liabilities or the Debtor liabilities, to execute and deliver or enter into any agreement to:

- (A) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and
- (B) (provided the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of senior secured liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or Debtor liabilities are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Security Agent (as the case may be) for application in accordance with the provisions set out below under the caption "*—Application of Proceeds*" as if those proceeds were the proceeds of an enforcement of the security and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities as described in (iv)(B) above) effected by, or at the request of, the Security Agent (acting in accordance with the Group Priority Agreement), the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

Where borrowing liabilities in respect of any senior secured debt would otherwise be released pursuant to the Group Priority Agreement, the creditor concerned may elect to have those borrowing liabilities transferred to a holding company or any other Senior Unsecured Notes Issuer in which case the Security Agent is irrevocably authorised (at the cost of the relevant Debtor or Senior Unsecured Notes Issuer and without any consent, sanction, authority or further confirmation from any creditor or Debtor) to execute such documents as are required to so transfer those borrowing liabilities.

If on or after the date that Senior Unsecured Notes are issued, but before the discharge date for such Senior Unsecured Notes, a Distressed Disposal is being effected such that the Senior Unsecured Notes Guarantees and the Proceeds Loans will be released pursuant to the Group Priority Agreement, it is a further condition to the release that either:

- the Senior Unsecured Notes Trustee has approved the release; or
- where shares or assets of a Senior Unsecured Notes Guarantor or assets of the Senior Unsecured Notes Issuer are sold:
  - (A) the proceeds of such sale or disposal are in cash (or substantially in cash);
  - (B) all claims of the Senior Secured Creditors against a member of the Bank Group (if any), all of whose shares are pledged in favor of the senior finance parties are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and not assumed by the purchaser or one of its affiliates), and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale; and
  - (C) such sale or disposal (including any sale or disposal of any claim) is made:
    - (I) pursuant to a public auction; or
    - (II) where an independent internationally recognized investment bank or an independent internationally recognised firm of accountants or a reputable independent internationally recognized third party professional firm regularly engaged in providing valuations in respect of the relevant type and size of asset, in each case selected by the Security Agent (acting on the instructions of the Instructing Group) has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view, taking into account all relevant circumstances, including the method of enforcement provided that, the liability of such investment bank or internationally recognised firm of accountants or other third party firm in giving such opinion may be limited to the amount of its fees in respect of such engagement; and

(D) the proceeds are applied in accordance with the caption “—Application of Proceeds”, below.

For the purposes of clauses (ii), (iii), (iv), and (v) above and the immediately preceding clause (C), the Security Agent shall act:

- if the relevant Distressed Disposal is being effected by way of enforcement of the security, in accordance with the provisions set out under the caption “—*Manner of Enforcement*” above; and
- in any other case, (a) on the instructions of the Instructing Group or (b) in the absence of any such instructions, as the Security Agent sees fit.

### ***Application of Proceeds***

The Group Priority Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any debt document or in connection with the realization or enforcement of all or any part of the security (for the purposes of this section, the “**Bank Group Recoveries**”) shall be held by the Security Agent on trust, to the extent legally permitted, to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this section), in the following order of priority:

- (i) in discharging any sums owing to the Security Agent, any receiver or any delegate on a *pari passu* basis;
- (ii) in discharging all sums owing to the Senior Agent, Pari Passu Debt Representative and Senior Secured Notes Trustee (in each case in their capacity as such) on a *pari passu* basis;
- (iii) in payment of all costs and expenses incurred by any agent or Senior Secured Creditor in connection with any realization or enforcement of the security taken in accordance with the terms of the Group Priority Agreement or any action taken at the request of the Security Agent under the Group Priority Agreement;
- (iv) in payment to:
  - (A) the Senior Agent on its own behalf and on behalf of the senior arrangers and the Senior Lenders;
  - (B) each Pari Passu Debt Representative on its own behalf and on behalf of the Pari Passu Creditors;
  - (C) each Senior Secured Notes Trustee on its own behalf and on behalf of the holders of the Senior Secured Notes; and
  - (D) each Hedge Counterparty,for application towards the discharge of:
  - (I) the liabilities of the Debtors owed to the arrangers under the Original Credit Facility and the Senior Lender Liabilities (in accordance with the terms of the senior finance documents);
  - (II) the Pari Passu Liabilities (in accordance with the terms of the Pari Passu Debt Documents);
  - (III) the Senior Secured Notes Liabilities (in accordance with the terms of the Senior Secured Notes Indenture); and
  - (IV) the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty),on a pro rata basis and ranking *pari passu* between the four immediately preceding paragraphs (I), (II), (III) and (IV) above;
- (v) (in respect of amounts received in respect of guarantee liabilities or the proceeds loan) in payment to the Senior Unsecured Notes Trustee for application towards the discharge of the Senior Unsecured Notes Liabilities; and
- (vi) the balance, if any, in payment to the relevant Debtor.

### ***Equalization of the Senior Secured Creditors***

The Group Priority Agreement provides that if, for any reason, any senior secured liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Secured Creditors in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the



Senior Secured Creditors at the enforcement date, the Senior Secured Creditors (subject, in the case of amounts owing to the trustees, to the terms of the Group Priority Agreement) will make such payments amongst themselves as the Security Agent shall require to put the Senior Secured Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

### ***Required Consents***

The Group Priority Agreement provides that, subject to certain exceptions, it may be amended or waived only with the consent of the agents (including the Senior Agent), the Majority Lenders (as defined in the Existing Credit Facility), the Senior Secured Notes Trustee, the Pari Passu Debt Representative, the Senior Unsecured Notes Trustee, the Security Agent and ABC B.V.

An amendment or waiver of the Group Priority Agreement that has the effect of changing or which relates to, among other things, the provisions set out in this section under the caption “—*Required Consents*”, the provisions set out above under the caption “—*Application of Proceeds*” or the order of priority or subordination under the Group Priority Agreement shall not be made without the consent of:

- (i) the agents (including the Senior Agent);
- (ii) the Senior Lenders;
- (iii) the Pari Passu Debt Representative;
- (iv) the Senior Secured Notes Trustee;
- (v) the Senior Unsecured Notes Trustee;
- (vi) each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty); and
- (vii) the Security Agent.

The Group Priority Agreement may be amended by the agent (including the Senior Agent), the Senior Secured Notes Trustee, the Pari Passu Debt Representative, the Senior Unsecured Notes Trustee and the Security Agent, without the consent of any other party, to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise prescribed by the relevant finance documents.

Each note trustee shall, to the extent consented to by the requisite percentage of noteholders in accordance with the relevant indenture, act on such instructions in accordance therewith unless to the extent any amendments so consented to relate to any provision affecting the rights and obligations of a trustee in its capacity as such.

### ***Amendments and Waivers: Security Documents***

Subject to the paragraph below and to certain exceptions under the Group Priority Agreement and unless the provisions of any debt document expressly provide otherwise, the Security Agent may, if authorised by an Instructing Group, and if ABC B.V. consents, amend the terms of, waive any of the requirements of or grant consents under, any of the security documents which shall be binding on each party to the Group Priority Agreement.

Subject to the second and third paragraphs of the section captioned “—*Exceptions*” below, the prior consent of each class of Senior Secured Creditors is required to authorise any amendment or waiver of, or consent under, any security document which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the security are distributed.

### ***Exceptions***

Subject to the two paragraphs immediately below, if the amendment, waiver or consent may impose new or additional obligations on, or withdraw or reduce the rights of, any party other than:

- (i) in the case of a Primary Creditor, in a way which affects, or would affect, Primary Creditors of that party’s class generally; or
- (ii) in the case of a Debtor, to the extent consented to by ABC B.V. under the Group Priority Agreement, the consent of that party is required.

Subject to the paragraph immediately below, an amendment, waiver or consent which relates to the rights or obligations of an agent, an arranger, the Security Agent (including, without limitation, any ability of the Security Agent to act in its discretion under the Group Priority Agreement) may not be effected without the consent of that agent or, as the case may be, that senior arranger, or the Security Agent.

Neither of the two immediately preceding paragraphs shall apply:

- to any release of security, claim or liabilities; or
- to any consent,

which, in each case, the Security Agent gives in accordance with the provisions set out in the caption “—*Proceeds of Disposals*” above.

#### *Agreement to Override*

Unless expressly stated otherwise in the Group Priority Agreement, the Group Priority Agreement overrides anything in the debt documents to the contrary. However, such override, as between any creditor and any Debtor or any member of the Bank Group, will not cure, postpone, waive or negate any breach, default or event of default under any debt document as provided in the relevant debt document.

#### *Governing Law*

The Group Priority Agreement is governed by and is to be construed in accordance with English law. The terms of the Holdco Priority Agreement are summarized below.

#### **Holdco Priority Agreement**

A priority agreement (the “**Holdco Priority Agreement**”) dated 27 January 2014 as amended 20 February 2014 and as amended and restated on 4 July 2014, between, among others, Ziggo Bond Company as Parent (the “**Parent**”) together with Zesko B.V. as Security Grantor (as defined therein) and Deutsche Trustee Company Limited as Security Agent (the “**Security Agent**”).

#### *General*

The Holdco Priority Agreement sets out, among other things, the relative ranking of certain debt of the Senior Obligors, when payments can be made in respect of certain debt of the Senior Obligors, when enforcement action can be taken in respect of that debt, the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

The following description is a summary of certain provisions, among others, that are contained in the Holdco Priority Agreement. It does not restate the Holdco Priority Agreement in its entirety. As such, you are urged to read the Holdco Priority Agreement because it, and not the discussion that follows, defines certain rights of the parties thereto.

#### *Pari Passu Debt*

The Holdco Priority Agreement includes provisions for any debt that may be incurred in the future by a member of the Group which will rank equally with the existing secured debt of the Senior Obligors (the “**Pari Passu Debt**”). The incurrence of the Pari Passu Debt will be subject to compliance with the applicable indenture and any Pari Passu Debt documents that already exist at that time (“**Pari Passu Debt Documents**”). A creditor of Pari Passu Debt shall be referred to in this section as a “**Pari Passu Creditor**”.

#### *Ranking and Priority*

##### *Priority of Debts*

The Holdco Priority Agreement provides that the liabilities owed by the Senior Obligors in relation to the 2025 Senior Notes and the 2027 Senior Notes, certain hedging obligations, and the Pari Passu Debt Documents (the “**Primary Creditors**”) shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- first, the liabilities owed in respect of the 2025 Senior Notes and the 2027 Senior Notes (the “**Ziggo Senior Notes Liabilities**”), the liabilities in relation to certain hedging (the “**Hedging Liabilities**”),

amounts due to the 2025 Senior Notes and the 2027 Senior Notes trustee and amounts due to the Pari Passu Creditors (the “**Pari Passu Liabilities**”) *pari passu* between themselves and without any preference between them; and

- second, the amounts owed by one Senior Obligor to another and certain other subordinated liabilities *pari passu* between themselves and without any preference between them.

#### *Priority of Security*

The security shall rank and secure the following liabilities (only to the extent that such security is expressed to secure the relevant liabilities) in the following order:

- first, the Ziggo Senior Notes Liabilities, the Hedging Liabilities and the *Pari Passu* Liabilities *pari passu* and without any preference between them; and
- second, the balance, if any, in payment to the relevant Senior Obligor.

#### *Enforcement of Security*

##### *Enforcement Instructions*

The Security Agent may refrain from enforcing the Transaction Security (as defined therein) unless instructed otherwise by those Senior Secured Creditors whose senior secured credit participations at that time aggregate more than 50% of the total senior secured credit participations at that time (the “**Instructing Group**”).

“**Senior Secured Creditors**” mean the holders of the 2025 Senior Notes and the 2027 Senior Notes and the Pari Passu Creditors.

Subject to the security having become enforceable in accordance with its terms the Instructing Group may give, or refrain from giving, instructions to the Security Agent to enforce, or refrain from enforcing, the security as they see fit.

No secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the security documents except through the Security Agent.

##### *Manner of Enforcement*

If the security is being enforced as set forth above under the caption “—*Enforcement Instructions*,” the Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator of any Senior Obligor or Security Grantor (as defined therein) to be appointed by the Security Agent) as the Instructing Group shall instruct or, in the absence of any such instructions, as the Security Agent sees fit.

##### *Exercise of Voting Rights*

Each creditor has agreed with the Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any Senior Obligor as instructed by the Security Agent. The Security Agent shall give instructions for the purposes of this paragraph as directed by the Instructing Group; it being understood that, absent such instructions, the Security Agent may elect to take no action.

##### *Waiver of Rights*

To the extent permitted under applicable law and subject to certain provisions of the Holdco Priority Agreement, each of the secured parties and each Senior Obligor has waived all rights it may otherwise have to require that the security be enforced in any particular order or manner or at any particular time, or that any sum received or recovered from any person, or by virtue of the enforcement of any of the security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations, is so applied.

## ***Proceeds of Disposals***

### ***Non-Distressed Disposals***

If, in respect of a disposal (a “**Non-Distressed Disposal**”) of: (a) an asset by a Senior Obligor; or (b) an asset which is subject to the security, made by a Senior Obligor to a person or persons not a Senior Obligor:

- (i) the Parent certifies for the benefit of the Security Agent that that disposal is permitted under or is not prohibited by the Indenture or the trustee for the 2025 Senior Notes and the 2027 Senior Notes authorizes the release in accordance with the terms of the Notes finance documents;
- (ii) (prior to the Pari Passu Debt discharge date) the Parent certifies for the benefit of the Security Agent that the disposal is permitted under or is not prohibited by the Pari Passu Debt Documents or the relevant Pari Passu Debt Representative (as defined therein) authorizes the release in accordance with the terms of the Pari Passu Debt Documents; and
- (iii) that disposal is not a Distressed Disposal (as defined below),

the Security Agent is irrevocably authorised (at the reasonable cost of the relevant Senior Obligor and without any consent, sanction, authority or further confirmation from any creditor) but subject to the following paragraph:

- to release the security and any other claim (relating to a debt document) over that asset;
- where that asset consists of shares in the capital of a Senior Obligor, to release the security and any other claim, including without limitation, any guarantee liabilities or other liabilities (relating to a debt document) over that Senior Obligor or its assets and (if any) the subsidiaries of that Senior Obligor and their respective assets; and
- to execute and deliver or enter into any release of the security or any claim described in the two paragraphs above and issue any certificates of non-crystallization of any floating charge or any consent to dealing that may be reasonably requested by the Parent.

In connection with the transfer of 100% of the shares of the Parent to a subsidiary of Liberty Global, the Security Agent is irrevocably authorised (at the reasonable cost of the Senior Obligor and without any consent, sanction, authority or further confirmation from any creditor) to release the security over those shares (to the extent such release is necessary to enable the transfer to take place) where concurrently with such release, the Security Agent is granted the same or substantially equivalent security by such transferee affiliate.

Each release of security or any claim described in the paragraph above shall become effective only upon the making of the relevant Non-Distressed Disposal.

### ***Distressed Disposals—General***

A “*Distressed Disposal*” is a disposal of an asset of a Senior Obligor or the shares in or liabilities or obligations of a Senior Obligor which is (a) being effected at the request of a Instructing Group in circumstances where the security has become enforceable, (b) being effected by enforcement of the security or (c) being disposed of by a Senior Obligor to a person or persons which are not Senior Obligor subsequent to an acceleration event or the enforcement of any security.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorised (at the cost of the relevant Senior Obligor and without any consent, sanction, authority or further confirmation from any creditor, or new security grantor):

- (i) to release the security or any other claim over that asset and execute and deliver or enter into any release of that security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;
- (ii) if the asset which is disposed of consists of shares in the capital of a Senior Obligor to release:
  - (A) that Senior Obligor and any subsidiary of that Senior Obligor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;
  - (B) any security granted by that Senior Obligor or any subsidiary of that Senior Obligor over any of its assets; and

- (C) any other claim of an intra-group lender, a subordinated creditor, or another Senior Obligor over that Senior Obligor's assets or over the assets of any subsidiary of that Senior Obligor,
- on behalf of the relevant creditors, Senior Obligors, the 2025 Senior Notes and the 2027 Senior Notes trustee and Pari Passu Debt Representative;
- (iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Senior Obligor to release:
- (A) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;
- (B) any security granted by any subsidiary of that holding company over any of its assets; and
- (C) any other claim of an intra-group lender, a subordinated creditor or another Senior Obligor over the assets of that holding company and any subsidiary of that holding company,
- on behalf of the relevant creditors, Senior Obligors, 2025 Senior Notes trustee and Pari Passu Debt Representative;
- (iv) if the asset which is disposed of consists of shares in the capital of a Senior Obligor or the holding company of a Senior Obligor and the Security Agent decides to dispose of all or any part of the liabilities or the Senior Obligor liabilities owed by that Senior Obligor or holding company or any subsidiary of that Senior Obligor or holding company:
- (A) if the Security Agent does not intend that any transferee of those liabilities or Senior Obligor liabilities (the "**Transferee**") will be treated as a new Primary Creditor or a secured party for the purposes of the Holdco Priority Agreement, to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Senior Obligor liabilities, *provided that*, notwithstanding any other provision of any debt document, the Transferee shall not be treated as a new Primary Creditor or a secured party for the purposes of the Holdco Priority Agreement; and
- (B) if the Security Agent does intend that any Transferee will be treated as a new Primary Creditor or a secured party for the purposes of the Holdco Priority Agreement, to execute and deliver or enter into any agreement to dispose of all (and not part only) of the liabilities owed to the Primary Creditors and all or part of any other liabilities and the Senior Obligor liabilities, on behalf of, in each case, the relevant creditors and Senior Obligors;
- (v) if the asset which is disposed of consists of shares in the capital of a Senior Obligor or the holding company of a Senior Obligor (the "**Disposed Entity**") and the Security Agent (acting in accordance with the Holdco Priority Agreement) decides to transfer to another Senior Obligor (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of the intra-group liabilities or the Senior Obligor liabilities, to execute and deliver or enter into any agreement to:
- (A) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or Senior Obligor liabilities on behalf of the relevant intra-group lenders and Senior Obligors to which those obligations are owed and on behalf of the Senior Obligors which owe those obligations; and
- (B) (*provided*, the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of senior secured liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or Senior Obligor liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or Senior Obligor liabilities are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Senior Obligor liabilities) shall be paid to the Security Agent (as the case may be) for application in accordance with the provisions set out below under the caption "*—Application of Proceeds*" as if those proceeds were the proceeds of an enforcement of the security and, to the extent that any disposal of liabilities or Senior Obligor liabilities has occurred, as if that disposal of liabilities or Senior Obligor liabilities had not occurred.

Where borrowing liabilities in respect of any senior secured debt would otherwise be released pursuant to the Holdco Priority Agreement, the creditor concerned may elect to have those borrowing liabilities transferred to a Security Grantor in which case the Security Agent is irrevocably authorised (at the cost of the relevant Senior Obligor, or Security Grantor and without any consent, sanction, authority or further confirmation from any creditor, Senior Obligor or Security Grantor) to execute such documents as are required to so transfer those borrowing liabilities.



For the purposes of clauses (ii), (iii), (iv), and (v) above, the Security Agent shall act:

- if the relevant Distressed Disposal is being effected by way of enforcement of the security, in accordance with the provisions set out under the caption “—*Manner of Enforcement*” above; and
- in any other case, (a) on the instructions of the Instructing Group or (b) in the absence of any such instructions, as the Security Agent sees fit.

### ***Application of Proceeds***

The Holdco Priority Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any debt document or in connection with the realization or enforcement of all or any part of the security shall be held by the Security Agent on trust, to the extent legally permitted, to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this section), in the following order of priority:

- (i) in discharging any sums owing to the Security Agent, any receiver or any delegate on a *pari passu* basis;
- (ii) in discharging all sums owing to the Pari Passu Debt Representative and any 2025 Senior Notes trustee and the 2027 Senior Notes trustee (in each case in their capacity as such) on a *pari passu* basis;
- (iii) in payment of all costs and expenses incurred by any agent or Senior Secured Creditor in connection with any realization or enforcement of the security taken in accordance with the terms of the Holdco Priority Agreement or any action taken at the request of the Security Agent under the Holdco Priority Agreement;
- (iv) in payment to:
  - (A) each Pari Passu Debt Representative on its own behalf and on behalf of the Pari Passu Creditors;
  - (B) the 2025 Senior Notes and the 2027 Senior Notes trustee on its own behalf and on behalf of the holders of the 2025 Senior Notes and the 2027 Senior Notes; and
  - (C) each Hedge Counterparty (as defined therein),for application towards the discharge of:
  - (I) the Pari Passu Liabilities (in accordance with the terms of the Pari Passu Debt Documents); and
  - (II) the Hedging Liabilities (on a *pro rata* basis between the Hedging Liabilities of each Hedge Counterparty),  
on a *pro rata* basis and ranking *pari passu* between the three immediately preceding paragraphs (I) and (III) above; and
  - (D) the balance, if any, in payment to the relevant Senior Obligor or Security Grantor.

### ***Equalization of the Senior Secured Creditors***

The Holdco Priority Agreement provides that if, for any reason, any senior secured liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Secured Creditors in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the Senior Secured Creditors at the enforcement date, the Senior Secured Creditors (subject, in the case of amounts owing to the trustees, to the terms of the Holdco Priority Agreement) will make such payments amongst themselves as the Security Agent shall require to put the Senior Secured Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

### ***Turnover***

Subject to certain exceptions, the Holdco Priority Agreement provides that if any creditor receives or recovers from any Senior Obligor:

- (i) any payment or distribution of, or on account of or in relation to, any of the liabilities which is not either (x) a payment permitted under the Holdco Priority Agreement or (y) made in accordance with the provisions set out below under the caption “—*Application of Proceeds*”;

- (ii) any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Holdco Priority Agreement;
- (iii) any amount:
  - (A) on account of, or in relation to, any of the liabilities:
    - (I) after the occurrence of an acceleration event or the enforcement of any security; or
    - (II) as a result of any other litigation or proceedings against a Senior Obligor (other than after the occurrence of an insolvency event in respect of that Senior Obligor); or
  - (B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any security,

other than, in each case, any amount received or recovered in accordance with the provisions set out below under the caption “—*Application of Proceeds*”;
- (iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption “—*Application of Proceeds*”; or
- (v) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any Senior Obligor which is not in accordance with the provisions set out below under the caption “—*Application of Proceeds*” and which is made as a result of, or after, the occurrence of an insolvency event in respect of Senior Obligor,

that creditor will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Holdco Priority Agreement and (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Holdco Priority Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Holdco Priority Agreement.

### ***Required Consents***

The Holdco Priority Agreement provides that, subject to certain exceptions, it may be amended or waived only with the consent of the agents, the requisite percentage of the lenders, the 2025 Senior Notes and the 2027 Senior Notes trustee, the Pari Passu Debt Representative, the Security Agent and the Parent.

An amendment or waiver of the Holdco Priority Agreement that has the effect of changing or which relates to, among other things, the provisions set out above under the caption “—*Application of Proceeds*” and the order of priority or subordination under the Holdco Priority Agreement shall not be made without the consent of:

- (i) the agents;
- (ii) the lenders;
- (iii) the Representatives (as defined therein);
- (iv) the 2025 Senior Notes and the 2027 Senior Notes trustee;
- (v) each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the relevant Hedge Counterparty); and
- (vi) the Security Agent.

The Holdco Priority Agreement may be amended by the agent, the 2025 Senior Notes and the 2027 Senior Notes trustee, the Pari Passu Debt Representative and the Security Agent, without the consent of any other party, to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise prescribed by the relevant finance documents.

### ***Amendments and Waivers: Security Documents***

Subject to the paragraph below and to certain exceptions under the Holdco Priority Agreement and unless the provisions of any debt document expressly provide otherwise, the Security Agent may, if authorised by a

Instructing Group, and if the Parent consents, amend the terms of, waive any of the requirements of or grant consents under, any of the security documents which shall be binding on each party to the Holdco Priority Agreement.

Subject to the second and third paragraphs of the section captioned “—*Exceptions*” below, the prior consent of the representative of each class of Senior Secured Creditors is required to authorise any amendment or waiver of, or consent under, any security document which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the security are distributed.

#### *Exceptions*

Subject to the two paragraphs immediately below, if the amendment, waiver or consent may impose new or additional obligations on, or withdraw or reduce the rights of, any party other than:

- (i) in the case of a Senior Secured Creditor, in a way which affects, or would affect, Senior Secured Creditors of that party’s class generally; or
- (ii) in the case of a Senior Obligor, to the extent consented to by the Parent under the Holdco Priority Agreement,

the consent of that party is required.

Subject to the paragraph immediately below, an amendment, waiver or consent which relates to the rights or obligations of an agent, an arranger, the Security Agent (including, without limitation, any ability of the Security Agent to act in its discretion under the Holdco Priority Agreement) may not be effected without the consent of that agent or, as the case may be, that senior arranger, or the Security Agent.

Neither of the two immediately preceding paragraphs shall apply:

- to any release of security, claim or liabilities; or
- to any consent,

which, in each case, the Security Agent gives in accordance with the provisions set out in the caption “—*Proceeds of Disposals*” above.

#### *Agreement to Override*

Unless expressly stated otherwise in the Holdco Priority Agreement, the Holdco Priority Agreement overrides anything in the debt documents to the contrary. However, such override, as between any creditor and any Senior Obligor, will not cure, postpone, waive or negate any breach, default or event of default under any debt document as provided in the relevant debt document.

#### *Governing Law*

The Holdco Priority Agreement is governed by and is to be construed in accordance with English law.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS OF VODAFONEZIGGO

Our related-party transactions are as follows:

	Six months ended 30 June	
	2019	2018
	in millions	
Revenue .....	€ 13.0	€ 21.4
Programming and other direct costs of services .....	(18.5)	(16.8)
Share-based compensation expense .....	(0.9)	(1.6)
Charges for JV Services:		
Charges from Liberty Global:		
Operating (a) .....	(45.2)	(38.0)
Capital (b) .....	(10.4)	(15.5)
Total Liberty Global corporate recharges .....	(55.6)	(53.5)
Charges from Vodafone:		
Operating, net (a) .....	(39.8)	(44.9)
Brand fees (c) .....	(15.0)	(15.0)
Total Vodafone corporate recharges .....	(54.8)	(59.9)
Total charges for JV Services .....	(110.4)	(113.4)
Included in operating income .....	(116.8)	(110.4)
Interest expense .....	(44.6)	(49.9)
Included in net loss .....	€(161.4)	€(160.3)
Property and equipment additions, net .....	€ 80.1	€ 55.3

- (a) Represents amounts to be charged for technology and other services. These charges are included in the calculation of Covenant EBITDA.
- (b) Represents amounts to be charged for capital expenditures to be made by Liberty Global related to assets that we use or will otherwise benefit our company. These charges are not included in the calculation of Covenant EBITDA.
- (c) Represents amounts charged for our use of the Vodafone brand name. These charges are not included in the calculation of Covenant EBITDA.

*Revenue.* Amounts represent charges for certain personnel services provided to Vodafone and Liberty Global subsidiaries.

*Programming and other direct costs of services.* Amounts represent interconnect fees charged to us by certain subsidiaries of Vodafone.

*Share-based compensation expense.* Amounts relate to charges to our company by Liberty Global and Vodafone for share-based incentive awards held by certain employees of our subsidiaries associated with ordinary shares of Liberty Global and Vodafone. Share-based compensation expense is included within SG&A in our consolidated statements of operations.

### *Charges for JV Services—Framework and Trade Agreements*

Pursuant to a framework and a trade name agreement (collectively, the “**JV Service Agreements**”) entered into in connection with the formation of the VodafoneZiggo JV, Liberty Global and Vodafone charge us fees for certain services provided to us by the respective subsidiaries of the Shareholders (collectively, the “**JV Services**”). The JV Services are provided to us on a transitional or ongoing basis. Pursuant to the terms of the JV Service Agreements, the ongoing services will be provided for a period of four to six years depending on the type of service, while transitional services will be provided for a period of not less than 12 months after which the Shareholders or VodafoneZiggo will be entitled to terminate based on specified notice periods. The JV Services provided by the respective subsidiaries of the Shareholders consist primarily of (i) technology and other services, (ii) capital-related expenditures for assets that we use or otherwise benefit us, and (iii) brand name and procurement fees. The fees that Liberty Global and Vodafone charge us for the JV Services, as set forth in the table above, include both fixed and usage-based fees.

*Interest expense.* Amount relates to the Liberty Global Note and the Vodafone Note, as defined and described below.

*Property and equipment additions, net.* These amounts, which are cash settled, represent customer premises and network-related equipment acquired from certain Liberty Global and Vodafone subsidiaries, which subsidiaries centrally procure equipment on behalf of our company.

The following table provides details of our related-party balances:

	<u>30 June 2019</u>	<u>31 December 2018</u>
	<u>in millions</u>	
Assets:		
Related-party receivables (a) .....	€ 18.9	€ 18.1
Other assets, net (b) .....	8.9	—
	<u>€ 27.8</u>	<u>€ 18.1</u>
Liabilities:		
Accounts payable (c) .....	€ 61.4	€ 102.5
Accrued and other current liabilities (c) .....	7.2	2.4
Debt (d):		
Liberty Global Note .....	800.0	800.0
Vodafone Note .....	800.0	800.0
Finance lease obligations .....	—	0.2
Other long-term liabilities (e) .....	6.1	—
Total liabilities .....	<u>€1,674.7</u>	<u>€1,705.1</u>

- (a) Represents non-interest bearing receivables from certain Liberty Global and Vodafone subsidiaries.  
(b) Represents operating lease ROU assets, related to Vodafone.  
(c) Represents non-interest bearing payables, accrued capital expenditures and other accrued liabilities related to transactions with certain Liberty Global and Vodafone subsidiaries that are cash settled.  
(d) Represents debt obligations, as further described below.  
(e) Represents operating lease liabilities, related to Vodafone.

### ***Related-party Debt***

#### *Liberty Global Note*

The Liberty Global Note is a note payable to a subsidiary of Liberty Global that matures on 16 January 2028 and has a fixed interest rate of 5.55%. Interest is payable in a manner mutually agreed upon by VodafoneZiggo and Liberty Global. During the six months ended 30 June 2019, interest accrued on the Liberty Global Note was €22.3 million, all of which was cash settled.

#### *Vodafone Note*

The Vodafone Note is a note payable to a subsidiary of Vodafone that matures on 16 January 2028 and has a fixed interest rate of 5.55%. Interest is payable in a manner mutually agreed upon by VodafoneZiggo and Vodafone. During the six months ended 30 June 2019, interest accrued on the Vodafone Note was €22.3 million, all of which was cash settled.



## SUMMARY OF PRINCIPAL DOCUMENTS

### Trust Deed

On the Issue Date, the Issuer, the Notes Trustee, the Security Trustee, the Registrar, Paying Agent and Transfer Agent, the Administrator and the Account Bank will enter into the Trust Deed, under which the Notes will be constituted. Pursuant to the Trust Deed, the Issuer will covenant to (i) pay to or to the order of the Notes Trustee all interest, principal and other amounts in respect of the Notes, and (ii) comply with the covenants set out therein. The Trust Deed will also contain provisions in relation to the application of funds of the Issuer both before and after service of an Enforcement Notice (as defined in Condition 1 (“*Definitions and Principles of Construction—General Interpretation*”)). See Condition 3 (“*Status, Priority and Security*”).

Pursuant to the Trust Deed, the Issuer will appoint the Notes Trustee and the Security Trustee. On the Issue Date, the Trust Deed will also create the security interests over the Notes Collateral, as further described in “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes—Notes Collateral*” in favour of the Security Trustee and for the benefit of the Secured Parties. Each Secured Party party to the Trust Deed (other than the Security Trustee) will agree that it will not be entitled to take, and will not take, any steps whatsoever to enforce its rights in respect of the security created by the Notes Security Documents, or to direct the Security Trustee to do so, save where the Security Trustee has become bound to do so following service of an Enforcement Notice and has failed to do so within a reasonable period of time. The Trust Deed will contain representations by the Issuer to the effect that the Issuer was and will be, subject to the security interests created by the relevant Notes Security Document, absolutely entitled to such Notes Collateral free from all encumbrances of any kind, other than Permitted Encumbrances (as defined therein).

If an Issuer Event of Default (as defined in Condition 10 (“*Issuer Events of Default*”)) occurs and is continuing, the Notes Trustee may, and upon the instructions of Noteholders (including by an Extraordinary Resolution) shall declare all the Notes to be due or payable in accordance with the Conditions and the Trust Deed; *provided that*, upon the occurrence of an Issuer Event of Default described in Condition 10(b)(v) (“*Issuer Events of Default—Events*”), the Note Acceleration Notice (as defined in Condition 10(a) (“*Issuer Events of Default—Determination of an Issuer Event of Default*”))) will be deemed to have been given and all the Notes will immediately become due and payable. See Condition 10 (“*Issuer Events of Default*”) included elsewhere in this Offering Circular for full list of events constituting an Issuer Event of Default under the Trust Deed. Following the service of a Note Acceleration Notice on the Issuer, the Security Trustee or the Noteholders may serve an Enforcement Notice on the Issuer, declaring the security created by the Notes Security Documents to be enforceable. Upon receipt of any Enforcement Notice, the Issuer will be required to promptly (within 10 Business Days) deliver to the Obligors an Obligor Enforcement Notification pursuant to the Framework Assignment Agreement, in accordance with Condition 11(b) (“*Enforcement—Enforcement Notice*”).

The Trust Deed will contain provisions requiring each of the Notes Trustee and the Security Trustee (except where expressly provided otherwise) to have regard to the interests of the Noteholders as a single class in the exercise and performance of all its powers, trusts, authorities, duties and discretions. If, in the opinion of the Notes Trustee or Security Trustee, as the case may be, there is a conflict of interest between the interests of two or more groups of Noteholders, the Notes Trustee or the Security Trustee, as the case may be, will have regard only to the interests of, and will take instructions from, the group which holds the greater amount of Notes outstanding. The Trust Deed further stipulates that, so long as any of the Notes remain outstanding, the Notes Trustee and the Security Trustee, as the case may be, shall have no regard to the interests of any Secured Party other than the Noteholders, or to the interests of any other person.

The Trust Deed contains standard limited recourse and non-petition provisions with respect to the Issuer.

The Trust Deed will be governed by English law.

### Agency and Account Bank Agreement

On or about the Issue Date, the Issuer, VodafoneZiggo, the Notes Trustee, the Security Trustee, the Administrator, the Account Bank, the Paying Agent, the Transfer Agent and the Registrar (each of the Administrator, the Account Bank, the Paying Agent, the Transfer Agent and the Registrar an “**Agent**” and together, the “**Agents**”) will enter into an English law agency and account bank agreement (the “**Agency and Account Bank Agreement**”). Pursuant to the Agency and Account Bank Agreement, the Issuer will appoint:

- (i) the Administrator to: (a) maintain records relating to the Assigned Receivables acquired, and New VFZ Facilities Loans advanced, by the Issuer in order to, *inter alia*, make certain specified calculations,

reports and notifications, (b) perform comparisons of such records and notify the Issuer of any apparent discrepancies, with a view to performing a reconciliation of such records, (c) manage the receipt of periodic payments arising from maturing Assigned Receivables as well as payments of interest and principal arising from New VFZ Facilities Loans into the relevant Issuer Transaction Accounts, (d) manage payments from the Issuer arising from the purchase, from time to time, of VFZ Accounts Receivable by the Issuer to the Platform Provider, (e) manage the advance of any New VFZ Facilities Loans (and demands for repayments thereof and any other payments) made by the Issuer to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement, (f) perform various calculations in connection with the aforementioned duties, including (but not limited to), six Business Days prior to each Interest Payment Date, calculation of any Term Shortfall Payment or Term Excess Arrangement Payment (each as defined in “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes*”) to be made between the Issuer and VodafoneZiggo, and (g) notify VodafoneZiggo if such periodic payments arising from maturing Assigned Receivables and payments of interest and principal arising from New VFZ Facilities Loans are not received in full or if, for any reason, there are insufficient funds standing to the credit of the relevant Issuer Transaction Account for the transfer of any sums previously determined by the Administrator;

- (ii) the Account Bank to: (a) hold such monies as may be deposited from time to time with it in the relevant Issuer Transaction Account, (b) apply such monies as it may from time to time be so directed in writing by the Issuer or by the Administrator acting on behalf of the Issuer, (c) make payments as instructed by the Administrator (acting on behalf of the Issuer) or the Issuer on certain specified dates and times, and (d) receive all income and other payments made to it with respect to the Assigned Receivables acquired, and the New VFZ Facilities Loans advanced by, the Issuer and credit such income promptly upon receipt thereof to the relevant Issuer Transaction Account;
- (iii) the Paying Agent to act as the paying agent of the Issuer with respect to payments of principal, interest, or any other payments in respect of the Notes (including, without limitation, prepayments) of which it is notified by the Notes Trustee, the Administrator (acting on behalf of the Issuer) or the Issuer;
- (iv) the Transfer Agent to act as its agent in facilitating transfers of the Notes, in accordance with the Trust Deed, on behalf of the Issuer; and
- (v) the Registrar to: (a) register all transfers of Notes, (b) receive any document in relation to or affecting the title to any of the Notes, including all forms of transfer, forms of exchange, probates, letters of administration and powers of attorney, (c) maintain proper records of the details of all documents received by itself or the Transfer Agent, (d) prepare all such lists of Noteholders as may be required by the Issuer, the Notes Trustee or the Paying Agent or any person authorized by any of the foregoing and (e) notify the Paying Agent, upon its request and not less than seven days prior to each Interest Payment Date, of the names and addresses of all registered Noteholders at the close of business on the record date specified as well as the amounts of their holdings in order to enable the Paying Agent to make or arrange for payment to the Noteholders of interest payable in respect of the Notes or amounts required to redeem the Notes, as the case may be;

Each Agent may resign its appointment at any time, and shall not be obliged to provide any reason for such resignation or be responsible for any expenses or other liabilities incurred by the Issuer, by giving the Issuer (with a copy to the Administrator and the Notes Trustee) at least 60 days’ prior written notice or, with respect to the Administrator only, 180 days’ prior written notice to that effect, *provided that* no such notice shall take effect until a replacement agent which agrees to exercise the powers and undertake the duties conferred and imposed upon such Agent has been appointed.

The Issuer may, at any time, with the prior written approval of the Notes Trustee (except with respect to the Administrator and the Account Bank, in which case no such prior written approval shall be required), appoint additional Agents and/or terminate the appointment of any Agent by giving to the Administrator, the Notes Trustee, the Security Trustee, the Agent concerned and the other Agents at least 60 days’ prior written notice to that effect, provided that it will maintain at all times a Registrar, Paying Agent, Account Bank, Administrator and/or Transfer Agent and provided always that no such notice shall take effect until a new Registrar, Paying Agent, Account Bank, Administrator and/or Transfer Agent, as applicable (approved in advance in writing by the Notes Trustee) which agrees to exercise the powers and undertake the duties conferred and imposed upon such Agent has been appointed.

The Agency and Account Bank Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

The Agency and Account Bank Agreement will be governed by English law.

### **Framework Assignment Agreement**

On or about the Issue Date, the Issuer, as purchaser, will enter into the Framework Assignment Agreement with, among others, the Platform Provider, the Buyer Parent and The Bank of New York Mellon, London Branch as administrator. Under the Framework Assignment Agreement, from time to time commencing on the Issue Date, the Issuer may purchase and have assigned to it on a non-recourse basis, up to the Purchase Limits (as defined elsewhere in this Offering Circular) specified in the applicable Assignment Framework Notes, and the Platform Provider may sell and assign on a non-recourse basis, eligible VFZ Accounts Receivable that are made available by Suppliers and uploaded by the Buyer Entities to the SCF Platform.

Each VFZ Account Receivable to be purchased by the Issuer must meet, and the Buyer Parent will represent and warrant (on behalf of itself and as agent for the Buyer Entities) on the date of each Assignment (each such date, an “**Assignment Date**”) in accordance with the Framework Assignment Agreement, that such VFZ Account Receivable meets, the following eligibility criteria: that such VFZ Account Receivable (i) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is owed by the Obligors on a joint and several basis; (ii) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is governed by English law; (iii) is denominated in euro; (iv) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is the legal, valid and binding obligation of each Obligor; (v) is capable of being freely and validly transferred in the manner provided by the Framework Assignment Agreement, so that on purchase the Issuer will receive good title; (vi) is due and payable in full without any right of set-off, counterclaim or deduction in favour of the Buyer Entities; and (vii) has a maturity date that is no later than two Business Days prior to the Maturity Date of the Notes. As long as the VFZ Account Receivables to be purchased by the Issuer meet such eligibility criteria, there are no other selection or allocation criteria applied by the Platform Provider.

Additionally, immediately prior to each Assignment Date, the Platform Provider will represent and warrant that it is entitled to assign the relevant Payment Obligation pursuant to the terms of the Framework Assignment Agreement, and that it has not assigned, transferred or otherwise disposed of, or created any encumbrance or security interest over, such Payment Obligation. Furthermore, the Platform Provider will provide certain undertakings, including, among other things: (a) that it shall comply in a timely manner with its obligations under the relevant SCF Platform Documents with respect to each Assignment Framework Note and exercise the same degree of care with regard to the Payment Obligations relating thereto as it would if it had not entered into such Assignment Framework Note; (b) that it shall not, without the prior written consent of the Issuer, take any action that would adversely affect a Payment Obligation or the Issuer’s interest(s) therein (including any extension of the date for payment of any Payment Obligation, any reduction, cancellation or termination of the amount or in the liability of any Obligor in respect of any Payment Obligation (including in relation to any credit note, discount or right of set-off), and any other change which would materially prejudice the interests or rights of the Issuer); and (c) that it may, without the prior written consent of the Issuer, take such action that would result in any increase in the amount of VFZ Accounts Receivable which are not Assigned Receivables, or any extension in the date for payment of any VFZ Accounts Receivable which are not Assigned Receivables, *provided that* such action does not affect the rights or obligations of the Issuer under the Framework Assignment Agreement or in respect of any Assigned Receivables. The Platform Provider will also provide certain information undertakings, including: (a) that it shall provide the Issuer and the Administrator within five Business Days at the start of each calendar month with an overview of the Assigned Receivables that have not, as at the last day of the preceding calendar month, been settled in accordance with the Framework Assignment Agreement; and (b) that if the Issuer or Administrator requests in writing copies of the SCF Platform Documents, it shall, within a reasonable timeframe and in any event within five Business Days of such request, provide the Issuer and the Administrator with copies of such documentation.

Each Payment Obligation will be the joint and several obligation of VodafoneZiggo and each of the Obligor Subsidiaries. On the Issue Date, the eligible Obligor Subsidiaries will be VZ Financing I B.V. and VZ Financing II B.V. (each, an “**Obligor Subsidiary**” and collectively, the “**Obligor Subsidiaries**”, together with the Buyer Parent, the “**Obligors**”).

### ***Purchases of VFZ Accounts Receivable with Requested Purchase Price Amounts***

On or following the Issue Date (as further described in “*Description of VodafoneZiggo —Capitalization of VodafoneZiggo*” included elsewhere in this Offering Circular), the Platform Provider is expected to sell and

assign to the Issuer VFZ Accounts Receivable for a Requested Purchase Price Amount of €400.0 million, which the Issuer will fund with all or a portion of the Committed Principal Proceeds. See “*Use of Proceeds*”. It is expected that the Issuer will complete its initial purchases of new and existing VFZ Accounts Receivable by 31 March 2020. In connection with such sale and assignment, the Platform Provider will deliver to the Issuer:

1. an Assignment Framework Note to be accepted and agreed to by the Issuer, pursuant to which the Issuer will agree, among other things, to purchase Payment Obligations (and the Receivables related thereto, solely to the extent that such Receivables have been acquired by the Platform Provider), in whole but not in part, at the relevant Purchase Price Amounts in an aggregate amount equal to a limit (in respect of purchased Payment Obligations which have not been settled) specified therein (the “**Purchase Limit**”); and
2. one or more Assignment Notices instructing the Issuer to pay to the Platform Provider, as consideration for the sale and assignment of the relevant VFZ Accounts Receivable, a requested amount (a “**Requested Purchase Price Amount**”) on the date falling five Business Days following receipt by the Issuer of such Assignment Notice (a “**Value Date**”).

As used herein, a “**Purchase Price Amount**” means, in relation to any VFZ Account Receivable, an amount equal to the Outstanding Amount (as defined in the context of the Framework Assignment Agreement) (as defined below) of such VFZ Account Receivable *less* the Applied Discount (as defined below) calculated as at the relevant Assignment Date. “**Outstanding Amount**” means, with respect to a Payment Obligation, an amount equal to (i) the gross amount of the Approved Platform Receivable in respect of which the Payment Obligation arose, *less* (ii) the sum of all Credit Notes allocated to that Payment Obligation pursuant to the terms of the APMSA. “**Applied Discount**” refers (i) in the context of the APMSA, to the discount amount that the Platform Provider will deduct from the Certified Amount in case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement and (ii) in the context of the Framework Assignment Agreement to the discount amount that the Platform Provider will deduct from the Certified Amount in the case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APSMA and each relevant Discounted Payments Purchase Agreement, *less* the Platform Provider Processing Fee.

From time to time following the Issue Date, the Platform Provider may, at its discretion (but not more than once per week prior to the service of a notice of termination (as further described below)) and to the extent that the Requested Purchase Price Amount specified in such Assignment Notice together with all other outstanding Requested Purchase Price Amounts which have not been applied towards the purchase of VFZ Accounts Receivable would not exceed €50.0 million at such time (the “**Requested Purchase Price Amount Aggregate Limit**”), serve further Assignment Notices (which may also be Primary Assignment Notices (as defined and further described below under “—*Collections on Assigned Receivables and Further Purchases of VFZ Accounts Receivable with Collected Principal Amounts*”)) to the Issuer pursuant to the relevant Assignment Framework Note.

Following the receipt of an Assignment Notice, so long as no Non-Compliance Event (as defined below) has occurred and is continuing, the Issuer will pay, on the relevant Value Date, the relevant Requested Purchase Price Amount (which may be adjusted as further described below) to the Platform Provider, which shall have the effect of the Platform Provider immediately selling and assigning, without further action on the part of any person or entity, all of its rights, title and interest in and to the relevant Payment Obligations (and the Receivables related thereto, solely to the extent that such Receivables have been acquired by the Platform Provider) at the relevant Purchase Price Amounts to the Issuer pursuant to the relevant Assignment Framework Note.

The assignment of any Payment Obligation (and the Receivable in respect of which such Payment Obligation has arisen, solely to the extent that such Receivable has been acquired by the Platform Provider) from the Platform Provider to the Issuer (pursuant to the Framework Assignment Agreement and as described above), is referred to herein as an “**Assignment**”.

The Requested Purchase Price Amount (and the corresponding VFZ Accounts Receivable) will be adjusted if the aggregate of all Requested Purchase Price Amounts, together with (without double counting) the aggregate of all Purchase Price Amounts in respect of outstanding Assigned Receivables would be higher than the relevant Purchase Limit specified in that Assignment Framework Note. In such event, the Issuer must notify the Platform Provider within two Business Days of receipt of the relevant Assignment Notice (i) of such circumstance and (ii) that the Requested Purchase Price Amount will (A) be reduced to equal the amount which would cause the aggregate Requested Purchase Price Amount, together with (without double counting) the aggregate of all



Purchase Price Amounts in respect of outstanding Assigned Receivables to equal such Purchase Limit and/or (B) cancelled to the extent necessary such that the relevant assignment is for the whole, and not part, of the VFZ Accounts Receivable.

The Issuer will not be obliged to pay a Requested Purchase Price Amount specified in an Assignment Notice if any of the following events (each, a **“Non-Compliance Event”**) have occurred and is continuing (provided that the Issuer notifies the Platform Provider, within two Business Days of the receipt of such Assignment Notice, that one or more Non-Compliance Events have occurred and of the Issuer’s intention not to comply with such Assignment Notice): (i) if the Framework Assignment Agreement or relevant Assignment Framework Note has been terminated prior to the date of such Assignment Notice; (ii) if the terms and conditions of such Assignment Notice materially deviate from the terms and conditions of the Framework Assignment Agreement or the relevant Assignment Framework Note; (iii) if an Obligor Event of Default (as defined below) is continuing in respect of any Obligor; and/or (iv) if a specified insolvency event occurs in respect of the Platform Provider which directly results in the Platform Provider not continuing its business as contemplated under the Framework Assignment Agreement. If, following the receipt of a Requested Purchase Price Amount on a Value Date, the Platform Provider has acquired (or determines that it will on such Value Date acquire) insufficient VFZ Accounts Receivable to apply the whole of the Requested Purchase Price Amount received on such Value Date, the Platform Provider will either (i) serve, on such Value Date, one or more notices (substantially in the form set out in the Framework Assignment Agreement, each a **“Purchase Price Return Notice”**) to the Issuer and, on the Business Day following the date of such Purchase Price Return Notice (a **“Settlement Date”**), pay to the Issuer Collection Account, the excess Requested Purchase Price Amount not applied towards the purchase of VFZ Accounts Receivable (such excess, the **“Excess Requested Purchase Price Amount”**); or (ii) retain such Excess Requested Purchase Price Amount for a period of up to four Business Days following such Value Date (an **“Excess Retention Period”**, and the final day thereof (which, at the Platform Provider’s discretion, may occur prior to the fourth Business Day following such Value Date), the **“Excess Retention Period End Date”**) to be applied towards the purchase of any VFZ Accounts Receivable arising during such Excess Retention Period. If the Platform Provider chooses to retain such Excess Requested Purchase Price Amount, it further agrees that (i) if the Platform Provider acquires any VFZ Accounts Receivable during such Excess Retention Period, it will sell and assign such VFZ Accounts Receivables to the Issuer (and the Platform Provider will be deemed to have served an Assignment Notice in respect of such Assigned Receivables); and (ii) on the Business Day prior to the Excess Retention Period End Date, the Platform Provider will serve a Purchase Price Return Notice in respect of any remaining Excess Requested Purchase Price Amount to the Issuer, and subsequently pay such remaining Excess Requested Purchase Price Amount to the Issuer Collection Account on such Excess Retention Period End Date, together with all Excess Requested Purchase Price Interest (as defined below) due in respect thereof. **“Excess Requested Purchase Price Interest”** shall accrue daily at the Funding Rate, calculated on any Excess Requested Purchase Price Amount retained by the Platform Provider (and not applied towards the purchase of VFZ Accounts Receivable), from (and including) the first day of the relevant Excess Retention Period to (and including) the relevant Excess Retention Period End Date, or such later date on which the Issuer receives such Excess Requested Purchase Price Amount together with all interest due in respect thereof. As used herein, **“Funding Rate”** means a rate equal to the per annum margin specified in Clause 13.1 of the APMSA (less the Platform Provider Processing Fee) over 1-month EURIBOR; *provided that* if 1-month EURIBOR is less than zero, 1-month EURIBOR shall be deemed to be zero.

Additionally, if on any Business Day the aggregate Requested Purchase Price Amounts held by the Platform Provider (and not applied towards the purchase of VFZ Accounts Receivable) exceeds the Requested Purchase Price Amount Aggregate Limit (such excess, an **“Aggregate Amount Excess”**), the Platform Provider will immediately serve a Purchase Price Return Notice in respect of such Aggregate Amount Excess, and pay such Aggregate Amount Excess to the Issuer Collection Account on the relevant Settlement Date. Any Aggregate Amount Excess not returned to the Issuer by the relevant Settlement Date (such amount, a **“Delayed Aggregate Amount”**) shall accrue interest daily at the Funding Rate, calculated from (and including) such Settlement Date to (and including) such later date on which the Issuer receives the Delayed Aggregate Amount, together with all interest due in respect thereof (the **“Delayed Aggregate Amount Interest”**).

#### ***Collections on Assigned Receivables and Further Purchases of VFZ Accounts Receivable with Collected Principal Amounts***

Prior to the service of an Obligor Enforcement Notification, the Platform Provider will act as collection agent for the Issuer in respect of any Collected Amounts received or recovered relating to Assigned Receivables, in accordance with the SCF Platform Documents. Except in circumstances where certain Collected Principal Amounts are applied towards the purchase of new VFZ Accounts Receivable (as further described below), the



Platform Provider will apply any Collected Amount, within one Business Day of receipt or recovery thereof (such scheduled date of application, a **“Collected Amount Forwarding Date”**), in or towards the repayment to the Issuer of an amount equal to the Outstanding Amount of the relevant Assigned Receivables (to the extent that such Assigned Receivables remain outstanding and has not been settled or otherwise paid to the Issuer).

From time to time, the Platform Provider may serve an Assignment Notice (a **“Primary Assignment Notice”**) which states that any Collected Principal Amounts in respect of Assigned Receivables relating to such Primary Assignment Notice are to be treated as further payments of Requested Purchase Price Amounts. So long as (i) no Non-Compliance Event has occurred and is continuing (and in respect of which the Issuer has notified the Platform Provider that the purchase mechanics described in this paragraph will not apply), (ii) the Requested Purchase Price Amount Aggregate Limit will not be exceeded upon the deemed payment of the Requested Purchase Price Amount in the New Assignment Notice (as defined below), upon receipt by the Platform Provider of any Collected Amount on an Assigned Receivable relating to such Primary Assignment Notice, or (iii) no notice of termination has been served (as further described below), then (a) the Platform Provider will be deemed to have served an Assignment Notice on exactly the same terms as the Primary Assignment Notice, except for the Requested Purchase Price Amount (which will be equal to the Collected Principal Amount that would otherwise be due and payable to the Issuer) (such notice, the **“New Assignment Notice”**); and (b) the Platform Provider’s obligation to pay such Collected Principal Amount to the Issuer will be set off against the Issuer’s obligation to pay the Requested Purchase Price Amount under the New Assignment Notice. For the avoidance of doubt, the purchase mechanics described in this paragraph will not affect the Platform Provider’s obligation to pay to the Issuer any Premium on the relevant Collected Amount Forwarding Date. If, three Business Days following the service of a New Assignment Notice, the Platform Provider still holds any Collected Amounts which have not been utilised for the purchase of new VFZ Accounts Receivable (such amounts, **“Unutilised Collected Amounts”**), the Platform Provider will immediately serve a Purchase Price Return Notice to the Issuer in respect of such Unutilised Collected Amounts, and will pay such Unutilised Collected Amounts to the Issuer Collection Account on the relevant Settlement Date. The Platform Provider will pay the Issuer interest on any **“Retained Collected Amounts”** (being any Collected Amount which has not been paid to the Issuer towards satisfaction of the relevant Outstanding Amount and not been used to purchase further VFZ Accounts Receivable as described above). Interest on Retained Collected Amounts shall accrue daily at the Funding Rate, calculated from (and including) the relevant scheduled Collected Amount Forwarding Date to (and including) the relevant Settlement Date or such later date on which the Issuer receives the Retained Collected Amount, together with all interest due in respect thereof, as the case may be, and will be paid to the Issuer Collection Account on the relevant Settlement Date or such later date, as applicable.

#### ***Obligor Events of Default and Obligor Enforcement Notification***

The Issuer may not serve (or cause or permit to be served) a notice to the Obligors informing them of an Assignment (an **“Obligor Enforcement Notification”**) prior to the occurrence of (i) a failure by any Obligor to pay any Payment Obligation in full to the Platform Provider on the date such payment was due (taking into account any applicable grace period under the APMSA), (ii) a specified insolvency event in respect of any Obligor, (iii) a breach of the representations and warranties of the Buyer Parent with respect to the eligibility of the VFZ Accounts Receivable, which is not capable of remedy (or if such breach is capable of remedy, is not remedied within five Business Days of notice) (each such event in (i) to (iii), an **“Obligor Event of Default”**), or (iv) a specified insolvency event in respect of the Platform Provider. See *“Risk Factors—Risks relating to the Receivables and the SCF Platform—The transfer of VFZ Accounts Receivable under the Framework Assignment Agreement takes place only under equity until an Obligor Enforcement Notification is given to the Obligors”*.

Following the occurrence of any of the foregoing events, the Issuer may serve or direct the Platform Provider to serve an Obligor Enforcement Notification (*provided that* the Platform Provider may, but is not obliged to, serve an Obligor Enforcement Notification at any time as it sees fit, including upon termination of the Framework Assignment Agreement or any Assignment Framework Note and/or pursuant to the circumstances described in the paragraph below).

As soon as reasonably practicable after the occurrence of an Obligor Event of Default, the Platform Provider will, among other things, (i) provide the Issuer with notice of such Obligor Event of Default and the details thereof, as well as regular status updates with respect to the affected Assigned Receivables; (ii) turn over to the Issuer any Purchase Price Return Amount in accordance with the terms of the Framework Assignment Agreement; (iii) in consultation with the Issuer and the Buyer Parent (provided such consultation is permitted by the terms of the Framework Assignment Agreement), take (or refrain from taking) any steps that the Platform Provider sees fit to recover all amounts payable, as well as default interest and other costs and expenses, each as

permitted under the APMSA and the relevant Discounted Payments Purchase Agreement(s); (iv) be indemnified by the Buyer Parent within ten Business Days after the relevant demand for all expenses (including all legal expenses), costs and losses reasonably incurred and claims incurred in connection with the exercise or enforcement of any rights in connection with Assigned Receivables; and (v) if an agreement cannot be reached as to what steps (if any) are to be taken or refrained from being taken following an Obligor Event of Default in accordance with paragraph (iii) above, the Platform Provider may (or will, if so requested by the Issuer and provided that the Issuer has complied with its payments obligations under the Framework Assignment Agreement), serve an Obligor Enforcement Notification on any Obligor, following which the below consequences will apply in respect of the relevant Assigned Receivables.

Following service of an Obligor Enforcement Notification, the Platform Provider will cease to act as the Issuer's collection agent in respect of the relevant Assigned Receivables, and shall hold any amounts received by it in respect of the relevant Assigned Receivables on behalf of the Issuer.

### ***Assignment and Termination***

The Issuer may assign or transfer its rights under the Framework Assignment Agreement and the Assignment Framework Notes (including its rights to Assigned Receivables) in the following circumstances: (a) if such assignment is by way of security by the Issuer as part of the financing activities of the Issuer (including as part of a capital markets transaction) (the “**Issuer’s Financing Activities**”) or in connection with the enforcement of such security; or (b) with the prior written consent of each other party to the Framework Assignment Agreement (which shall not be unreasonably withheld or delayed); *provided that* the Issuer may assign or transfer its rights or obligations under the Framework Assignment Agreement or (in accordance with the procedures described in the following paragraph) under an Assignment Framework Note and all related Assigned Receivables to a transferee, in each case with the Platform Provider’s approval (at its sole discretion; *provided further that* the Platform Provider’s approval shall not be unreasonably withheld or delayed for an assignment or transfer by the Issuer which is contemplated by or permitted under the transaction documents entered into in connection with the Issuer’s Financing Activities). Similarly, the Platform Provider may assign or transfer its rights under the Framework Assignment Agreement in the same such specified circumstances; *provided, however,* that the Platform Provider may assign or transfer any of its rights in Assigned Receivables to an affiliate without the consent of any other party, and may also assign or transfer any of its rights or obligations under the Framework Assignment Agreement, as the provider and administrator of the SCF Platform, with the prior written consent of the Issuer (which shall not be unreasonably withheld or delayed).

Transfer will be effected when the Platform Provider executes an otherwise duly completed transfer certificate in the form substantially set out in the Framework Assignment Agreement (a “**Transfer Certificate**”) delivered to it by the Issuer and the third party transferee. The Platform Provider is only obliged to execute such Transfer Certificate once it is satisfied that all necessary “know your customer” or other similar checks required under applicable law have been complied with. Upon such transfer becoming effective, the Platform Provider and the Issuer shall be released from further obligations towards one another under the relevant Assignment Framework Note and related Assigned Receivables, the transferee shall become a party to the relevant Assignment Framework Note in the Issuer’s place, and the Platform Provider shall update its system to designate the relevant transferee as the owner of the relevant VFZ Accounts Receivable.

The Framework Assignment Agreement and/or any Assignment Framework Note issued thereunder may be terminated by the Platform Provider upon 10 Business Days’ prior notice to the other parties thereto; *provided that* the effective date of such termination shall not be earlier than the effective date of termination of the APMSA (as further described below). See “*Risk Factors—Risks relating to the Receivables and the SCF Platform—The Framework Assignment Agreement may be terminated without the consent of the Issuer*”. Additionally, the Platform Provider may terminate the Framework Assignment Agreement and/or any Assignment Framework Note with immediate effect by notice to the other parties upon the occurrence of any of the following events: (a) a breach of material obligations of the Buyer Parent and/or the Issuer (subject to a 30 days grace period); (b) a material breach of the representations and warranties of the Buyer Parent and/or the Issuer (subject to a 30 days grace period); or (c) if a specified insolvency event has occurred in respect of the Buyer Parent and/or the Issuer.

The Framework Assignment Agreement and/or any Assignment Framework Note issued thereunder may also be terminated by the Issuer upon 10 Business Days’ prior notice to the other parties thereto. Additionally, the Issuer may terminate the Framework Assignment Agreement and/or any Assignment Framework Note with immediate effect by notice to the other parties upon the occurrence of any of the following events: (a) a breach of

material obligations of the Buyer Parent and/or the Platform Provider (subject to a 30 days grace period); (b) a material breach of the representation and warranties of the Buyer Parent and/or the Platform Provider (subject to a 30 days grace period); or (c) if a specified insolvency event has occurred in respect of the Buyer Parent and/or the Platform Provider, as applicable.

Following the service of a notice of termination of the Framework Assignment Agreement and/or any Assignment Framework Note: (a) no further Assignment Notices shall be served, and no New Assignment Notices shall be deemed served, by the Platform Provider; (b) the Platform Provider shall provide the Issuer, as soon as reasonably practicable after such termination, with a report showing the relevant Assigned Receivables which have not been settled at such time; (c) the rights of the Platform Provider to demand refunds, reimbursements or other payments with respect to the relevant Assigned Receivables which have not been settled at such time, and any rights, remedies, obligations or liabilities of any of the parties to the Framework Assignment Agreement that have accrued up to the effective date of termination, shall not be affected and shall survive such termination; (d) the Platform Provider may choose to exercise its right to serve an Obligor Enforcement Notification, as described above; and (e) the parties shall continue to be bound by the relevant confidentiality provisions in the Framework Assignment Agreement until such later date as set out in the Framework Assignment Agreement.

The Framework Assignment Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

The Framework Assignment Agreement will be governed by English law.

#### **Accounts Payable Management Services Agreement**

On 23 February 2015, the Platform Provider and VodafoneZiggo, among others, entered into the Accounts Payable Management Services Agreement, or the APMSA. Under the terms of the APMSA, the Obligors, together with certain other subsidiaries of VodafoneZiggo that may accede to the APMSA from time to time as further described below (collectively, the **“Buyer Entities”** and each a **“Buyer Entity”**), may upload Electronic Data Files containing details of Receivables payable to a Supplier on to the SCF Platform to enable the purchase by the Platform Provider of such Receivables (and the Parent Payment Obligations arising in respect thereof) from the relevant Supplier.

On the Issue date, the eligible Buyer Subsidiaries will be Ziggo B.V., Ziggo Services B.V., Vodafone Libertel B.V. and UPC Nederland B.V. (collectively, the **“Non-Obligor Buyer Subsidiaries”** and each a **“Non-Obligor Buyer Subsidiary”**, together with the Obligor Subsidiaries, the **“Buyer Subsidiaries”** and each a **“Buyer Subsidiary”**), the Obligor Subsidiaries, and the Buyer Parent. Additional Buyer Subsidiaries may accede to the APMSA by entering into an accession letter (substantially in form set out in the APMSA) with the Platform Provider and the Buyer Parent, and an existing Buyer Subsidiary may cease to be a “Buyer Entity” for the purposes of the APMSA if the Platform Provider or Buyer Parent provides written notice to such effect. Additional Obligor Subsidiaries may become party to the APMSA either by acceding as a “Designated Buyer Subsidiary” (provided they are specified as such in the relevant accession letter) or, with respect to an existing Non-Obligor Buyer Subsidiary, if such Non-Obligor Buyer Subsidiary is specified in writing by the Buyer Parent to be a “Designated Buyer Subsidiary” for purposes of the APMSA. Pursuant to the Agency and Account Bank Agreement, the Buyer Parent will undertake to the Issuer that the Buyer Parent may notify the Platform Provider of a resignation of a Obligor Subsidiary only if all Outstanding Amounts owed by such Obligor Subsidiary (as principal obligor) in respect of its Assigned Receivables have been settled in accordance with the APMSA on or prior to the date of its resignation, and the Buyer Parent will agree to promptly provide written notification of the same to the Issuer (or the Administrator on its behalf).

From time to time, a Buyer Entity may execute an Upload and designate such uploaded Receivables as “approved”. Each Approved Platform Receivable will initially give rise to a Parent Payment Obligation, being an independent and primary obligation by VodafoneZiggo to make payment or cause payment of the Certified Amount to be made to the relevant recipient on the Confirmed Payment Date in respect thereof. Each Buyer Entity agrees that, immediately following such designation, the relevant Obligor shall pay the Certified Amount in full (without any deduction or withholding) and no Buyer Entity shall be entitled to claim set-off or counterclaim against any party in relation to the payment of the whole or part of such Certified Amount. Upon each Initial Transfer (being the sale and assignment of a Parent Payment Obligation and the applicable Receivable related thereto from the Supplier to the Platform Provider through the SCF Platform), the relevant Parent Payment Obligation will become a Payment Obligation, pursuant to which each Obligor will become

jointly and severally liable with each other Obligor to make payment or cause payment to be made to the relevant recipient on the Confirmed Payment Date in respect thereof. Each Obligor acknowledges that, upon such Initial Transfer, it and each other Obligor shall be liable by itself and for each other Obligor to pay the Certified Amount in full (without any deduction or withholding) and no Obligor shall be entitled to claim set-off or counterclaim against any party in relation to the payment of the whole or part of such Certified Amount. The Non-Obligor Buyer Subsidiaries will not be liable for any Payment Obligations.

The obligations of the Buyer Entities described above will not be affected by an act, omission, matter or thing which, but for the relevant provisions of the Framework Assignment Agreement, would reduce, release or prejudice any of such obligations, including: (a) any time, waiver or consent granted to, or composition with, any Buyer Entity or other person; (b) the release of any Buyer Entity or other person under the terms of any composition or arrangement with any creditor of any person (other than the relevant recipient of any Parent Payment Obligation and the Receivable relating thereto); (c) any failure to realize the full value of any security; (d) any incapacity or lack of power, authority or legal personality of a Buyer Entity or any other person; (e) any amendment, novation, supplement or restatement (however fundamental) or replacement of the APMSA or any other documents; (f) any unenforceability, illegality or invalidity or any obligation of any person under the APMSA; or (g) any insolvency or similar proceedings. Each Buyer Entity also waives any right it may have of first requiring the Platform Provider to proceed against or enforce any other rights or security or claim from any person before claiming from them pursuant to the APMSA, regardless of any applicable law or provision to the contrary. The Buyer Entities further agree to refrain from exercising any of the following rights which they may have under the APMSA until all amounts which may be or become payable by a Buyer Entity in connection with the APMSA have been irrevocably paid in full: (a) to be indemnified by any other Buyer Entity; (b) to claim contribution from any other guarantor of any Buyer Entity's obligations under the APMSA; (c) to take the benefit of any rights of the Platform Provider or a transferee under the APMSA in respect of the Buyer Entities; (d) to bring legal or other proceedings for an order requiring any Buyer Entity to make any payment or perform any other obligation in respect of which any Buyer Entity has given an undertaking or indemnity under the provisions of the APMSA; (e) to exercise any right of set-off against any Buyer Entity; and/or (f) to claim or prove as a creditor of any Buyer Entity in competition with the Platform Provider or a transferee.

The Buyer Parent has notified the Platform Provider in writing that Eligible Platform Receivables (as defined below) may include those with a Confirmed Payment Date of up to 360 days from the issuance date of the relevant invoice. In respect of Initial Transfers of such Receivables, a margin of 2.20% per annum calculated on the basis of the relevant Outstanding Amounts (which includes the Platform Provider Processing Fee) over the base rate (the "**Margin**") shall be applied from the date of the relevant Initial Transfer until the Confirmed Payment Date in respect of such Payment Obligation (and the Receivable related thereto, solely to the extent that such Receivable has been acquired by the Platform Provider). The base rate (being, in this case, EURIBOR with a floor of zero) is determined by the remaining tenor between the date of the relevant transfer and the Confirmed Payment Date (i.e. between 1 and 30 days, 1 month base rate will apply; between 31 and 60 days, 2 months base rate will apply). The applicable base rate plus the applicable Margin are used to calculate the Applied Discount that the Platform Provider will deduct from the Certified Amount in the case of transfer by the Platform Provider of the VFZ Account Receivable prior to the Confirmed Payment Date, and accordingly is used in the calculation of the Purchase Price Amount for each VFZ Account Receivable. The Margin under the APMSA may not be amended without the written consent of the Issuer, and pursuant to the terms of the other Transaction Documents, the Issuer will agree to provide its written consent to any amendment of the Margin (without being required to seek the consent of the Noteholders) so long as the obligations of the New VFZ Facilities Borrower in favour of the Issuer under Clause 11.2 ("*Facility Fees*") of the New VFZ Facilities Agreement remain in full force and effect.

Pursuant to the APMSA, the Buyer Parent and, as applicable, each Obligor Subsidiary appoints the Platform Provider as paying agent with respect to the settlement of any VFZ Account Receivable. Settlement requires the Buyer Parent (or, at its option, an Obligor Subsidiary) to make an electronic transfer of the Certified Amount to the Platform Provider's designated bank account on the Confirmed Payment Date, and the Platform Provider will, in turn, transfer such Certified Amount (or part thereof as received by the Platform Provider) to the relevant recipient (which shall be the Issuer in respect of Assigned Receivables) on the same Confirmed Payment Date. Failure by any Obligor to pay all or any part of the Certified Amount by the Confirmed Payment Date will cause default interest to accrue on the unpaid sum at a rate of 1-month EURIBOR (floored at zero) *plus* 7% per annum, until the Certified Amount has been discharged in full.

If a Buyer Entity wishes to reduce the amount of any Approved Platform Receivable for any reason (including as a result of any lien, right of set-off, defence, claim, counterclaim, or other certain adverse claim), it



may post the amount to be deducted from such Approved Platform Receivable (each, a “**Credit Note**”) as an entry in an Electronic Data File to the SCF Platform Website and such Credit Note will be allocated to the corresponding Payment Obligation on the following Business Day. No Credit Notes may be allocated to a Payment Obligation following the relevant Certified Amount Fixed Date; however, such Credit Note will be allocated to a Payment Obligation which has not yet been transferred through the SCF Platform in accordance with the terms of the APMSA. Additionally, each Buyer Entity agrees to be responsible for the accuracy of all information submitted by them onto the SCF Platform Website in respect of VFZ Accounts Receivable and the Buyer Parent agrees to comply with certain reporting requirements set out in the APMSA.

Under the APMSA, each Buyer Entity represents, warrants and covenants to the Platform Provider at the date of an Upload resulting in any Payment Obligation arising and at the date of any transfer via the SCF Platform of a Payment Obligation and the Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) (including each Assignment Date), as applicable, among other things: (i) that the Approved Platform Receivable relating to each Payment Obligation meets certain criteria under the APMSA: that it is a debt owed by the relevant Buyer Entity to a Supplier permitted to access the SCF Platform Website pursuant to the terms of the APMSA, has a Confirmed Payment Date of no more than 360 days from the issuance date of the relevant invoice, and is denominated in one of EUR, USD, or such other currency as agreed between the Platform Provider, the Buyer Parent and the relevant Supplier (each such Approved Platform Receivable, an “**Eligible Platform Receivable**”); (ii) that the Approved Platform Receivable is not subject to any mortgage, charge, pledge, lien, other encumbrance or other personal right or right in rem of any third party and has, to the best of the relevant Buyer Entity’s knowledge, not been transferred or transferred in advance; (iii) that each Payment Obligation and the Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) is free of any adverse claims, including any lien, right of set-off, netting, abatement, reduction, claim, defence or counterclaim; (iv) that each Payment Obligation and Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) can be validly transferred in accordance with the terms of the APMSA; and (v) that each Payment Obligation will be settled by an Obligor by the payment of the relevant Certified Amount on the relevant Confirmed Payment Date without withholding, deduction or set-off.

The APMSA also provides that the following occurrences, among others, constitute events of default, whereupon the Platform Provider shall have the right (but not the obligation) to suspend the provision of accounts payable management services and prohibit the creation of any further Payment Obligations (each, an “**APMSA Event of Default**”): (i) breach by any Buyer Entity of any obligation or certain representations, warranties, covenants, or any other obligations in the APMSA, if not remedied for a period of ten days (which grace period shall not apply if such breach relates to a financial interest of an amount in excess of €5.0 million); (ii) non-payment of any amount due under the APMSA, including all or any part of any Certified Amount (subject to a grace period of one Business Day in the case of principal, and three Business Days in the case of any other amount); (iii) if any Buyer Entity is unable, deemed unable, or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts in applicable law; and (iv) any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, winding-up, or dissolution of any Buyer Entity, or any composition, compromise, assignment or arrangement with any creditor of any Buyer Entity, or the appointment of a liquidator, receiver, or other similar officer in respect of any Buyer Entity.

The Buyer Parent has also agreed to provide certain indemnities to the Platform Provider under the APMSA, including (but not limited to) indemnities against any losses directly suffered for or on account of tax, reasonable losses incurred as a direct result of any APMSA Event of Default or failure by any Buyer Entity to pay any amount due under the APMSA, and any costs, expenses, claims or losses incurred as a result of the incorrect calculation by any Buyer Entity of the amount of any Receivable uploaded in an Electronic Data File.

The Platform Provider may assign, transfer or deal in any other manner with any VFZ Account Receivable that has been transferred to it, and/or all of its rights against any Buyer Entity or under the APMSA, in part or in whole, to any third party. No Buyer Entity may so assign or transfer its respective rights and obligations under the APMSA without the written consent of the Platform Provider, and such consent shall not be unreasonably withheld or delayed.

Each of the Platform Provider and the Buyer Parent may unilaterally terminate the APMSA upon notice to the other party, if such other party breaches a material provision of the APMSA and fails to cure such breach within 10 days following written notice from the other party requiring them to remedy such breach. The Platform Provider may also terminate the APMSA: (i) for any reason upon 12 months’ prior written notice to the Buyer Parent; and (ii) immediately, upon written notice, if it becomes unlawful for the Platform Provider in any



applicable jurisdiction to perform any of its obligations thereunder. The Buyer Parent may terminate the APMSA for any reason upon 20 Business Days' prior written notice to the Platform Provider. Following termination of the APMSA, the Buyer Entities will no longer be permitted to use the SCF Platform. All rights, duties and obligations of the parties to the APMSA with respect to the Payment Obligations posted to the SCF Platform prior to the effective date of any termination shall survive the termination of the APMSA.

The Accounts Payable Management Services Agreement is governed by English law.

### **Discounted Payments Purchase Agreements**

In conjunction with the SCF Platform, each Supplier has entered into, or will enter into, a Discounted Payments Purchase Agreement (each based on a standard form) with the Platform Provider. Each Supplier has also entered into a separate electronic agreement (each, a **"Supplier Platform Access Agreement"**) with the Platform Provider, pursuant to which the Platform Provider has granted the relevant Supplier access to the SCF Platform on the terms and conditions set out therein.

Upon an Upload by a Buyer Entity and the designation of such uploaded Receivable as "approved", (i) the price of such Receivable is increased (in accordance with the relevant supply contract, including any supplement thereto) by adding to the initial face value of such Receivable the Applied Discount (as defined in the context of the APMSA) (as displayed on the SCF Platform on the relevant day) calculated for the period between the date of the Upload and the Confirmed Payment Date; and (ii) the Supplier to which such Approved Platform Receivable relates will automatically and irrevocably offer to sell to the Platform Provider the relevant Parent Payment Obligation and the Receivable related thereto at a discounted price (the **"Net Purchase Amount"**) (as determined by deducting from the grossed-up amount of the relevant invoice (calculated in accordance with the relevant supply contract, including any supplement thereto, as described above), such Applied Discount (as defined in the APMSA) (as displayed on the SCF Platform on the relevant day), such that the Platform Provider pays an amount equal to the original face value of such invoice owed to the Supplier). Upon making such irrevocable offer, the Supplier agrees not to sell, offer to sell, transfer, pledge or offer as security to any other person, or consent to any other lien on, any Receivable that relates to the relevant Parent Payment Obligation. The Platform Provider may, at its sole discretion, elect to either accept or decline to purchase the relevant Parent Payment Obligation and the Receivable related thereto by posting such acceptance or rejection on the SCF Platform in accordance with the terms of the relevant Discounted Payments Purchase Agreement. If the Platform Provider accepts such offer, it shall cause the Net Purchase Amount to be paid to the relevant Supplier bank account on the same Business Day (if the acceptance takes place before 11:30AM CET) or the following Business Day (if the acceptance takes place after 11:30AM CET). Each such offer accepted by the Platform Provider pursuant to a Discounted Payments Purchase Agreement will result in the sale, assignment and transfer to the Platform Provider of all of such Supplier's rights, title and interest in and to the relevant Parent Payment Obligation and the Receivable related thereto, without any further action or documentation on the part of the Supplier, the relevant Buyer Entity or the Platform Provider being required.

The Supplier is deemed to represent and warrant to the Platform Provider upon the date of each offer (and the date of the relevant Initial Transfer) that, with respect to each Parent Payment Obligation (and any Receivable related thereto, where applicable), among other things: (i) the Supplier (solely) holds the full legal and beneficial right, title and interest in and to the relevant Parent Payment Obligation and the Receivable related thereto; (ii) the Supplier is entitled to sell and transfer the relevant Parent Payment Obligation and the Receivable related thereto to the Platform Provider pursuant to the terms of the relevant Discounted Payments Purchase Agreement, and the relevant Parent Payment Obligation and the Receivable related thereto is transferred to the Platform Provider following acceptance of the offer; (iii) no mortgage, charge, pledge, lien, other encumbrance or other personal right or right in rem exists in relation to the relevant Parent Payment Obligation or Receivable related thereto, and the relevant Parent Payment Obligation has not been transferred nor made subject to any mortgage, charge, pledge, lien, or other encumbrance in advance; and (iv) the Parent Payment Obligation and the Receivable related thereto is free of any adverse claims, including any lien, right of set-off, netting, abatement, reduction, claim, defence or counterclaim. Following each Initial Transfer, the Platform Provider, in its capacity as agent for the relevant Supplier, shall provide notice of such transfer to the Buyer Parent and the relevant Buyer Subsidiary.

Additionally, pursuant to the relevant Discounted Payments Purchase Agreement, any tax applicable to the transfer from the Supplier to the Platform Provider of a Parent Payment Obligation and any Receivable related thereto shall be solely payable by that Supplier. The Supplier also represents and warrants that upon payment by the Platform Provider of the outstanding amount owing under any Parent Payment Obligation to the relevant

bank account established in such Supplier's own name on the Confirmed Payment Date, the applicable Parent Payment Obligation shall be satisfied and the relevant Buyer Entity's obligation to pay the Supplier for the corresponding Receivable shall be extinguished in an amount equal to such amount paid.

Each Discounted Payments Purchase Agreement provides that the Platform Provider shall not be liable to the Supplier for any of the following: (a) any improper use of the SCF Platform Website, or the security devices, by any authorized users or by any unauthorized persons; (b) any loss suffered by the Supplier as a result of any reliance on the content of the SCF Platform Website or any other information submitted onto the SCF Platform or derived from it; and (iii) any loss or damage arising out of, or in consequence of, any failure by the Supplier to comply with any provisions of the relevant Supplier Platform Access Agreement. Each Supplier further provides a disclaimer acknowledging that it has not relied on any representation of the Platform Provider in relation to the accounting treatment to be applied to the transactions contemplated by the relevant Discounted Payments Purchase Agreement.

Subject to the agreement of the relevant Suppliers to the standard form, each Discounted Payments Purchase Agreement gives the Platform Provider the right, without the consent of or notice to the Supplier, to assign, transfer, mortgage, charge or otherwise deal in any other manner with any or all of its rights and obligations under the relevant Discounted Payments Purchase Agreement, in whole or in part (including, for the avoidance of doubt, any of the Parent Payment Obligations and Receivables related thereto purchased by the Platform Provider thereunder). In turn, pursuant to the Framework Assignment Agreement (as described above), the Platform Provider's right, title and interest in and to the whole of each VFZ Account Receivable are assigned to the Issuer. No Supplier shall assign, transfer, mortgage, charge or otherwise deal in any other manner with any or all of its rights and obligations under the relevant Discounted Payments Purchase Agreement (including, for the avoidance of doubt, any of the Payment Obligations and Receivables related thereto purchased by the Platform Provider thereunder) without the written consent of the Platform Provider. Any amendment or waiver of any provision of the Discounted Payments Purchase Agreement shall only be with the consent of each of the Supplier and the Platform Provider.

The Platform Provider may terminate any Discounted Payments Purchase Agreement upon twelve (12) months' notice in writing to the Supplier. The Platform Provider may also terminate any Discounted Payments Purchase Agreement upon written notice immediately if it becomes unlawful for the Platform Provider in any applicable jurisdiction to perform any of its obligations under such agreement. Any Supplier may terminate the relevant Discounted Payments Purchase Agreement upon two Business Days' advance written notice to the Platform Provider. Upon termination of any Supplier Platform Access Agreement, the corresponding Discounted Payments Purchase Agreement shall automatically terminate. Upon termination of any Discounted Payments Purchase Agreement, the Supplier shall not offer for sale to the Platform Provider, and the Platform Provider shall not purchase, any additional Payment Obligations (or any Receivables relating thereto). All amounts due to the Platform Provider under any previously transferred Payment Obligations shall remain in full force and effect, and all rights, duties and obligations of the parties with respect to the Payment Obligations posted onto the SCF Platform prior to the effective date of any termination shall survive such termination.

The Discounted Payments Purchase Agreements are governed by English law.

### **New VFZ Facilities Agreement**

The following contains a summary of the material provisions of the New VFZ Facilities Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the underlying documents. Some of the terms used herein are defined in the New VFZ Facilities Agreement, and the Issuer has not included all of such definitions herein.

The New VFZ Facilities Agreement will be a senior credit facility agreement entered into on the Issue Date between, amongst others, the Issuer as the lender, the New VFZ Facilities Borrower as the borrower and The Bank of New York Mellon, London Branch as the administrator. The below summary of the New VFZ Facilities Agreement is qualified in its entirety by reference to the text of the New VFZ Facilities Agreement, a copy of which is attached as Annex A to this Offering Circular.

Pursuant to the New VFZ Facilities Agreement, the Issuer has agreed to make available to the New VFZ Facilities Borrower (i) the Excess Cash Facility, (ii) the Interest Facility and (iii) the Issue Date Facility (all collectively referred to herein as the "**New VFZ Facilities**"). The interest rate for each interest period on (i) the Excess Cash Loans will be % per annum; (ii) the Interest Facility Loans will be 0% per annum and (iii) the

Issue Date Facility Loans will be % per annum. Interest will accrue daily from and including the first day of an interest period and is payable on the date that is one Business Day before the last day of each interest period and on the date of any repayment or prepayment of a Loan, and is calculated on the basis of a 360-day year comprised of twelve 30 day months. The interest period for each Loan will commence on the Utilisation Date for that Loan and end on the next Interest Payment Date, and each successive interest period shall commence on an Interest Payment Date and end on the next Interest Payment Date.

The indebtedness under the New VFZ Facilities Agreement will be unsecured. The New VFZ Facilities Agreement will also provide that the New VFZ Facilities Borrower may give notice to the Administrator (on behalf of the Issuer) that it wishes to include (i) any Affiliate of the New VFZ Facilities Borrower (a “**Permitted Affiliate Parent**”) and the subsidiaries of any such Permitted Affiliate Parent as members of the Group for the purposes of the New VFZ Facilities Agreement, subject to certain conditions being satisfied or (ii) any Subsidiary of the Ultimate Parent (as defined in Schedule 7 (*Definitions*) of the New VFZ Facilities Agreement (other than a Subsidiary of the New VFZ Facilities Borrower, VZ Financing II B.V. or a Permitted Affiliate Parent) (an “**Affiliate Subsidiary**”) as members of the Group for the purposes of the New VFZ Facilities Agreement, subject to certain conditions being satisfied.

### ***Repayments and Prepayments***

The Excess Cash Loans will be repaid pursuant to prior notice from the Administrator confirming that the Issuer requires cash (i) for the purchase of Receivables, (ii) for the redemption of all or part of the Notes or (iii) for cash in connection with an Approved Exchange Offer; *provided that*, the New VFZ Facilities Borrower will also repay all outstanding Excess Cash Loans by one Business Day before the earlier of (i) the Termination Date relating to the Excess Cash Facility and (ii) any date for redemption of all the Notes in full.

The Interest Facility Loans will be repaid or deemed repaid (i) pursuant to prior notice from the Administrator confirming that the Issuer requires cash for payment of interest due and payable on the Notes (subject to the receipt of any Term Shortfall Payment as described under “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes—Payment of Interest on the Notes*”); (ii) in an amount equal to the Term Excess Arrangement Payment (as described under “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes—Payment of Interest on the Notes*”) if due and payable by the Issuer under the New VFZ Facilities Agreement); (iii) in an amount equal to the amount, if any, by which the amount standing to the credit of the Interest Proceeds Account (as defined in the New VFZ Facilities Agreement) will be insufficient to pay the interest due and payable by the Issuer on the Notes on any date for redemption of the Notes that is not an Interest Payment Date; or (iv) pursuant to prior notice from the Administrator confirming that the Issuer requires cash in connection with an Approved Exchange Offer; *provided that*, the New VFZ Facilities Borrower will also repay all outstanding Interest Facility Loans by one Business Day before the earlier of (i) the Termination Date relating to the Interest Facility and (ii) any date for redemption of all the Notes in full.

The Issue Date Facility Loans will be repaid on or before the Termination Date relating to the Issue Date Facility.

In addition to the repayments described above, the New VFZ Facilities Agreement will contain provisions in relation to voluntary prepayment. The indebtedness under the New VFZ Facilities Agreement may be voluntarily prepaid, as the New VFZ Facilities Borrower may prepay all of the loans under the New VFZ Facilities and cancel all of the commitments of the Issuer on three Business Days’ (or shorter period as agreed by the Administrator) prior notice, subject to certain provisions. Following receipt of notice from the Issuer that a Tax Event has occurred or will occur, on three Business Days’ (or shorter period as agreed by the Administrator) prior notice, the New VFZ Facilities Borrower is permitted to prepay all of the Loans and cancel all of the commitments of the Issuer, subject to certain provisions. For so long as a Drawstop Event (as defined in the New VFZ Facilities Agreement) has occurred and is continuing, on three Business Days’ (or shorter period as agreed by the Administrator) prior notice, the New VFZ Facilities Borrower is permitted to prepay all or part of the Interest Facility Loans and/or Excess Cash Loans, but such prepayment shall not result in the cancellation of the commitments of the Issuer. Additionally, if the New VFZ Facilities Borrower determines that the Issuer is required to be consolidated into the financial statements of the Reporting Entity, the New VFZ Facilities Borrower may on or prior to 30 days after the Issue Date, on three Business Days’ (or shorter period as agreed by the Administrator) prior notice, subject to certain provisions, voluntary prepay all of the loans and cancel all of the commitments of the Issuer under the New VFZ Facilities Agreement.

The New VFZ Facilities must also be prepaid (including all Assigned Receivables) on the occurrence of any illegality (as described in the New VFZ Facilities Agreement) subject to certain conditions.

### **Fees**

The New VFZ Facilities Borrower and the Issuer will pay each other fees at the times and in the amounts as described under “*General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes—Payment of Interest on the Notes*”.

### **Summary of New VFZ Facilities Agreement**

A summary of the New VFZ Facilities Agreement is set forth below. This summary is qualified in its entirety by reference to the text of the New VFZ Facilities Agreement, a copy of which is attached as Annex A to this Offering Circular and which is incorporated herein by reference.

**Borrower:** VZ Financing I B.V.

**Guarantors:** VoafoneZiggo, VZ Financing I B.V. and VZ Financing II B.V.

Any Obligor Subsidiary which accedes to the APMSA in accordance with its terms shall also be a guarantor under the New VFZ Facilities Agreement, and any Obligor Subsidiary which resigns from the APMSA in accordance with its terms (and the terms of the Agency and Account Bank Agreement) shall cease to be a guarantor under the New VFZ Facilities Agreement.

**Lender:** VZ Vendor Financing B.V.

**Group:** Group means:

The New VFZ Facilities Borrower, VZ Financing II B.V., any Permitted Affiliate Parent, any Affiliate Subsidiary and any Subsidiary of the New VFZ Facilities Borrower, VZ Financing II B.V. or a Permitted Affiliate Parent from time to time, other than any Unrestricted Subsidiary.

“**Unrestricted Subsidiary**” means:

(a) any Subsidiary of the New VFZ Facilities Borrower, VZ Financing II B.V., or a Permitted Affiliate Parent that at the time of determination is designated an Unrestricted Subsidiary by the Board of Directors of the New VFZ Facilities Borrower, VZ Financing II B.V., or a Permitted Affiliate Parent; and

(b) any Subsidiary of an Unrestricted Subsidiary.

**Administrator:** The Bank of New York Mellon, London Branch.

**Increase Confirmation** At the time of any issuance of Further Notes, the Issuer, the Administrator and the New VFZ Facilities Borrower shall, by executing an Increase Confirmation (as defined in the New VFZ Facilities Agreement), increase the commitments under the Excess Cash Facility, the Interest Facility and the Issue Date Facility, if applicable, by including new commitments of the Issuer on the terms set out in the New VFZ Facilities Agreement.

**Purpose:**

(a) The Excess Cash Loans shall be applied toward the general corporate and working capital purpose of the Group.

(b) The Interest Facility Loans shall be applied towards the general corporate and working capital purposes of the Group.

- (c) The Issue Date Facility Loans shall be applied towards the general corporate and working capital purposes of the Group.

**Interest:**

The interest rate for each interest period on:

- (a) the Excess Cash Loans will be % per annum;
- (b) the Interest Facility Loans will be 0% per annum, and
- (c) the Issue Date Facility Loans will be % per annum.

Interest will accrue daily from and including the first day of an interest period and is payable on the date that is one Business Day before the last day of each interest period and on the date of any repayment or prepayment of a Loan, and is calculated on the basis of a 360-day year comprised of twelve 30 day months.

**Utilisation**

So long as (i) no Drawstop Event (as defined in the New VFZ Facilities Agreement) has occurred and is continuing and (ii) no Notes Acceleration Event (as defined in the New VFZ Facilities Agreement) has occurred:

- (a) Excess Cash Loans will be funded in the amounts and at the times described in “*Excess Cash Facility*”.
- (b) Interest Facility Loans will be funded in the amounts and at the times described in “*Interest Facility*”.
- (c) The Issue Date Facility Loans will be funded in the amount and at the time described in “*Issue Date Facility*”.

**Repayment:**

The Excess Cash Loans will be repaid pursuant to prior notice from the Administrator confirming that the Issuer requires cash (i) for the purchase of Receivables, (ii) for the redemption of all or part of the Notes or (iii) for cash in connection with an Approved Exchange Offer; provided that, the New VFZ Facilities Borrower will also repay all outstanding Excess Cash Loans by one Business Day before the earlier of (i) the Termination Date relating to the Excess Cash Facility and (ii) any date for redemption of all the Notes in full. Excess Cash Loans in a principal amount equal to the principal amount of any voluntary partial redemption of the Notes shall be repaid to the Issuer one Business Day before the relevant Notes Partial Redemption Date (as defined in the New VFZ Facilities Agreement).

The Interest Facility Loans will be repaid (i) pursuant to prior notice from the Administrator confirming that the Issuer requires cash for payment of interest due and payable on the Notes (subject to the receipt of any Term Shortfall Payment as described under “General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes—Payment of Interest on the Notes”, (ii) in an amount equal to the Term Excess Arrangement Payment (as described under the “General Description of VodafoneZiggo’s Business, the Issuer and the Offering—Overview of the Structure of the Offering of the Notes—Payment of Interest on the Notes”) which is due and payable under the New VFZ Facilities Agreement), (iii) in an amount equal to the amount, if any, by which the amount standing to the credit of the Interest Proceeds Account (as defined in the New VFZ Facilities Agreement) will be insufficient to pay the interest due and payable by the Issuer on the Notes on any date for redemption of the Notes that is not an Interest Payment Date or (iv) pursuant to prior notice from the



Administrator confirming that the Issuer requires cash in connection with an Approved Exchange Offer; provided that, the New VFZ Facilities Borrower will also repay all outstanding Interest Facility Loans by one Business Day before the earlier of (i) the Termination Date relating to the Interest Facility and (ii) any date for redemption of all the Notes in full.

One Business Day prior to the relevant Notes Partial Redemption Date, Interest Facility Loans shall be repaid in an amount equal to the lesser of (i) the amount of interest due to be paid on the Notes in connection with any voluntary partial redemption of the Notes *less* the amount standing to the credit of the Interest Proceeds Account one Business Day prior to the relevant Notes Partial Redemption Date and (ii) the principal amount of the Interest Facility Loans one Business Day prior to the relevant Notes Partial Redemption Date.

The Issue Date Facility Loans will be repaid in full on or before the Termination Date relating to the Issue Date Facility.

**Voluntary Prepayment:**

- (a) Following receipt of notice from the Issuer that a Tax Event has occurred or will occur, on three Business Days' (or shorter period as agreed by the Administrator) prior notice, the New VFZ Facilities Borrower is permitted to prepay all of the Loans and cancel all of the commitments of the Issuer, subject to certain provisions.
- (b) Voluntary prepayment by the New VFZ Facilities Borrower of all of the Loans and cancellation of all of the commitments of the Issuer is permitted on three Business Days' (or shorter period as agreed by the Administrator) prior notice, subject to certain provisions.
- (c) For so long as a Drawstop Event (as defined in the New VFZ Facilities Agreement) has occurred and is continuing, on three Business Days' (or shorter period as agreed by the Administrator) prior notice, the New VFZ Facilities Borrower is permitted to prepay all or part of the Interest Facility Loans and/or Excess Cash Loans; *provided that* such prepayment shall not result in the cancellation of the commitments of the Issuer.
- (d) In respect of a partial redemption of Notes, on three Business Days' (or shorter period as agreed by the Administrator) prior notice, the New VFZ Facilities Borrower shall give notice of the date for a voluntary prepayment of all or part of the Excess Cash Loans and cancellation of the commitments of the Issuer in an amount equal to the principal amount of any voluntary partial redemption of the Notes one Business Day prior to the relevant Notes Partial Redemption Date (as defined in the New VFZ Facilities Agreement) and prepay Interest Facility Loans in an amount equal to the lesser of (i) the amount of interest due to be paid on the Notes in connection with any voluntary partial redemption of the Notes *less* the amount standing to the credit of the Interest Proceeds Account one Business Day prior to the prior to the relevant Notes Partial Redemption Date and (ii) the principal amount of the Interest Facility Loans one Business Day prior to the relevant Notes Partial Redemption Date. Such Excess Cash Loans and Interest Facility Loans shall be repaid to the Issuer one Business Day prior to the relevant Notes Partial Redemption Date.
- (e) If the New VFZ Facilities Borrower determines that the Issuer is required to be consolidated into the financial statements of the

Reporting Entity, the New VFZ Facilities Borrower may on or prior to 30 days after the Issue Date, on three Business Days' (or shorter period as agreed by the Administrator) prior notice, subject to certain provisions, voluntarily prepay all of the loans and cancel all of the commitments of the Issuer under the New VFZ Facilities Agreement.

**Change of Control Prepayment Offer:** Within 30 Business Days of a Change of Control, the New VFZ Facilities Borrower shall (i) promptly notify the Issuer that a Change of Control has occurred or will occur; and (ii) offer to prepay all of the Loans outstanding and cancel the facilities under the New VFZ Facilities Agreement at par, specifying the date of prepayment (the “**VFZ Change of Control Prepayment Date**”). Within 15 days following receipt of such prepayment offer, the Issuer will launch a Maturity Consent Solicitation (as defined in the Trust Deed). Within 45 days following receipt of such prepayment offer, the Issuer shall notify the New VFZ Facilities Borrower of its acceptance (a “**Change of Control Acceptance**”) or rejection of the prepayment offer. Following a Change of Control Acceptance, on the VFZ Change of Control Prepayment Date, the commitments of the Issuer will immediately be cancelled and the New VFZ Facilities Borrower shall repay the Loans. The New VFZ Facilities Borrower shall procure that any and all Assigned Receivables are repaid or prepaid on or prior to the VFZ Change of Control Prepayment Date.

**Cancellation:** Any unutilized amount of a Facility will be cancelled on the earlier of; (i) the end of its Availability Period (as defined in the New VFZ Facilities Agreement); and (ii) the redemption of all of the Notes in full.

**Information Undertakings:**

- (a) If a change in law or the status of the New VFZ Facilities Obligors or its shareholders, obliges the Administrator or the Issuer to comply with “know our customer laws”, the New VFZ Facilities Obligors must promptly supply the necessary information.
- (b) The New VFZ Facilities Borrower must notify the Administrator of any Default or Event of Default within 30 days after the occurrence of any Default or Event of Default.

**Reporting Undertakings:** The New VFZ Facilities Borrower, VZ Financing II B.V. or any Permitted Affiliate Parent must provide:

- (a) within 150 days after the end of each fiscal year, an annual report of the Reporting Entity.
- (b) within 60 days at the end of the first three fiscal quarters in each fiscal year, a quarterly report of the Reporting Entity.
- (c) within 10 days after the occurrence of any change in the independent public accountants of the Reporting Entity (unless such change is made in conjunction with a change in the auditor of the Ultimate Parent), any material acquisition or disposal of the Reporting Entity and its Restricted Subsidiaries, taken as a whole, and any material development in the business of the Reporting Entity and its Restricted Subsidiaries, taken as a whole.

**Negative Undertakings:** The New VFZ Facilities Agreement contains certain negative undertakings that, subject to certain customary and other agreed

exceptions, limit the ability of the New VFZ Facilities Borrower, VZ Financing II B.V., any Permitted Affiliate Parent and each Restricted Subsidiary to, amongst other things:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- pay dividends, redeem capital stock and make certain investments;
- make certain other restricted payments;
- create or permit to exist certain liens;
- impose restrictions on the ability of Restricted Subsidiaries to pay dividends or make other payments to the New VFZ Facilities Borrower, VZ Financing II B.V., any Permitted Affiliate Parent or any other Restricted Subsidiary;
- transfer, lease or sell certain assets including subsidiary stock;
- merge or consolidate with other entities; and
- enter into certain transactions with affiliates.

**Events of Default:**

Customary for this type of agreement, including without limitation (and subject to agreed exceptions, thresholds, materiality and grace periods):

- (a) non-payment of any interest on any Loan when due, which is continuing for 30 days;
- (b) non-payment of principal or premium, if any, on any Loan when due at its Termination Date;
- (c) failure of any Obligor to comply with provisions of Finance Documents after 60 days' notice; provided that the New VFZ Facilities Borrower, VZ Financing II B.V. or the Permitted Affiliate Parent has 90 days to comply with filing requirements (including filing of annual, quarterly and current reports);
- (d) default under any mortgage, indenture or other instrument in respect of Indebtedness for borrowed money which results from non-payment under that instrument or causes acceleration under that instrument in respect of an amount of €100.0 million or more;
- (e) certain events of bankruptcy, insolvency, or reorganization of the New VFZ Facilities Borrower, VZ Financing II B.V., a Permitted Affiliate Parent, a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements delivered pursuant to the New VFZ Facilities Agreement), would constitute a Significant Subsidiary, have been commenced;
- (f) non-payment of final judgments in excess of €100.0 million by an Obligor or a Significant Subsidiary;
- (g) a guarantee of a Significant Subsidiary ceases to be in full force and effect or is declared invalid or unenforceable in a judicial proceeding and such default continues for 30 days after notice specified in the New VFZ Agreement.

<b>Tax:</b>	All payments must be made free and clear of any taxes or deductions or withholdings for taxes whatsoever except in relation to (i) a FATCA Deduction (as defined in the New VFZ Facilities Agreement) or (ii) a deduction or withholding for or on account of any Bank Levy; the New VFZ Facilities Borrower to gross-up if necessary such that amount received is equal to amount that would have been received in the absence of such taxes.
<b>Amendments and Waivers:</b>	Any term of the Finance Documents can be amended or waived only with the consent of the Issuer and the New VFZ Facilities Borrower.
<b>Transferability:</b>	<p>General restriction on the New VFZ Facilities Obligors assigning or transferring their interests under the New VFZ Facilities Agreement.</p> <p>The Issuer may not assign its rights and obligations under the New VFZ Facilities Agreement without the consent of any New VFZ Facilities Obligor except consent of the New VFZ Facilities Obligors is not required in connection with security in respect of its obligations under the Notes.</p>
<b>Law:</b>	English.
<b>Miscellaneous:</b>	The New VFZ Facilities Agreement contains service of process and submission to English jurisdiction clauses.

The New VFZ Facilities Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

#### **Expenses Agreement**

On the Issue Date, the Issuer will enter into the Expenses Agreement with VZ Financing I B.V., under which VZ Financing I B.V. will agree to pay, or reimburse the Issuer for, certain obligations of the Issuer, including in respect of the maintenance of the Issuer's existence, certain fees and expenses in relation to the issuance of Notes, the payment of certain tax liabilities of the Issuer (including any tax, withholding or deduction which is payable by or to be borne by the Issuer pursuant to any Transaction Document), the payment of Additional Amounts (as defined in Condition 9 ("*Taxation*")) pursuant to the Trust Deed following certain tax events, the payment of any premiums on any redemption pursuant to the Trust Deed and the payment of any additional interest required to be paid under the Notes on overdue principal and interest.

The Expenses Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

The Expenses Agreement will be governed by English law.

#### **Issuer Management Agreement**

On or prior to the Issue Date, the Issuer and the Managing Director will enter into the Issuer Management Agreement, pursuant to which the Managing Director performs various management functions on behalf of the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Issuer Management Agreement. In consideration for the foregoing, the Managing Director receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses.

The terms of the Issuer Management Agreement provide that either party may terminate the Issuer Management Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Issuer Management Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Issuer Management Agreement at any time by giving not less than 2 months' written notice to the other party. The termination of the Managing Director becomes effective only upon the appointment by the Issuer of a successor managing director.

The Issuer Management Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.

The Issuer Management Agreement is governed by Dutch law.

### **Issue Date Arrangements Agreement**

On or before the Issue Date, the New VFZ Facilities Borrower, the Issuer and the Foundation will enter into the Issue Date Arrangements Agreement. On the Issue Date and pursuant to the Issue Date Arrangements Agreement: (i) the New VFZ Facilities Borrower will pay to the Foundation an amount representing the proceeds of the Issue Date Shares required to be subscribed to by the Foundation (the “**Subscription Proceeds**”) and €100 as profit to be paid to the Foundation (the “**Subscriber Profit**”) in return for the Foundation procuring that the Issuer enters into certain Transaction Documents or amendments thereto on or prior to the Issue Date, and (ii) in consideration for the Issuer agreeing to enter into Transaction Documents and the payment by the New VFZ Facilities Borrower to the Foundation of the Subscription Proceeds and the Subscriber Profit, the Foundation will subscribe for, and the Issuer will allot an amount of the Issuer’s ordinary shares equal to the Minimum Issuer Capitalization Amount (the “**Issue Date Shares**”) credited as fully paid (together, the “**Issue Date Arrangements**”). None of the Issuer, the Foundation or the New VFZ Facilities Borrower will be obliged to satisfy their respective obligations under the Issue Date Arrangements Agreement unless the Issue Date Arrangements are completed simultaneously and the Conditions to Completion (as defined below) have been completed to the satisfaction of each of the Issuer, the Foundation and the New VFZ Facilities Borrower.

Following execution of the Issue Date Arrangements, the Issuer will lend the Subscription Proceeds to the New VFZ Facilities Borrower under the Issue Date Facility. Each of the Issuer, the Foundation and the New VFZ Facilities Borrower will agree, pursuant to the Issue Date Arrangements Agreement and for ease of settlement, that the New VFZ Facilities Borrower’s obligation to pay the Subscription Proceeds and Subscriber Profit to the Foundation and the Foundation’s obligation to pay the Subscription Proceeds to the Issuer and the Issuer’s obligation to fund an Issue Date Facility Loan in an amount equal to the Subscription Proceeds to the New VFZ Facilities Borrower shall all be settled, to the extent possible, on a cashless basis. Thus, in practice, nearly all of the payment by the New VFZ Facilities Borrower to the Foundation will ultimately be lent back to the New VFZ Facilities Borrower under the Issue Date Facility, and the sole payment to be made on the Issue Date pursuant to the Issue Date Arrangements Agreement shall be an amount of €100 representing the Subscriber Profit payable by the New VFZ Facilities Borrower to the Foundation in satisfaction of the net amount outstanding after setting off all payments due by each of the Issuer, the Foundation and the New VFZ Facilities Borrower in connection with the Issue Date Arrangements and the funding of the Issue Date Facility Loan.

Completion of the subscription for the Issue Date Shares, if any, by the Foundation will be dependent upon the following conditions (the “**Conditions to Completion**”) having been satisfied: (i) the Foundation, in its capacity as the existing shareholder and holder of the Existing Shares, having caused a resolution by it to be passed to issue the Issue Date Shares in accordance with the terms of the Issue Date Arrangements Agreement; and (ii) each of the Issuer, the Foundation and the New VFZ Facilities Borrower having entered into each Transaction Document to which it is party on the Issue Date. Upon satisfaction of the Conditions to Completion and the subscription by the Foundation for the Issue Date Shares, the Issuer shall, *inter alia*, enter into the applicable Transaction Documents and deliver certain documents (including copies of the resolutions required, and minutes of the board meeting held, pursuant to the Conditions to Completion) to the Foundation.

As of the date of the Issue Date Arrangements Agreement, the Issuer and the Foundation (in its capacity as holder of the Existing Shares) will each represent and warrant to the Foundation (in its capacity as subscriber formed under the laws of the Netherlands of the Issue Date Shares) that, *inter alia*: (i) following the Foundation’s subscription for the Issue Date Shares, the Shares comprise the whole of the allotted and issued share capital of the Issuer; (ii) save for any agreement to the contrary described in the Transaction Documents (including the Issue Date Arrangements agreed to in the Issue Date Arrangements Agreement), there is no Encumbrance (as defined in the Issue Date Arrangements Agreement) nor any agreement, arrangement or obligation to create or give any Encumbrance affecting any of the Shares or any of the issued or unissued shares of the Issuer, nor any agreement, arrangement or obligation in force which calls for the present or future allotment, issue or transfer of any share or loan capital of the Issuer, and no share or loan capital has been created, allotted, issued, acquired, repaid or redeemed by the Issuer; (iii) the Shares are fully paid up or credited as fully paid up; and (iv) the execution or performance of the Issue Date Arrangements Agreement and all other applicable Transaction Documents will not give rise to, or cause to become exercisable, any right of pre-emption over the Issue Date Shares, will not entitle any person to receive from the Issuer any finder’s fee, brokerage or other commission in



connection with the subscription by the Foundation for the Issue Date Shares, and will not conflict with, result in the breach of, or constitute a default under, any of the terms, conditions or other provisions of any other agreement to which the Issuer is party or any provision of its Articles of Association.

The Issue Date Arrangements Agreement will contain standard limited recourse and non-petition provisions with respect to the Issuer.

The Issue Date Arrangements Agreement will be governed by Dutch law.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes in the form (subject to completion and amendment) in which they will be set out in the Trust Deed. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, and the Agency and Account Bank Agreement and the other Transaction Documents (each as defined below).*

The €400,000,000 aggregate principal amount of % Vendor Financing Notes due 2024 (the “**Notes**”) of VZ Vendor Financing B.V. (the “**Issuer**”) are constituted by a trust deed (as amended, amended and restated, novated, supplemented or otherwise modified from time to time, the “**Trust Deed**”) to be dated 2019 (the “**Issue Date**”) between, among others, the Issuer, BNY Mellon Corporate Trustee Services Limited (in this capacity, together with any successor, substitute or replacement the “**Notes Trustee**”) as trustee for the holders of the time being of the Notes (the “**Noteholders**”) and security trustee (in this capacity, together with any successor, substitute or replacement, the “**Security Trustee**”) as security trustee for the Secured Parties. The Notes Trustee will not accede to the Group Priority Agreement or the Holdco Priority Agreement and the Noteholders will not be bound by the terms of these intercreditor arrangements.

The expression “**Notes**” shall in these Conditions, unless the context otherwise requires, include the Notes offered hereby as well as any Further Notes (as defined below) issued pursuant to Condition 20 (*Issue of Further Notes*). Any Further Notes which are issued shall form a single class with the Notes issued on the Issue Date then outstanding. The Notes are subject to these terms and conditions (the “**Conditions**”).

### Overview of the Structure of the Offering of the Notes

As part of the Transactions, the Issuer intends to issue €400,000,000 aggregate principal amount of the Notes. As more fully described below, the proceeds from the offering of the Notes will be used to purchase eligible payment obligations and accounts receivable relating thereto owing by VodafoneZiggo and certain of its subsidiaries, to make certain loans available to the New VFZ Facilities Borrower and for the other purposes described herein. Defined terms used but not defined herein have the meaning ascribed to them in the “*Definitions*” section.

In the course of their business, VodafoneZiggo and its subsidiaries purchase goods and/or services from suppliers pursuant to the terms of various supply contracts, and those suppliers issue invoices requiring the relevant Buyer Entity (as defined below) to make payment for the purchase of such goods and/or services on the terms specified in the applicable invoice and supply contract. Each invoice evidences an amount payable by a Buyer Entity to a Supplier (as defined below) as a result of an existing business relationship and includes all rights attaching thereto under the relevant contract to which such invoice relates and the SCF Platform Documents (as defined below) (as defined and further described in “*Description of the Receivables*” included elsewhere in this Offering Circular, each, a “**Receivable**” and collectively, the “**Receivables**”). From time to time, a Buyer Entity may upload an Electronic Data File containing details of Receivables payable to a Supplier (as defined in Condition 1 (*Definitions and Principles of Construction*)) on to the SCF Platform (as defined below) (an “**Upload**”). The designation of such uploaded Receivables as “approved” by a Buyer Entity (an “**Approved Platform Receivable**”) will initially give rise to an independent and primary obligation by VodafoneZiggo to make payment or cause payment to be made to the Relevant Recipient on the Confirmed Payment Date (as defined below) in respect of such Approved Platform Receivable (a “**Parent Payment Obligation**”). As permitted in accordance with the terms pursuant to which the relevant assets were acquired and/or services supplied, the relevant Buyer Entity will specify, in such Electronic Data File, the date on which such Parent Payment Obligation and the related Receivable will be paid (which date will be either the original invoice date or a date up to 360 days from the original invoice date, each, a “**Confirmed Payment Date**”).

As part of its participation in the SCF Platform, each Supplier has agreed that it will offer to sell Parent Payment Obligations and the related Receivables to the Platform Provider (as defined in Condition 1 (*Definitions and Principles of Construction*)). In such cases, the Platform Provider may purchase the relevant Parent Payment Obligation and such related Receivable from the Supplier at a price intended to be equal to the original face value of the invoice owed to the Supplier (as further described below under “*SCF Platform Documents—Discounted Payments Purchase Agreements*”).

Upon each sale and assignment of a Parent Payment Obligation and the related Receivable from the Supplier to the Platform Provider through the SCF Platform (each, an “**Initial Transfer**”), each Obligor will become jointly and severally liable with each other Obligor to make payment or cause payment to be made to the

Relevant Recipient on the Confirmed Payment Date in respect of such Parent Payment Obligation (such Parent Payment Obligation, as enhanced by the joint and several payment undertaking of each Obligor, a **“Payment Obligation”**). Pursuant to the Framework Assignment Agreement (as defined below), the Platform Provider may subsequently offer to sell and assign to the Issuer, on a non-recourse basis, eligible Payment Obligations and the related Receivables (solely to the extent that such Receivables have been acquired by the Platform Provider) (collectively and as further described and defined below, the **“VFZ Accounts Receivable”**).

On or about the Issue Date, the Issuer will use the net proceeds from the offering of the Notes *plus* any upfront payment payable by the New VFZ Facilities Borrower under the New VFZ Facilities Agreement (as defined below) to finance the purchase of eligible VFZ Accounts Receivable pursuant to the terms and conditions of the Framework Assignment Agreement. To the extent that such proceeds from the offering of the Notes exceed the amount of VFZ Accounts Receivable available for purchase by the Issuer on the first Value Date (as defined below) falling on or after the Issue Date, the Issuer will advance any such excess proceeds to the New VFZ Facilities Borrower as a revolving loan under the New VFZ Facilities Agreement (an **“Excess Cash Loan”**, and collectively with other loans advanced under the Excess Cash Facility (as defined below) from time to time, the **“Excess Cash Loans”**).

Following the Issue Date, as VFZ Accounts Receivable purchased by the Issuer (the **“Assigned Receivables”**) are settled on their respective Confirmed Payment Dates (as defined below), the Platform Provider (acting as collection agent for the Issuer under the Framework Assignment Agreement) will receive an amount from the relevant Obligor (a **“Collected Amount”**) towards repayment of an amount equal to the Outstanding Amount (as defined below) relating to such Assigned Receivables. The Issuer will use the Collected Amount, *less* the portion of such Collected Amount comprising Premium (as defined below) (each such difference, a **“Collected Principal Amount”**), to purchase (through the Platform Provider) new VFZ Accounts Receivable, to the extent available for purchase, or to advance such funds to the New VFZ Facilities Borrower as additional Excess Cash Loans. Excess Cash Loans will bear a rate of interest of \_\_\_\_%. The rate of interest on the Excess Cash Loans, together with the interest earned on the Issue Date Facility Loans (as defined below) under the Issue Date Facility (as defined below), is intended to provide the Issuer with the same rate of return in respect of the Committed Principal Proceeds (as defined below) not invested in VFZ Accounts Receivable (including any Retained Collected Amount (as defined below)) as Noteholders will receive in respect of the Notes. Interest on the Excess Cash Loans and the Issue Date Facility Loans will be computed on the basis of a 360-day year comprising twelve 30-day months. From time to time, as further VFZ Accounts Receivable become available for purchase through the SCF Platform, the Issuer will, directly or indirectly, fund such purchases with Collected Principal Amounts and any Purchase Price Return Amounts (as defined below) which are expected to be credited to the Issuer on the relevant Value Date (such amounts, collectively, **“Interim Platform Amounts”**), and to the extent such purchases cannot be fully funded by Interim Platform Amounts, by demanding from the New VFZ Facilities Borrower, on a weekly basis, repayment of a principal amount of Excess Cash Loans then outstanding equal to such shortfall.

The primary sources of payment of interest on the Notes will be:

1. the premium earned by the Issuer on Assigned Receivables (the **“Premium”**), being an amount equal to the difference between (i) the Outstanding Amounts (as further defined and described below under *“Purchases and Collections of VFZ Accounts Receivable—The Framework Assignment Agreement”*) collected upon maturity thereof, *less* (ii) the Purchase Price Amounts (as further defined and described below under *“Purchases and Collections of VFZ Accounts Receivable—The Framework Assignment Agreement”*) at which such Assigned Receivables are initially purchased by the Issuer; and
2. the interest earned by the Issuer on Excess Cash Loans and the Issue Date Facility Loans made to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement (the **“VFZ Facilities Interest”**).

Additionally, the Issuer may, from time to time, receive interest paid by the Platform Provider on (i) Retained Collected Amounts (being Collected Amounts which have not been paid to the Issuer towards satisfaction of the relevant Outstanding Amount and not been used to purchase further VFZ Accounts Receivable) (such interest, the **“Retained Collected Amount Interest”**); (ii) Excess Requested Purchase Price Amounts (as defined below), being funds transferred to the Platform Provider which have not been applied towards the purchase of new VFZ Accounts Receivables on the relevant Value Date (such interest, the **“Excess Requested Purchase Price Interest”**); and (iii) funds exceeding the Requested Purchase Price Amount Aggregate Limit (as defined below) of €50.0 million (such excess, the **“Aggregate Amount Excess”**, collectively with the Excess Requested Purchase Price Amounts and Unutilised Collected Amounts (as defined

below), the “**Purchase Price Return Amounts**”), and which have not been repaid to the Issuer in accordance with the timeframe set out in the Framework Assignment Agreement (such interest, as further defined and described below, the “**Delayed Aggregate Amount Interest**”, collectively with the Retained Collected Amount Interest and the Excess Requested Purchase Price Interest, the “**Retained Amount Interest**”). The Retained Amount Interest will be calculated in accordance with the Framework Assignment Agreement (as described below) and the Agency and Account Bank Agreement (as described elsewhere in this Offering Circular), and will be deemed to accrue on the basis of a 360-day year comprised of twelve 30-day months.

The Premium, the VFZ Facilities Interest and the Retained Amount Interest are, collectively, the “**Interest Proceeds**”. To the extent the Interest Proceeds earned during an interest payment period are insufficient to fund scheduled payments of interest on the Notes, the deficiency will be made up by the New VFZ Facilities Borrower via a Shortfall Payment (as defined below) to be paid to the Issuer.

The primary sources of repayment of principal on the Notes, on the Maturity Date or at early redemption of the Notes in accordance with the Conditions, will be:

1. the Collected Principal Amounts repaid in respect of Assigned Receivables at their respective maturities; and
2. repayments of Excess Cash Loans and (with respect to repayment of principal on the Maturity Date of the Notes or at early redemption of the Notes in accordance with the Conditions) Issue Date Facility Loans.

Additionally, the Issuer may, from time to time, receive repayments from the Platform Provider of Purchase Price Return Amounts (if any), which will be applied towards repayment of principal on the Notes on the Maturity Date or at early redemption of the Notes in accordance with the Conditions.

Whether in respect of settlement of Assigned Receivables, repayment of loans advanced under the New VFZ Facilities Agreement or funding of any Shortfall Payment, among other payment obligations, the Issuer will ultimately be reliant on funds from the New VFZ Facilities Borrower and certain of its subsidiaries to make payments due under the Notes.

In connection with the Transactions, the Issuer will enter into the following agreements, among others:

1. the Framework Assignment Agreement, pursuant to which the Issuer will periodically use any Excess Cash to purchase available VFZ Accounts Receivable. References to “**Excess Cash**” are to uninvested funds in an amount equal to (i) the Committed Principal Proceeds, *minus* (ii) the Requested Purchase Price Amounts paid by the Issuer (taking into account any Interim Platform Amount) for any Assigned Receivables outstanding as of the relevant determination date;
2. the New VFZ Facilities Agreement, pursuant to which the Issuer will (i) make loans (each, an “**Interest Facility Loan**” and collectively, the “**Interest Facility Loans**”) to the New VFZ Facilities Borrower under the Interest Facility (as defined below), (ii) to the extent that VFZ Accounts Receivable are not available for purchase through the SCF Platform, use Excess Cash to make Excess Cash Loans to the New VFZ Facilities Borrower under the Excess Cash Facility, (iii) make any Issue Date Facility Loans to the New VFZ Facilities Borrower under the Issue Date Facility, and (iv) make certain payments to the New VFZ Facilities Borrower (including any Excess Arrangement Payment (as defined below)), and pursuant to which the New VFZ Facilities Borrower will make certain payments to the Issuer (including any Shortfall Payment);
3. the Expenses Agreement, pursuant to which the Issuer will be entitled to (i) receive reimbursement from the New VFZ Facilities Borrower in respect of certain fees and expenses of the Issuer, including certain fees and expenses in relation to the issuance of the Notes, and (ii) receive certain payments from the New VFZ Facilities Borrower in respect of amounts that may become due and payable in respect of the Notes, including certain fees and expenses in relation to the issuance of the Notes, certain tax liabilities of the Issuer, any Additional Amounts (as defined in the section titled “*Terms and Conditions of the Notes*”), any premiums on redemption of the Notes, and any interest on overdue amounts under the Notes; and
4. the Agency and Account Bank Agreement, pursuant to which The Bank of New York Mellon, London Branch as administrator will agree, among other things, to provide certain portfolio administration and calculation services to and/or on behalf of the Issuer.

The terms of the Expenses Agreement, the New VFZ Facilities Agreement (including the Interest Facility, the Excess Cash Facility and the Issue Date Facility thereunder), the Agency and Account Bank Agreement, the Framework Assignment Agreement and the related SCF Platform Documents are more fully described below under “*New VFZ Facilities*”, “*Purchases and Collections of VFZ Accounts Receivable—The Framework Assignment Agreement*”, “*SCF Platform Documents*”, and “*Summary of Principal Documents*” found elsewhere in this Offering Circular.

### ***Issuer Transaction Accounts***

As part of the Transactions, the Issuer will establish and maintain three dedicated transaction accounts:

1. an “**Issuer Collection Account**”, through which the Issuer will, among other things, receive payments of Collected Amounts on Assigned Receivables, other payments (if any) from the Platform Provider pursuant to the Framework Assignment Agreement, and payments of amounts under the New VFZ Facilities Agreement (with any such payments and amounts so received being immediately credited to the Interest Proceeds Account or the Principal Proceeds Account, as applicable);
2. an “**Interest Proceeds Account**”, through which the Issuer will, among other things, finance the payment of interest on the Notes; and
3. a “**Principal Proceeds Account**” (together with the Issuer Collection Account and the Interest Proceeds Account, the “**Issuer Transaction Accounts**”), through which the Issuer will, among other things, finance its periodic purchases of VFZ Accounts Receivable available through the SCF Platform and the ultimate repayment of principal on the Notes.

### ***The Interest Proceeds Account***

Subsequent to the Issue Date, and from time to time, the Issuer will deposit into the Interest Proceeds Account:

1. upon maturity and repayment of each Assigned Receivable, an amount equal to the Premium earned by the Issuer upon collection (collectively, the “**Collected Premium Amounts**”);
2. any Retained Amount Interest paid by the Platform Provider;
3. any VFZ Facilities Interest;
4. the proceeds from the repayment of any Interest Facility Loan; and
5. any Shortfall Payment paid by the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement.

Subsequent to the Issue Date and from time to time, the Issuer will use the funds available in the Interest Proceeds Account:

1. to fund the payment of interest on the Notes on each scheduled Interest Payment Date or otherwise upon redemption of the Notes;
2. to make Interest Facility Loans to the New VFZ Facilities Borrower on a daily basis; and
3. to fund payment of any Excess Arrangement Payment (as defined below), when due and payable, to the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement.

### ***The Principal Proceeds Account***

On the Issue Date, the Issuer will have an amount available for the purchase of VFZ Accounts Receivable equal to an amount (the “**Committed Principal Proceeds**”) representing the net proceeds of the Notes offered hereby, *plus* the net proceeds of the issuance of any Further Notes (as defined in the Conditions) *plus*, in each case, any upfront payments payable by the New VFZ Facilities Borrower pursuant to the New VFZ Facilities Agreement in connection therewith. On the Issue Date, the Committed Principal Proceeds will equal €400.0 million. On or about the Issue Date, the Issuer will (i) firstly, deposit into the Principal Proceeds Account an amount of the Committed Principal Proceeds equal to the amount required for the purchase of VFZ Accounts Receivable by the Issuer on the first Value Date falling on or after the Issue Date (a “**Requested Purchase Price Amount**”) (or will direct that payment be made directly for such purchase for its account by the common depository for Euroclear or Clearstream (or its nominee) (the “**Common Depository**”), and (ii) secondly, use any remaining Committed Principal Proceeds to fund an initial Excess Cash Loan to the New VFZ Facilities



Borrower under the Excess Cash Facility pursuant to the New VFZ Facilities Agreement. Subsequent to the Issue Date, and from time to time, the Issuer will deposit into the Principal Proceeds Account:

1. upon the maturity and repayment of each Assigned Receivable, an amount equal to the Collected Principal Amount on such Assigned Receivable which has been returned to the Issuer upon the ultimate collection of such Assigned Receivable pursuant to the terms of the Framework Assignment Agreement;
2. any Purchase Price Return Amount paid by the Platform Provider to the Issuer pursuant to the terms of the Framework Assignment Agreement; and
3. the principal amount of any Excess Cash Loans or (with respect to the final repayment date) Issue Date Facility Loans repaid by the New VFZ Facilities Borrower.

Subsequent to the Issue Date and from time to time, the Issuer will use the funds available in the Principal Proceeds Account:

1. to purchase available VFZ Accounts Receivable through the SCF Platform;
2. to make Excess Cash Loans to the New VFZ Facilities Borrower on a daily basis, and
3. upon the maturity of the Notes, to repay amounts outstanding under the Notes.

#### ***Purchases and Collections of VFZ Accounts Receivable—The Framework Assignment Agreement***

On or about the Issue Date, the Issuer, as purchaser, will enter into the Framework Assignment Agreement (as defined in Condition 1 (*Definitions and Principles of Construction*)) with, among others, the Platform Provider, VodafoneZiggo as the parent (the “**Buyer Parent**”) and The Bank of New York Mellon, London Branch as administrator. Under the Framework Assignment Agreement, from time to time commencing on the Issue Date, the Issuer may purchase and have assigned to it on a non-recourse basis, up to the total amount of Committed Principal Proceeds, and the Platform Provider may sell and assign on a non-recourse basis, eligible VFZ Accounts Receivable that are made available by Suppliers and uploaded by the Buyer Entities to the SCF Platform. For purposes of this overview, “**VFZ Account Receivable**” means a Payment Obligation and the Receivable in respect of which such Payment Obligation has arisen, solely to the extent that such Receivable has been acquired by the Platform Provider.

Each VFZ Account Receivable to be purchased by the Issuer must meet, and the Buyer Parent will represent and warrant (on behalf of itself and as agent for the Buyer Entities) on the date of each sale and assignment of any VFZ Account Receivable from the Platform Provider to the Issuer (each such date, an “**Assignment Date**”) in accordance with the Framework Assignment Agreement, that such VFZ Account Receivable meets, the following eligibility criteria: that such VFZ Account Receivable (i) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is owed by the Obligor on a joint and several basis; (ii) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is governed by English law; (iii) is denominated in euros; (iv) (with respect to the Payment Obligation component of such VFZ Account Receivable only) is the legal, valid and binding obligation of each Obligor; (v) is capable of being freely and validly transferred in the manner provided by the Framework Assignment Agreement, so that on purchase the Issuer will receive good title; (vi) is due and payable in full without any right of set-off, counterclaim or deduction in favour of the Buyer Entities; and (vii) has a maturity date that is no later than two Business Days prior to the Maturity Date of the Notes. For a further description of the VFZ Accounts Receivable, see “*Description of the Receivables*” included elsewhere in this Offering Circular. Additionally, immediately prior to each Assignment Date, the Platform Provider will represent and warrant that it is entitled to assign the relevant Payment Obligation pursuant to the terms of the Framework Assignment Agreement, and that it has not assigned, transferred or otherwise disposed of, or created any encumbrance or security interest over, such Payment Obligation. Furthermore, the Platform Provider will undertake that it will not, without the consent of the Issuer, take any action that would adversely affect a Payment Obligation or the Issuer’s interest(s) therein (as further described in “*Summary of Principal Documents—Framework Assignment Agreement*” included elsewhere in this Offering Circular).

Each Payment Obligation will be the joint and several obligation of the New VFZ Facilities Borrower and each of the New VFZ Facilities Obligor (as defined below). On the Issue Date, the eligible Obligor will be VodafoneZiggo and VZ Financing II B.V. (each, a “**New VFZ Facilities Obligor**” and collectively, the “**New VFZ Facilities Obligor**”), and together with the New VFZ Facilities Borrower, the “**Obligor**”).

#### ***Purchases of VFZ Accounts Receivable with Requested Purchase Price Amounts***

On or following the Issue Date (as further described in “*Capitalization of VodafoneZiggo*” included elsewhere in this Offering Circular), the Platform Provider is expected to sell and assign to the Issuer VFZ

Accounts Receivable for a Requested Purchase Price Amount of €400.0 million, which the Issuer will fund with all or a portion of the Committed Principal Proceeds. See “*Use of Proceeds*”. It is expected that the Issuer will complete its initial purchases of new and existing VFZ Accounts Receivable by 31 March 2020. In connection with such sale and assignment, the Platform Provider will deliver to the Issuer:

1. an assignment framework note (substantially in the form attached to the Framework Assignment Agreement, an “**Assignment Framework Note**”) to be accepted and agreed to by the Issuer, pursuant to which the Issuer will agree, among other things, to purchase Payment Obligations (and the Receivables related thereto, solely to the extent that such Receivables have been acquired by the Platform Provider), in whole but not in part, at the relevant Purchase Price Amounts in an aggregate amount equal to a limit (in respect of purchased Payment Obligations which have not been settled) specified therein (the “**Purchase Limit**”); and
2. one or more notices related to such Assignment Framework Note (substantially in the form attached to the Framework Assignment Agreement, each an “**Assignment Notice**”) instructing the Issuer to pay to the Platform Provider, as consideration for the sale and assignment of the relevant VFZ Accounts Receivable, a requested amount (a “**Requested Purchase Price Amount**”) on the date falling five Business Days following receipt by the Issuer of such Assignment Notice (a “**Value Date**”).

As used herein, a “**Purchase Price Amount**” means, in relation to any VFZ Account Receivable, an amount equal to the Outstanding Amount (as defined below) of such VFZ Account Receivable *less* the Applied Discount (as defined in the context of the Framework Assignment Agreement) (as defined below) calculated as at the relevant Assignment Date. “**Outstanding Amount**” means, with respect to a Payment Obligation, an amount equal to (i) the gross amount of the Approved Platform Receivable in respect of which the Payment Obligation arose, *less* (ii) the sum of all Credit Notes (as defined below under “*SCF Platform Documents—Accounts Payable Management Services Agreement*”) allocated to that Payment Obligation pursuant to the terms of the APMSA. “**Applied Discount**” refers (i) in the context of the APMSA, to the discount amount that the Platform Provider will deduct from the Certified Amount (as defined below under “*SCF Platform Documents—Accounts Payable Management Services Agreement*”) in case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement and (ii) in the context of the Framework Assignment Agreement, to the discount amount that the Platform Provider will deduct from the Certified Amount in the case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement, *less* the processing fee due to the Platform Provider specified in the APMSA (which will initially be 0.20%) (the “**Platform Provider Processing Fee**”).

From time to time following the Issue Date, the Platform Provider may, at its discretion (but not more than once per week prior to the service of a notice of termination (as further described below)) and to the extent that the Requested Purchase Price Amount specified in such Assignment Notice together with all other outstanding Requested Purchase Price Amounts which have not been applied towards the purchase of VFZ Accounts Receivable would not exceed €50.0 million at such time (the “**Requested Purchase Price Amount Aggregate Limit**”), serve further Assignment Notices (which may also be Primary Assignment Notices (as defined and further described below under “*—Collections on Assigned Receivables and Further Purchases of VFZ Accounts Receivable with Collected Principal Amounts*”)) to the Issuer pursuant to the relevant Assignment Framework Note.

Following the receipt of an Assignment Notice, so long as no Non-Compliance Event (as defined below) has occurred and is continuing, the Issuer will pay, on the relevant Value Date, the relevant Requested Purchase Price Amount (which may be adjusted as further described below) to the Platform Provider, which shall have the effect of the Platform Provider immediately selling and assigning, without further action on the part of any person or entity, all of its rights, title and interest in and to the relevant Payment Obligations (and the Receivables related thereto, solely to the extent that such Receivables have been acquired by the Platform Provider) at the relevant Purchase Price Amounts to the Issuer pursuant to the relevant Assignment Framework Note (an “**Assignment**”). The Requested Purchase Price Amount (and the corresponding VFZ Accounts Receivable) will be adjusted if the aggregate of all Requested Purchase Price Amounts, together with (without double counting) the aggregate of all Purchase Price Amounts in respect of outstanding Assigned Receivables would be higher than the relevant Purchase Limit specified in that Assignment Framework Note. In such event, the Issuer must notify the Platform Provider within two Business Days of receipt of the relevant Assignment Notice (i) of such circumstance and (ii) that the Requested Purchase Price Amount will (A) be reduced to equal the amount which would cause the aggregate Requested Purchase Price Amount, together with (without double counting) the aggregate of all Purchase Price Amounts in respect of outstanding Assigned Receivables to equal such Purchase Limit and/or (B) cancelled to the extent necessary such that the relevant assignment is for the whole, and not part, of the VFZ Accounts Receivable.

The Issuer will not be obliged to pay a Requested Purchase Price Amount specified in an Assignment Notice if any of the following events (each, a **“Non-Compliance Event”**) have occurred and is continuing (provided that the Issuer notifies the Platform Provider, within two Business Days of the receipt of such Assignment Notice, that one or more Non-Compliance Events have occurred and of the Issuer’s intention not to comply with such Assignment Notice): (i) if the Framework Assignment Agreement or relevant Assignment Framework Note has been terminated prior to the date of such Assignment Notice; (ii) if the terms and conditions of such Assignment Notice materially deviate from the terms and conditions of the Framework Assignment Agreement or the relevant Assignment Framework Note; (iii) if an Obligor Event of Default (as defined below) is continuing in respect of any Obligor; and/or (iv) if a specified insolvency event occurs in respect of the Platform Provider which directly results in the Platform Provider not continuing its business as contemplated under the Framework Assignment Agreement. If, following the receipt of a Requested Purchase Price Amount on a Value Date, the Platform Provider has acquired (or determines that it will on such Value Date acquire) insufficient VFZ Accounts Receivable to apply the whole of the Requested Purchase Price Amount received on such Value Date, the Platform Provider will either (i) serve, on such Value Date, one or more notices (substantially in the form set out in the Framework Assignment Agreement, each, a **“Purchase Price Return Notice”**) to the Issuer and, on the Business Day following the date of such Purchase Price Return Notice (a **“Settlement Date”**), pay to the Issuer Collection Account, the excess Requested Purchase Price Amount not applied towards the purchase of VFZ Accounts Receivable (such excess, the **“Excess Requested Purchase Price Amount”**); or (ii) retain such Excess Requested Purchase Price Amount for a period of up to four Business Days following such Value Date (an **“Excess Retention Period”**, and the final day thereof (which, at the Platform Provider’s discretion, may occur prior to the fourth Business Day following such Value Date), the **“Excess Retention Period End Date”**) to be applied towards the purchase of any VFZ Accounts Receivable arising during such Excess Retention Period. If the Platform Provider chooses to retain such Excess Requested Purchase Price Amount, it further agrees that (i) if the Platform Provider acquires any VFZ Accounts Receivable during such Excess Retention Period, it will sell and assign such VFZ Accounts Receivables to the Issuer (and the Platform Provider will be deemed to have served an Assignment Notice in respect of such Assigned Receivables); and (ii) on the Business Day prior to the Excess Retention Period End Date, the Platform Provider will serve a Purchase Price Return Notice in respect of any remaining Excess Requested Purchase Price Amount to the Issuer, and subsequently pay such remaining Excess Requested Purchase Price Amount to the Issuer Collection Account on such Excess Retention Period End Date, together with all Excess Requested Purchase Price Interest (as defined below) due in respect thereof. **“Excess Requested Purchase Price Interest”** shall accrue daily at the Funding Rate, calculated on any Excess Requested Purchase Price Amount retained by the Platform Provider (and not applied towards the purchase of VFZ Accounts Receivable), from (and including) the first day of the relevant Excess Retention Period to (and including) the relevant Excess Retention Period End Date, or such later date on which the Issuer receives such Excess Requested Purchase Price Amount together with all interest due in respect thereof. As used herein, **“Funding Rate”** means a rate equal to the per annum margin specified in Clause 13.1 of the APMSA (less the Platform Provider Processing Fee) over 1-month EURIBOR; *provided that* if 1-month EURIBOR is less than zero, 1-month EURIBOR shall be deemed to be zero.

Additionally, if on any Business Day the aggregate Requested Purchase Price Amounts held by the Platform Provider (and not applied towards the purchase of VFZ Accounts Receivable) exceeds the Requested Purchase Price Amount Aggregate Limit (such excess, an **“Aggregate Amount Excess”**), the Platform Provider will immediately serve a Purchase Price Return Notice in respect of such Aggregate Amount Excess, and pay such Aggregate Amount Excess to the Issuer Collection Account on the relevant Settlement Date. Any Aggregate Amount Excess not returned to the Issuer by the relevant Settlement Date (such amount, a **“Delayed Aggregate Amount”**) shall accrue interest daily at the Funding Rate, calculated from (and including) such Settlement Date to (and including) such later date on which the Issuer receives the Delayed Aggregate Amount, together with all interest due in respect thereof (the **“Delayed Aggregate Amount Interest”**).

#### *Collections on Assigned Receivables and Further Purchases of VFZ Accounts Receivable with Collected Principal Amounts*

Prior to the service of an Obligor Enforcement Notification (as defined and further described below), the Platform Provider will act as collection agent for the Issuer in respect of any Collected Amounts received or recovered relating to Assigned Receivables, in accordance with the SCF Platform Documents. Except in circumstances where certain Collected Principal Amounts are applied towards the purchase of new VFZ Accounts Receivable (as further described below), the Platform Provider will apply any Collected Amount, within one Business Day of receipt or recovery thereof (such scheduled date of application, a **“Collected Amount Forwarding Date”**), in or towards the repayment to the Issuer of an amount equal to the Outstanding Amount of the relevant Assigned Receivables (to the extent that such Assigned Receivables remain outstanding and has not been settled or otherwise paid to the Issuer).

From time to time, the Platform Provider may serve an Assignment Notice (a “**Primary Assignment Notice**”) which states that any Collected Principal Amounts in respect of Assigned Receivables relating to such Primary Assignment Notice are to be treated as further payments of Requested Purchase Price Amounts. So long as (i) no Non-Compliance Event has occurred and is continuing (and in respect of which the Issuer has notified the Platform Provider that the purchase mechanics described in this paragraph will not apply), (ii) the Requested Purchase Price Amount Aggregate Limit will not be exceeded upon the deemed payment of the Requested Purchase Price Amount in the New Assignment Notice (as defined below), upon receipt by the Platform Provider of any Collected Amount on an Assigned Receivable relating to such Primary Assignment Notice, or (iii) no notice of termination has been served (as further described below), then (a) the Platform Provider will be deemed to have served an Assignment Notice on exactly the same terms as the Primary Assignment Notice, except for the Requested Purchase Price Amount (which will be equal to the Collected Principal Amount that would otherwise be due and payable to the Issuer) (such notice, the “**New Assignment Notice**”); and (b) the Platform Provider’s obligation to pay such Collected Principal Amount to the Issuer will be set off against the Issuer’s obligation to pay the Requested Purchase Price Amount under the New Assignment Notice. For the avoidance of doubt, the purchase mechanics described in this paragraph will not affect the Platform Provider’s obligation to pay to the Issuer any Premium on the relevant Collected Amount Forwarding Date. If, three Business Days following the service of a New Assignment Notice, the Platform Provider still holds any Collected Amounts which have not been utilised for the purchase of new VFZ Accounts Receivable (such amounts, “**Unutilised Collected Amounts**”), the Platform Provider will immediately serve a Purchase Price Return Notice to the Issuer in respect of such Unutilised Collected Amounts, and will pay such Unutilised Collected Amounts to the Issuer Collection Account on the relevant Settlement Date. The Platform Provider will pay the Issuer interest on any “**Retained Collected Amounts**” (being any Collected Amount which has not been paid to the Issuer towards satisfaction of the relevant Outstanding Amount and not been used to purchase further VFZ Accounts Receivable as described above). Interest on Retained Collected Amounts shall accrue daily at the Funding Rate, calculated from (and including) the relevant scheduled Collected Amount Forwarding Date to (and including) the relevant Settlement Date or such later date on which the Issuer receives the Retained Collected Amount, together with all interest due in respect thereof, as the case may be (the “**Retained Collected Amount Interest**”), and will be paid to the Issuer Collection Account on the relevant Settlement Date or such later date, as applicable.

#### *Obligor Events of Default and Obligor Enforcement Notification*

The Issuer may not serve (or cause or permit to be served) a notice to the Obligors informing them of an Assignment (an “**Obligor Enforcement Notification**”) prior to the occurrence of (i) a failure by any Obligor to pay any Payment Obligation in full to the Platform Provider on the date such payment was due (taking into account any applicable grace period under the APMSA), (ii) a specified insolvency event in respect of any Obligor, (iii) a breach of the representations and warranties of the Buyer Parent with respect to the eligibility of the VFZ Accounts Receivable, which is not capable of remedy (or if such breach is capable of remedy, is not remedied within five Business Days of notice) (each such event in (i) to (iii), an “**Obligor Event of Default**”), or (iv) a specified insolvency event in respect of the Platform Provider. See “*Risk Factors—Risks relating to the Receivables and the SCF Platform—The transfer of VFZ Accounts Receivable under the Framework Assignment Agreement takes place only under equity until an Obligor Enforcement Notification is given to the Obligors*”. Following the occurrence of any of the foregoing events, the Issuer may serve or direct the Platform Provider to serve an Obligor Enforcement Notification (*provided that* the Platform Provider may, but is not obliged to, serve an Obligor Enforcement Notification at any time as it sees fit and pursuant to the circumstances described in the paragraph below).

As soon as reasonably practicable after the occurrence of an Obligor Event of Default, the Platform Provider will, among other things, (i) provide the Issuer with notice of such Obligor Event of Default and the details thereof, as well as regular status updates with respect to the affected Assigned Receivables; (ii) turn over to the Issuer any Purchase Price Return Amount in accordance with the terms of the Framework Assignment Agreement; and (iii) in consultation with the Issuer and the Buyer Parent (provided such consultation is permitted by the terms of the Framework Assignment Agreement), take (or refrain from taking) any steps that the Platform Provider sees fit to recover all amounts payable, as well as default interest and other costs and expenses, each as permitted under the APMSA and the relevant Discounted Payments Purchase Agreement(s).

Following service of an Obligor Enforcement Notification, the Platform Provider will cease to act as the Issuer’s collection agent in respect of the relevant Assigned Receivables. For a further description of the provisions relating to Obligor Events of Default and Obligor Enforcement Notifications, see “*Summary of Principal Documents—Framework Assignment Agreement*” included elsewhere in this Offering Circular.



### *Assignment and Termination*

The Issuer may assign or transfer its rights under the Framework Assignment Agreement and the Assignment Framework Notes (including its rights to Assigned Receivables), without the consent of the other parties only in certain specified circumstances and in accordance with the procedures set forth in the Framework Assignment Agreement, as further described under “*Summary of Principal Documents—Framework Assignment Agreement*” included elsewhere in this Offering Circular. Similarly, the Platform Provider may assign or transfer its rights under the Framework Assignment Agreement in the same such specified circumstances; *provided, however*, that the Platform Provider may assign or transfer any of its rights in Assigned Receivables to an affiliate without the consent of any other party, and may also assign or transfer any of its rights or obligations under the Framework Assignment Agreement, as the provider and administrator of the SCF Platform, with the prior written consent of the Issuer (which shall not be unreasonably withheld or delayed).

The Framework Assignment Agreement and/or any Assignment Framework Note issued thereunder may be terminated by the Issuer or the Platform Provider upon 10 Business Days’ prior notice to the other parties thereto; *provided that* with respect to a termination by the Platform Provider, the effective date of the termination shall not be earlier than the effective date of termination of the APMSA (as further described below). Additionally, the Platform Provider and/or the Issuer may terminate the Framework Assignment Agreement and/or any Assignment Framework Note with immediate effect upon the occurrence of certain events, including a breach of material obligations of the Buyer Parent (subject to a 30 days grace period), a material breach of the representation and warranties of the Buyer Parent (subject to a 30 days grace period), or if a specified insolvency event has occurred in respect of the Buyer Parent. For a further description of termination events, see “*Summary of Principal Documents—Framework Assignment Agreement*” included elsewhere in this Offering Circular.

The terms of the related SCF Platform documents are more fully described below under “*SCF Platform Documents*”.

### *New VFZ Facilities*

On any Business Day which is not a Value Date, and on any Value Date (in this case, to the extent that there are any Committed Principal Proceeds that cannot be invested in VFZ Accounts Receivable due to a shortage of VFZ Accounts Receivable available for purchase through the SCF Platform), the Issuer will utilize any Excess Cash to make interest-bearing Excess Cash Loans to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement, as further described below. This use of Excess Cash, together with the interest earned on the Issue Date Facility Loans, will provide the Issuer with the same rate of return in respect of the Committed Principal Proceeds not invested in VFZ Accounts Receivable (including any Retained Collected Amounts) as Noteholders will receive in respect of the Notes, instead of leaving the same funds (represented by the Excess Cash) uninvested in the Principal Proceeds Account pending their application for the purchase of VFZ Accounts Receivable. In addition, since the Issuer was formed solely for the purpose of facilitating the Transactions and issuing the Notes, and is not expected to engage in any business activities other than those related to its formation and the Transactions (including the offering of the Notes and the funding of loans under the New VFZ Facilities Agreement), the Issuer intends to lend any Interest Proceeds that it collects from time to time to the New VFZ Facilities Borrower, in the form of non-interest bearing Interest Facility Loans under the New VFZ Facilities Agreement, as further described below. The Issuer will also fund interest-bearing Issue Date Facility Loans under the Issue Date Facility, as further described below. Proceeds of any loans made by the Issuer to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement may be used by the New VFZ Facilities Borrower for general corporate purposes.

On the Issue Date, the Issuer, as lender, will enter into a senior unsecured facilities agreement (the “**New VFZ Facilities Agreement**”) with the New VFZ Facilities Borrower, as borrower, the New VFZ Facilities Obligors, as guarantors, and The Bank of New York Mellon, London Branch as administrator for the Issuer (together with any successor thereto approved or appointed by the Issuer, the “**Administrator**”), pursuant to which the Issuer will make available to the New VFZ Facilities Borrower revolving and term credit facilities, consisting of the Interest Facility, the Excess Cash Facility and the Issue Date Facility, as described below.

### *Interest Facility*

The New VFZ Facilities Agreement will provide for a revolving credit facility (the “**Interest Facility**”) under which the Issuer will from time to time fund non-interest-bearing Interest Facility Loans to the New VFZ Facilities Borrower.



Following the Issue Date, on any Business Day other than the Business Day prior to an Interest Payment Date, if the Interest Proceeds deposited in the Interest Proceeds Account are greater than zero, the Issuer will apply such Interest Proceeds to fund a new Interest Facility Loan to the New VFZ Facilities Borrower.

#### *Excess Cash Facility*

The New VFZ Facilities Agreement will also provide for a revolving credit facility (the “**Excess Cash Facility**”), in an aggregate principal amount up to the Committed Principal Proceeds, under which the Issuer will from time to time fund Excess Cash Loans to the New VFZ Facilities Borrower. Interest on Excess Cash Loans will be payable semi-annually in arrears on the earlier of (i) each 15 April and 15 October, commencing 15 April 2020 (each, an “**Excess Cash Interest Period Date**”) and (ii) upon repayment of a Weekly Excess Cash Repayment Amount (as defined below). Interest will accrue from the funding date of any Excess Cash Loan at a rate of % per annum, and will be computed on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest in respect of any interest period ending on any Excess Cash Interest Period Date will occur no less than one Business Day prior to such Excess Cash Interest Period Date.

On or following the Issue Date, the Issuer will use the Committed Principal Proceeds, firstly, to purchase available VFZ Accounts Receivable pursuant to the Framework Assignment Agreement and, secondly, to fund an initial Excess Cash Loan.

Following the Issue Date, as the Platform Provider (on a weekly basis) serves or is deemed to serve an Assignment Notice to the Issuer instructing the Issuer to pay a Requested Purchase Price Amount (as may be adjusted or off set pursuant to the terms of the Framework Assignment Agreement) as consideration for the sale and assignment of the relevant VFZ Accounts Receivable on the relevant Value Date, the Issuer will, upon not less than five Business Days’ prior notice, demand repayment by the New VFZ Facilities Borrower of such portion of principal of any outstanding Excess Cash Loans as is equal to (i) such Requested Purchase Price Amount to be paid for VFZ Accounts Receivable that the Issuer expects to purchase on such Value Date, *less* (ii) any Interim Platform Amounts credited on such Value Date (such amount demanded, a “**Weekly Excess Cash Repayment Amount**”). The New VFZ Facilities Borrower will be obligated to pay into the Issuer Collection Account (for immediate onwards crediting to the Principal Proceeds Account) the Weekly Excess Cash Repayment Amount on the fifth Business Day following receipt of such notice. The interest accrued on such Weekly Excess Cash Repayment Amount will not be repaid but will, on that date, be deemed loaned to the New VFZ Facilities Borrower under a new Interest Facility Loan. On the relevant Value Date, the Issuer will apply the Weekly Excess Cash Repayment Amount so received, together with any Interim Platform Amounts credited on the same day, towards its purchase of VFZ Accounts Receivable.

On any Business Day (other than the date on which the Notes are redeemed or repaid, in whole or in part (or on which corresponding payment by the New VFZ Facilities Borrower is required to be made to the Issuer in relation to any such redemption or repayment)), if the balance of funds deposited into the Principal Proceeds Account is greater than zero, the Issuer will apply such funds, firstly, towards the purchase of available VFZ Accounts Receivable in accordance with the Framework Assignment Agreement (if such Business Day is also a Value Date) and, secondly, to fund an Excess Cash Loan to the New VFZ Facilities Borrower.

#### *Issue Date Facility*

The New VFZ Facilities Agreement will further provide for a term loan facility (the “**Issue Date Facility**” and, together with the Interest Facility and the Excess Cash Facility, the “**New VFZ Facilities**”), under which the Issuer will fund interest-bearing loans to the New VFZ Facilities Borrower (the “**Issue Date Facility Loans**”). Interest on the Issue Date Facility Loans will be payable semi-annually in arrears on each 15 April and 15 October (each, an “**Issue Date Facility Interest Period Date**”). Interest will accrue from the Issue Date at a rate of % per annum, and will be computed on the basis of a 360-day year comprising twelve 30-day months. Payment of interest in respect of any interest period ending on any Issue Date Facility Interest Period Date will occur no less than one Business Day prior to such Issue Date Facility Interest Period Date.

On or prior to the Issue Date, the New VFZ Facilities Borrower, the Issuer and Stichting Trade Finance (in its capacity as the sole shareholder of the Issuer, the “**Foundation**”) will enter into an agreement pursuant to which the New VFZ Facilities Borrower will agree to pay the Foundation an amount representing the Subscription Proceeds and the Subscriber Profit in return for the Foundation procuring that the Issuer enters into certain Transaction Documents in connection with the offering of the Notes. Such payment will be conditional on the Foundation subscribing for an amount of the Issuer’s ordinary shares equal to the Minimum Issuer

Capitalization Amount (the “**Issue Date Shares**”), which the Issuer will allot and issue to the Foundation. The Issuer will lend the Subscription Proceeds from the Issue Date Shares, if any, to the New VFZ Facilities Borrower as an Issue Date Facility Loan under the Issue Date Facility. In practice, the process will be almost cashless, as nearly all of the payment by the New VFZ Facilities Borrower to the Foundation will ultimately be loaned back to the New VFZ Facilities Borrower as an Issue Date Facility Loan.

Principal and accrued interest (if applicable) on the New VFZ Facilities will become due and payable in full on the earlier of (i) the Maturity Date of the Notes or (ii) the date of early redemption of the Notes in accordance with the Conditions.

The New VFZ Facilities Agreement will also provide for certain payments to the Issuer by the New VFZ Facilities Borrower and certain payments to the New VFZ Facilities Borrower by the Issuer. On the Issue Date, pursuant to the New VFZ Facilities Agreement, the New VFZ Facilities Borrower will pay to the Issuer an upfront payment in an amount equal to any underwriting fees, commissions and/ or certain expenses incurred or paid by the Issuer in relation to the issuance of the Notes (if any). In addition, the New VFZ Facilities Agreement will provide for the periodic payment of Shortfall Payments or Excess Arrangement Payments, as described below under “—*Payment of Interest on the Notes.*”

### ***Payment of Interest on the Notes***

Interest on the Notes will be payable semi-annually in arrear on each 15 April and 15 October (each, an “**Interest Payment Date**”), commencing in the case of the Notes offered hereby, 15 April 2020. Interest on the Notes will accrue from the Issue Date at a rate of % per annum, and will be computed on the basis of a 360-day year comprising of twelve 30-day months. Pursuant to the terms of the New VFZ Facilities Agreement and the Expenses Agreement, and in consideration of the Issuer providing the New VFZ Facilities to the New VFZ Facilities Borrower, the New VFZ Facilities Borrower will make certain payments to the Issuer to the extent necessary to enable the Issuer to make interest payments when due under the Notes. The Issuer will fund the payment of scheduled interest on the Notes on each Interest Payment Date from the Interest Proceeds Account as follows:

1. firstly, to the extent that there are amounts in the Interest Proceeds Account on the Business Day prior to such Interest Payment Date, the Issuer will utilize such amounts, towards the payment of scheduled interest on the Notes;
2. secondly, the Issuer will demand, upon no less than six Business Days’ notice prior to such Interest Payment Date, that the New VFZ Facilities Borrower prepay Interest Facility Loans under the Interest Facility (and the New VFZ Facilities Borrower will repay such Interest Facility Loans on or prior to the fifth Business Day following receipt of such demand), in a principal amount equal to the lesser of:
  - a. an amount equal to the interest due and payable on the Notes on such Interest Payment Date *less* any amounts in the Interest Proceeds Account referred to in paragraph (1) above; and
  - b. the total amount of Interest Facility Loans outstanding on the Business Day prior to such Interest Payment Date.

The Issuer will deposit the proceeds of any Interest Facility Loans so prepaid into the Interest Proceeds Account;

3. thirdly, on or prior to the Business Day immediately preceding each Interest Payment Date (other than the Maturity Date of the Notes or at early redemption of the Notes in accordance with the Conditions), the New VFZ Facilities Borrower will make a payment to the Issuer (each, as calculated in accordance with the Agency and Account Bank Agreement, a “**Term Shortfall Payment**”) in an amount equal to the positive difference, if any, between (i) the amount of interest due on the Notes on such Interest Payment Date, *less* (ii) the sum of (x) the amount of any Interest Facility Loans to be repaid pursuant to paragraph (2) above and (y) amounts in the Interest Proceeds Account referred to in paragraph (1) above.
4. By contrast to the Term Shortfall Payment, to the extent that on any Interest Payment Date (other than the Maturity Date of the Notes or at early redemption of the Notes in accordance with the Conditions) there is any balance on the Interest Facility Loans not repaid by the New VFZ Facilities Borrower to the Issuer pursuant to paragraph (2) above, the Issuer will make a payment to the New VFZ Facilities Borrower (each, as calculated in accordance with the Agency and Account Bank Agreement, a “**Term Excess Arrangement Payment**”) in an amount equal to such balance of the Interest Facility Loans

outstanding on such Interest Payment Date. Any Term Excess Arrangement Payment will be paid as a rebate of previously paid interest (on a cashless basis, by offsetting such Term Excess Arrangement Payment against the amounts due by the New VFZ Facilities Borrower under the Interest Facility Loans).

5. fourthly, on or prior to the Business Day immediately preceding the final Interest Payment Date (being the Maturity Date of the Notes or at early redemption of the Notes in accordance with the Conditions), the New VFZ Facilities Borrower will make a payment to the Issuer (as calculated in accordance with the Agency and Account Bank Agreement, a “**Maturity Shortfall Payment**” and, together with the Term Shortfall Payments, the “**Shortfall Payments**” and each a “**Shortfall Payment**”) in an amount equal to the positive difference, if any, between (i) the aggregate principal amount of the Notes to be repaid together with the amount of interest due on the Notes on such final Interest Payment Date, *less* (ii) the sum of:
  - a. all Collected Amounts on all Assigned Receivables to be repaid or prepaid to the Issuer on or prior to two Business Days prior to the final Interest Payment Date;
  - b. any other amounts (including any accrued interest) due to be paid by the Platform Provider to the Issuer pursuant to the Framework Assignment Agreement on or prior to two Business Days prior to the final Interest Payment Date;
  - c. the principal amount of and interest due on all of the New VFZ Facilities Loans to be paid to the Issuer on maturity of the New VFZ Facilities Loans; and
  - d. all other amounts in the Issuer Transaction Accounts (to the extent not included in any of the above).
6. By contrast to the Maturity Shortfall Payment, to the extent that any calculation in paragraph (5) above results in a negative value, the Issuer will pay or transfer to the New VFZ Facilities Borrower (as calculated in accordance with the Agency and Account Bank Agreement, a “**Maturity Excess Payment**” and, together with the Term Excess Arrangement Payments, the “**Excess Arrangement Payments**” and each an “**Excess Arrangement Payment**”) (as a rebate of previously paid interest) in an amount which would return such negative value to zero; *provided, however*, that such payment will only be made after all amounts due and payable to Noteholders under the Notes have been settled.

### ***Approved Exchange Offer***

In order to extend the availability of the committed financing for the purchase of VFZ Accounts Receivable represented by the Committed Principal Proceeds beyond the Maturity Date of the Notes, the New VFZ Facilities Borrower may, at any time, enter into an exchange offer and payables financing plan agreement (a “**Plan Agreement**”) with a new entity (a “**New Issuer**”). Pursuant to any such Plan Agreement, the New Issuer will procure from the New VFZ Facilities Borrower a commitment to cancel amounts of the New VFZ Facilities as set forth below, and will enter into agreements with the New VFZ Facilities Borrower, VodafoneZiggo, the Platform Provider, the Notes Trustee and other relevant counterparties providing for the New Issuer’s purchase of VFZ Accounts Receivable on terms and conditions substantially similar to the Transaction Documents.

Promptly after entering into the Plan Agreement, the New Issuer will launch an exchange offer (the “**Approved Exchange Offer**”) designed to allow Noteholders to exchange up to a specified principal amount of Notes for a principal amount of new notes (the “**New Notes**”) to be set out in the Approved Exchange Offer. Upon consummation of the Approved Exchange Offer, subject to the terms of the Trust Deed:

- (i) The New Issuer will issue a specified amount of New Notes to the Noteholders validly tendered into the Approved Exchange Offer and not withdrawn. If, upon the expiration of the Approved Exchange Offer, Noteholders have validly tendered more Notes than the New Issuer is able to accept pursuant to the Approved Exchange Offer, the New Issuer will accept for exchange Notes validly tendered and not withdrawn on a pro rata basis, based on the proportion that the aggregate principal amount of Notes to be accepted bears to the aggregate principal amount of Notes validly tendered and not withdrawn; and
- (ii) The Issuer will purchase from the New Issuer any Notes accepted by the New Issuer pursuant to the Approved Exchange Offer and will cancel such purchased Notes. As consideration for such purchase, the Issuer will simultaneously pay, assign and transfer to the New Issuer:
  - (A) Assigned Receivables such that (a) minus (b) is equal to or less than (c) plus (d); where (a) is the Committed Principal Proceeds multiplied by the Relevant Percentage, where “**Relevant Percentage**”

means the proportion that the aggregate principal amount of Notes accepted into the Approved Exchange Offer bears to the aggregate principal amount of Notes outstanding as of the date of consummation of the Approved Exchange Offer (the “**Determination Date**”), (b) is the aggregate historical Purchase Price Amount of such Assigned Receivables assigned to the New Issuer pursuant to this clause (A), (c) is the balance of Excess Cash Loans outstanding on the Determination Date, and (d) is any Interim Platform Amounts to be credited to the Issuer on the Determination Date. The Assigned Receivables to be assigned to the New Issuer pursuant to this clause (A) will be selected by an independent financial, banking, accounting or other similar advisor designated by VodafoneZiggo, the Issuer or the Administrator with a mandate to maximise the aggregate Purchase Price Amount of the transferred Assigned Receivables whilst ensuring that they have the shortest maturities possible. Assigned Receivables will only be assigned and transferred to the New Issuer pursuant to this clause (A) in whole, and not in part;

- (B) The cash proceeds from the repayment of Interest Facility Loans (to be demanded by the Issuer or the Administrator) in an amount equal to (a) minus (b); where (a) is the accrued and unpaid Premium that remained outstanding on the Assigned Receivables assigned pursuant to clause (A) above as of the immediately preceding Interest Payment Date, and (b) is any accrued and unpaid Retained Amount Interest that remained outstanding as of the Determination Date in respect of the “**Retained Amounts**” (being collectively, Retained Collected Amounts, Delayed Aggregate Amounts and/or Excess Requested Purchase Price Amounts) (as determined in accordance with the Agency and Account Bank Agreement described elsewhere in this Offering Circular) to be transferred to the New Issuer pursuant to clause (D) below, as applicable;
- (C) The cash proceeds from the repayment of Excess Cash Loans (to be demanded by the Issuer or the Administrator) in an amount equal to (a) minus (b) minus (c), where (a) is the Committed Principal Proceeds multiplied by the Relevant Percentage, (b) is the aggregate Purchase Price Amounts of Assigned Receivables assigned to the New Issuer pursuant to clause (A) above, and (c) is any Interim Platform Amounts to be credited to the Issuer on the Determination Date;
- (D) The cash proceeds from the payment by the Platform Provider to the Issuer on the Determination Date of any Retained Amounts and any other Interim Platform Amounts; and
- (E) An “**Accrued Facility Interest and Shortfall Amount**” equal to (a) minus (b) minus (c) minus (d) minus (e), where (a) is the aggregate principal amount of Notes tendered into the Approved Exchange Offer, (b) is the aggregate Purchase Price Amounts of the Assigned Receivables assigned pursuant to clause (A) above plus accrued and unpaid Premium thereon through the Determination Date, (c) is the amount of cash proceeds set out in clause (B) above, (d) is the amount of cash proceeds set out in clause (C) above and (e) is the amount of cash proceeds set out in clause (D) above. The Issuer will demand repayment of Excess Cash Loans in an amount equal to any Accrued Facility Interest and Shortfall Amount in order to make such payment.

### ***SCF Platform Documents***

VFZ Accounts Receivable purchased by the Issuer pursuant to the Framework Assignment Agreement are uploaded by the Buyer Entities to the SCF Platform (as defined in Condition 1 (*Definitions and Principles of Construction*)) managed by the Platform Provider to facilitate receivables financing provided by the Platform Provider and other participating funding providers, including the Issuer. The SCF Platform is made available to VodafoneZiggo and certain of its subsidiaries, and is administered under the terms of the Accounts Payable Management Services Agreement and the Discounted Payments Purchase Agreements described below.

### ***Accounts Payable Management Services Agreement***

On 23 February 2015, the Platform Provider and VodafoneZiggo, among others, entered into the Accounts Payable Management Services Agreement (as defined in Condition 1 (*Definitions and Principles of Construction*)). Under the terms of the APMSA, the Obligors, together with certain other subsidiaries of VodafoneZiggo that may accede to the APMSA from time to time as further described below (collectively, the “**Buyer Entities**” and each a “**Buyer Entity**”) may upload Electronic Data Files containing details of Receivables on to the SCF Platform to enable the purchase by the Platform Provider of such Receivables (and the Parent Payment Obligations arising in respect thereof) from the relevant Supplier. On the Issue Date, the eligible Buyer Entities will be Ziggo B.V., Ziggo Services B.V. (collectively, the “**Non-Obligor Buyer Subsidiaries**” and each a “**Non-Obligor Buyer Subsidiary**”, together with VZ Financing I B.V. and VZ Financing II B.V. (collectively, the “**Obligor Subsidiaries**”), the “**Buyer Subsidiaries**” and each a “**Buyer Subsidiary**”), the



Obligor Subsidiaries, and the Buyer Parent. Additional Buyer Subsidiaries may accede to the APMSA by entering into an accession letter (substantially in form set out in the APMSA) with the Platform Provider and the Buyer Parent, and an existing Buyer Subsidiary may cease to be a “Buyer Entity” for the purposes of the APMSA if the Platform Provider or Buyer Parent provides written notice to such effect. Additional Obligor Subsidiaries may become party to the APMSA either by acceding as a “Designated Buyer Subsidiary” (provided they are specified as such in the relevant accession letter) or, with respect to an existing Non-Obligor Buyer Subsidiary, if such Non-Obligor Buyer Subsidiary is specified in writing by the Buyer Parent to be a “Designated Buyer Subsidiary” for purposes of the APMSA. Pursuant to the Agency and Account Bank Agreement, the Buyer Parent will undertake to the Issuer that the Buyer Parent may notify the Platform Provider of a resignation of an Obligor Subsidiary only if all Outstanding Amounts owed by such Obligor Subsidiary (as principal obligor) in respect of its Assigned Receivables have been settled in accordance with the APMSA on or prior to the date of its resignation, and the Buyer Parent will agree to promptly provide written notification of the same to the Issuer (or the Administrator on its behalf).

From time to time, a Buyer Entity may execute an Upload and designate such uploaded Receivables as “approved”. Each Approved Platform Receivable will initially give rise to a Parent Payment Obligation, being an independent and primary obligation by VodafoneZiggo (on the basis described in the sections entitled “*Description of the Receivables*” and “*Summary of Principal Documents—Accounts Payable Management Services Agreement*” included elsewhere in this Offering Circular) to make payment or cause payment of the Certified Amount (as defined below) to be made to the relevant recipient on the Confirmed Payment Date in respect thereof. Upon each Initial Transfer (being the sale and assignment of a Parent Payment Obligation and the applicable Receivable related thereto from the Supplier to the Platform Provider through the SCF Platform), the relevant Parent Payment Obligation will become a Payment Obligation, pursuant to which each Obligor will become jointly and severally liable with each other Obligor to make payment or cause payment to be made to the relevant recipient on the Confirmed Payment Date in respect thereof. The Non-Obligor Buyer Subsidiaries will not be liable for any Payment Obligations. The Buyer Parent has notified the Platform Provider in writing that eligible Receivables (as further described in “*Summary of Principal Documents—Accounts Payable Management Services Agreement*” included elsewhere in this Offering Circular) may include those with a Confirmed Payment Date of up to 360 days from the issuance date of the relevant invoice. In respect of Initial Transfers of such Receivables a margin of 2.20% per annum calculated on the basis of the relevant Outstanding Amounts (which includes the Platform Provider Processing Fee) over the base rate (the “**Margin**”) shall be applied from the date of the relevant Initial Transfer until the Confirmed Payment Date in respect of such Payment Obligation (and the Receivable related thereto, solely to the extent that such Receivable has been acquired by the Platform Provider). The base rate (being, in this case, Euribor with a floor of zero) is determined by the remaining tenor between the date of the relevant transfer and the Confirmed Payment Date (i.e. between 1 and 30 days, 1 month base rate will apply; between 31 and 60 days, 2 months base rate will apply). The applicable base rate plus the applicable Margin are used to calculate the Applied Discount that the Platform Provider will deduct from the Certified Amount in the case of transfer by the Platform Provider of the VFZ Account Receivable prior to the Confirmed Payment Date, and accordingly is used in the calculation of the Purchase Price Amount for each VFZ Account Receivable. The Margin under the APMSA may not be amended without the written consent of the Issuer, and pursuant to the terms of the other Transaction Documents, the Issuer will agree to provide its written consent to any amendment of the Margin (without being required to seek the consent of the Noteholders) so long as the obligations of the New VFZ Facilities Borrower in favour of the Issuer under Clause 11.2 (“*Facility Fees*”) of the New VFZ Facilities Agreement remain in full force and effect.

Pursuant to the APMSA, the Buyer Parent and, as applicable, each Obligor Subsidiary appoints the Platform Provider as paying agent with respect to the settlement of any VFZ Account Receivable. Settlement requires the Buyer Parent (or, at its option, an Obligor Subsidiary) to make an electronic transfer of the Certified Amount (as defined below) to the Platform Provider’s designated bank account on the Confirmed Payment Date, and the Platform Provider will, in turn, transfer such Certified Amount (or part thereof as received by the Platform Provider) to the relevant recipient (which shall be the Issuer in respect of Assigned Receivables) on the same Confirmed Payment Date. As used herein, “**Certified Amount**” means, with respect to a Payment Obligation, the Outstanding Amount of such Payment Obligation on the “**Certified Amount Fixed Date**”, being earliest to occur of (i) the date of the Initial Transfer, and (ii) the date falling three Business Days prior to the Confirmed Payment Date of that Payment Obligation. Failure by any Obligor to pay all or any part of the Certified Amount by the Confirmed Payment Date will cause default interest to accrue on the unpaid sum at a rate of 1-month Euribor (floored at zero) *plus* 7% per annum, until the Certified Amount has been discharged in full.

If a Buyer Entity wishes to reduce the amount of any Approved Platform Receivable for any reason (including as a result of any lien, right of set-off, defence, claim, counterclaim, or other certain adverse claim), it



may post the amount to be deducted from such Approved Platform Receivable (each, a “**Credit Note**”) as an entry in an Electronic Data File to the SCF Platform Website and such Credit Note will be allocated to the corresponding Payment Obligation on the following Business Day. No Credit Notes may be allocated to a Payment Obligation following the relevant Certified Amount Fixed Date. Additionally, each Buyer Entity agrees to be responsible for the accuracy of all information submitted by them onto the SCF Platform Website in respect of VFZ Accounts Receivable and the Buyer Parent agrees to comply with certain reporting requirements set out in the APMSA.

Under the APMSA, each Buyer Entity represents, warrants and covenants to the Platform Provider at the date of an Upload resulting in any Payment Obligation arising and at the date of any transfer via the SCF Platform of a Payment Obligation and the Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) (including each Assignment Date), as applicable, among other things: (i) that the Approved Platform Receivable relating to each Payment Obligation meets certain criteria under the APMSA, including (but not limited to) having a Confirmed Payment Date of no more than 360 days from the issuance date of the relevant invoice and being denominated in an agreed currency; (ii) that the Approved Platform Receivable is not subject to any mortgage, charge, pledge, lien, other encumbrance or other personal right or right in rem of any third party and has, to the best of the relevant Buyer Entity’s knowledge, not been transferred or transferred in advance; (iii) that each Payment Obligation and the Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) is free of any adverse claims, including any lien, right of set-off, netting, abatement, reduction, claim, defence or counterclaim; (iv) that each Payment Obligation and Receivable related thereto (solely to the extent that such Receivable has been acquired by the Platform Provider) can be validly transferred in accordance with the terms of the APMSA; and (v) that each Payment Obligation will be settled by an Obligor by the payment of the relevant Certified Amount on the relevant Confirmed Payment Date without withholding, deduction or set-off.

The APMSA also provides that the following occurrences, among others, constitute events of default, whereupon the Platform Provider shall have the right (but not the obligation) to suspend the provision of accounts payable management services and prohibit the creation of any further Payment Obligations (each, an “**APMSA Event of Default**”): (i) breach by any Buyer Entity of any obligation or certain representations, warranties or covenants in the APMSA, if not remedied for a period of ten days (which grace period shall not apply if such breach relates to a financial interest of an amount in excess of €5.0 million); (ii) non-payment of any amount due under the APMSA, including all or any part of any Certified Amount (subject to a grace period of one Business Day in the case of principal, and three Business Days in the case of any other amount); (iii) if any Buyer Entity is unable, deemed unable, or admits inability to pay its debts as they fall due; and (iv) any corporate action, legal proceedings or other procedure is taken in relation to the suspension of payments, winding-up, or dissolution of any Buyer Entity, or any composition, compromise, assignment or arrangement with any creditor of any Buyer Entity, or the appointment of a liquidator, receiver, or other similar officer in respect of any Buyer Entity.

The Buyer Parent has also agreed to provide certain indemnities to the Platform Provider under the APMSA, including (but not limited to) indemnities against any losses directly suffered for or on account of tax, reasonable losses incurred as a direct result of any APMSA Event of Default or failure by any Buyer Entity to pay any amount due under the APMSA, and any costs, expenses, claims or losses incurred as a result of the incorrect calculation by any Buyer Entity of the amount of any Receivable uploaded in an Electronic Data File.

The Platform Provider may assign, transfer or deal in any other manner with any VFZ Account Receivable that has been transferred to it, and/or all of its rights against any Buyer Entity or under the APMSA, in part or in whole, to any third party. No Buyer Entity may so assign or transfer its respective rights and obligations under the APMSA without the written consent of the Platform Provider, and such consent shall not be unreasonably withheld or delayed.

Each of the Platform Provider and the Buyer Parent may unilaterally terminate the APMSA upon notice to the other party, if such other party breaches a material provision of the APMSA and fails to cure such breach within 10 days following written notice from the other party requiring them to remedy such breach. The Platform Provider may also terminate the APMSA: (i) for any reason upon 12 months’ prior written notice to the Buyer Parent; and (ii) immediately, upon written notice, if it becomes unlawful for the Platform Provider in any applicable jurisdiction to perform any of its obligations thereunder. The Buyer Parent may terminate the APMSA for any reason upon 20 Business Days’ prior written notice to the Platform Provider. Following termination of the APMSA, the Buyer Entities will no longer be permitted to use to the SCF Platform. All rights, duties and obligations of the parties to the APMSA with respect to the Payment Obligations posted to the SCF Platform prior to the effective date of any termination shall survive the termination of the APMSA.

### *Discounted Payments Purchase Agreements*

In conjunction with the SCF Platform, each Supplier has entered into, or will enter into, a Discounted Payments Purchase Agreement (each based on a standard form and as defined in Condition 1 (*Definitions and Principles of Construction*)) with the Platform Provider. Upon an Upload by a Buyer Entity and the designation of such uploaded Receivable as “approved”, (i) the price of such Receivable is increased (in accordance with the relevant supply contract) by adding to the initial face value of such Receivable the Applied Discount (as defined in the context of the APMSA) (as displayed on the SCF Platform on the relevant day) calculated for the period between the date of the Upload and the Confirmed Payment Date; and (ii) the Supplier to which such Approved Platform Receivable relates will automatically and irrevocably offer to sell to the Platform Provider the relevant Parent Payment Obligation and the Receivable related thereto at a discounted price (as determined by deducting from the grossed-up amount of the relevant invoice (calculated in accordance with the relevant supply contract as described above), such Applied Discount (as defined in the context of the APMSA) (as displayed on the SCF Platform on the relevant day), such that the Platform Provider pays an amount equal to the original face value of such invoice owed to the Supplier). Each such offer accepted by the Platform Provider pursuant to a Discounted Payments Purchase Agreement will result in the sale, assignment and transfer to the Platform Provider of all of such Supplier’s rights, title and interest in and to the relevant Parent Payment Obligation and the Receivable related thereto.

The Supplier is deemed to represent and warrant to the Platform Provider upon the date of each offer (and the date of the relevant Initial Transfer) that, with respect to each Parent Payment Obligation (and any Receivable related thereto, where applicable), among other things: (i) the Supplier (solely) holds the full legal and beneficial right, title and interest in and to the relevant Parent Payment Obligation and the Receivable related thereto; (ii) the Supplier is entitled to sell and transfer the relevant Parent Payment Obligation and the Receivable related thereto to the Platform Provider pursuant to the terms of the relevant Discounted Payments Purchase Agreement, and the relevant Parent Payment Obligation and the Receivable related thereto is transferred to the Platform Provider following acceptance of the offer; (iii) no mortgage, charge, pledge, lien, other encumbrance or other personal right or right in rem exists in relation to the relevant Parent Payment Obligation or Receivable related thereto, and the relevant Parent Payment Obligation has not been transferred nor made subject to any mortgage, charge, pledge, lien, or other encumbrance in advance; and (iv) the Parent Payment Obligation and the Receivable related thereto is free of any adverse claims, including any lien, right of set-off, netting, abatement, reduction, claim, defence or counterclaim. Following each Initial Transfer, the Platform Provider, in its capacity as agent for the relevant Supplier, shall provide notice of such transfer to the Buyer Parent and the relevant Buyer Subsidiary.

Additionally, pursuant to the relevant Discounted Payments Purchase Agreement, any tax applicable to the transfer from the Supplier to the Platform Provider of a Parent Payment Obligation and any Receivable related thereto shall be solely payable by that Supplier. The Supplier also represents and warrants that upon payment by the Platform Provider of the outstanding amount owing under any Parent Payment Obligation to the relevant bank account established in such Supplier’s own name on the Confirmed Payment Date, the applicable Parent Payment Obligation shall be satisfied and the relevant Buyer Entity’s obligation to pay the Supplier for the corresponding Receivable shall be extinguished in an amount equal to such amount paid.

Subject to the agreement of the relevant Suppliers to the standard form, each Discounted Payments Purchase Agreement gives the Platform Provider the right, without the consent of or notice to the Supplier, to assign, transfer, mortgage, charge or otherwise deal in any other manner with any or all of its rights and obligations under the relevant Discounted Payments Purchase Agreement, in whole or in part (including, for the avoidance of doubt, any of the Parent Payment Obligations and Receivables related thereto purchased by the Platform Provider thereunder). In turn, pursuant to the Framework Assignment Agreement (as described above), the Platform Provider’s right, title and interest in and to the whole of each VFZ Account Receivable are assigned to the Issuer. For a further description of the Discounted Payments Purchase Agreements, see “*Summary of Principal Documents—Discounted Payments Purchase Agreements*”.

### ***SCF Platform Addition***

At any time, VodafoneZiggo and the Buyer Subsidiaries may, at their option, elect to participate in an additional online system established and administered by another Platform Provider (an “**SCF Platform Addition**”). In connection with any SCF Platform Addition, VodafoneZiggo and the Buyer Subsidiaries may enter into additional accounts payable management services agreements (or equivalent) and the Issuer may (and upon request by VodafoneZiggo, shall) enter into one or more additional receivables assignment agreements (or

equivalent), pursuant to which the Issuer will purchase eligible VFZ Accounts Receivable from such additional Platform Provider. The consent of the Noteholders will not be required for VodafoneZiggo, the Buyer Subsidiaries and the Issuer to give effect to any SCF Platform Addition (including the modification of any Transaction Documents to implement such SCF Platform Addition), and the Administrator will enter into any SCF Platform Addition Documentation if the Administrator receives written confirmation (with a copy to the Notes Trustee) from VodafoneZiggo that, in VodafoneZiggo's determination, the entry into such SCF Platform Addition Documentation is reasonably required to implement such SCF Platform Addition and does not materially and adversely affect the interests of the Noteholders.

### ***Other Transaction Documents***

The following documents will be entered into in relation to the offering of the Notes: (a) the Trust Deed, (b) an agency and account bank agreement dated the Issue Date (the “**Agency and Account Bank Agreement**”) between, *inter alios*, the Issuer, the Notes Trustee, The Bank of New York Mellon, London Branch as transfer agent (the “**Transfer Agent**”, which term shall include any successor or substitute transfer agent appointed pursuant to the terms of the Agency and Account Bank Agreement), The Bank of New York Mellon, London Branch as principal paying agent (the “**Paying Agent**”, which term shall include any successor, substitute or additional paying agent appointed pursuant to the terms of the Agency and Account Bank Agreement), The Bank of New York Mellon SA/NV Luxembourg Branch as registrar (the “**Registrar**”, which term shall include any successor or substitute registrar appointed pursuant to the terms of the Agency and Account Bank Agreement), The Bank of New York Mellon, London Branch as administrative agent (the “**Administrator**”, which term shall include any successor or substitute administrative agent appointed pursuant to the terms of the Agency and Account Bank Agreement), The Bank of New York Mellon, London Branch as the Issuer transaction account bank (the “**Account Bank**”, which term shall include any successor or substitute account bank appointed pursuant to the terms of the Agency and Account Bank Agreement), and (c) an Issuer Management Agreement dated on or prior to the Issue Date, (the “**Issuer Management Agreement**”) between the Issuer and TMF Management B.V., as managing director (the “**Managing Director**”, which term shall include any successor or substitute managing director of the Issuer in accordance with the terms of the Issuer Management Agreement). The Transfer Agent, Registrar, Paying Agent, Account Bank and Administrator are herein referred to collectively as the “**Agents**”.

The Notes are senior obligations of the Issuer and will be secured by the Notes Collateral for, *inter alia*, the Notes created by the Trust Deed and the other Notes Security Documents.

The Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency and Account Bank Agreement and the other Transaction Documents. If there is any conflict between the Conditions and the Trust Deed, the Conditions shall prevail.

The Noteholders and all persons claiming through them or under the Notes are entitled to the benefit of, and are bound by, the Trust Deed, the Agency and Account Bank Agreement and the other Transaction Documents, physical and/or electronic copies of which are available for inspection during usual business hours on any week day (excluding Saturdays, Sundays and public holidays) at the offices of the Paying Agent and at the registered office of the Issuer.

The issue of the Notes was authorised by resolution of the Board of Directors of the Issuer passed on 22 October 2019.

## **1. Definitions and Principles of Construction**

### ***General Interpretation***

- (a) In these Conditions any reference to:

“**Accelerated Maturity Event**” has the meaning assigned to such term in Condition 6(g) (*Redemption, Purchase and Cancellation; Approved Exchange Offer—Accelerated Maturity Event*);

“**Accounts Payable Management Services Agreement**” or “**APMSA**” means (i) the Existing APMSA, and (ii) following an SCF Platform Addition, the Existing APMSA and any accounts payable management services agreement (or equivalent) to be entered into between, *inter alios*, the Platform Provider and VFZG as Buyer Parent, in each case of (i) and (ii), as amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement), or otherwise modified from time to time;

“**Applicable Premium**” means with respect to a Note at any redemption date prior to 2020, the excess of (1) the present value at such redemption date of (a) the principal amount of such Note plus (b) all required remaining scheduled interest payments due on such Note through 2020 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate plus 50 basis points over (2) the principal amount of such Note on such redemption date. For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Notes Trustee, the Security Trustee or the Registrar, the Paying Agent or the Transfer Agent;

“**Appointee**” means any attorney, agent, delegate or other person properly appointed by the Notes Trustee and/or the Security Trustee in accordance with the Trust Deed to discharge any of its function or advise it in relation thereto;

“**Approved Exchange Offer**” has the meaning assigned to such term in Condition 6(l) (*Redemption, Purchase and Cancellation; Approved Exchange Offer—Approved Exchange Offer*);

“**Assigned Receivable**” means, at any time of determination, any VFZ Accounts Receivable in respect of which there has been an assignment of such VFZ Accounts Receivable from the Platform Provider to the Issuer pursuant to the terms of the Framework Assignment Agreement and the relevant Assignment Framework Note;

“**Assignment**” has the meaning above under *Overview of the Structure of the Offering of the Notes*;

“**Assignment Framework Note**” means an assignment framework note in the form set out in Schedule 1 (*Form of Assignment Framework Note*) to the Original Framework Assignment Agreement or any other notice under a Framework Assignment Agreement as agreed between the relevant parties;

“**Basic Terms Modification**” means a modification of certain terms (as fully set out in the Trust Deed) including the date of maturity of the Notes or a modification of which would have, other than in connection with an Accelerated Maturity Event, the effect of postponing any date for payment of interest thereon, the reduction or cancellation of the amount of principal payable in respect of such Notes, the alteration of the rate of interest applicable in respect of such Notes, the alteration of the quorum or the majority required to pass an Extraordinary Resolution, the alteration of the currency of payment of such Notes or any alteration of the manner of redemption of such Notes and any material modification to the security granted by the Issuer or any modification to this definition or any material modification to the Priorities of Payments, other than any material modification to the order of priority that affects only item(s) lower in the Post-Enforcement Priority of Payments than item number five;

“**Borrower**” means any borrower under the New VFZ Facilities Agreement from time to time;

“**Business Day**” means each day that is not a Saturday, Sunday or other day on which banking institutions in Amsterdam, the Netherlands, New York, U.S.A. or London, England are authorized or required by law to close;

“**Bund Rate**” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

- (1) “Comparable German Bund Issue” means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to 2020 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Euro Notes and of a maturity most nearly equal to 2020; provided, however, that, if the period from such redemption date to 2020 is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such redemption date to 2020, is less than one year, a fixed maturity of one year shall be used;
- (2) “Comparable German Bund Price” means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;



- (3) “Reference German Bund Dealer” means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and
- (4) “Reference German Bund Dealer Quotations” means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Issuer in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany, time on a day no earlier than the third Business Day preceding the date of the delivery of the redemption notice in respect of such redemption date.

“**Buyer Parent**” means VFZG in its capacity, under the Framework Assignment Agreement and the Accounts Payable Management Services Agreement, as parent of the Obligor Subsidiaries;

“**Buyer Subsidiaries**” has the meaning assigned to such term above under *Overview of the Structure of the Offering of the Notes*;

“**Certified Amount**” has the meaning assigned to such term above under *Overview of the Structure of the Offering of the Notes*;

“**Committed Principal Proceeds**” means the amount available to the Issuer from time to time for the purchase of VFZ Accounts Receivable equal to an amount representing the net proceeds of the Notes offered hereby, *plus* the net proceeds of the issuance of any Further Notes *plus*, in each case, any upfront payments payable by VFZG pursuant to the New VFZ Facilities Agreement in connection therewith. On the Issue Date, the Committed Principal Proceeds will equal €400,000,000;

“**Confirmed Payment Date**” means, with respect to a Payment Obligation, the date (which cannot be changed) specified as such in the Electronic Data File in respect of the Receivable that was designated as “approved” which led to that Payment Obligation arising;

“**Definitive Note**” means in respect of the Notes, each note issued or to be issued in definitive registered form in accordance with Clause 3.3 (*Transfer and Exchange*) of the Trust Deed, in or substantially in the form set out in Schedule A, Part 2 of the Trust Deed;

“**Discounted Payments Purchase Agreements**” means the agreements entered into, from time to time, each between the Platform Provider and the Supplier named therein, as may be amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement) or otherwise modified from time to time (including pursuant to an SCF Platform Addition);

“**Distribution Compliance Period**” means the 40-day period prescribed by Regulation S commencing on the later of (a) the date upon which the Notes are first offered to persons other than the initial purchasers of the Notes and any other distributor (as such term is defined in Regulation S) of the Notes and (b) the Issue Date or the Further Notes Issue Date (as defined in Condition 20(a) (“*Issue of Further Notes—Further Notes*”)), as applicable;

“**Electronic Data File**” means an electronic file substantially in the form set out in Schedule 4 to the Accounts Payable Management Services Agreement;

“**Encumbrance**” includes any mortgage, charge (whether legal or equitable), pledge, lien, hypothecation or other encumbrance or other security interest securing any obligation of any person or any other type of agreement, trust or arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect but, for the avoidance of doubt shall not include (a) a right of counterclaim or (b) a right of set off arising by contract or operation of law not constituting a mortgage, charge or other encumbrance under applicable law;

“**Enforcement Action**” has the meaning assigned to such term in Clause 7.2 (*Enforcement*) of the Trust Deed;

“**Enforcement Notice**” means a notice declaring the security created by the Notes Security Documents to be enforceable given by the Security Trustee to the Issuer, pursuant to the Trust Deed at any time following the service to the Issuer of a Note Acceleration Notice;

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended;

“**Euroclear**” and/or “**Clearstream**” means Euroclear Bank, SA/NV, as operator of the Euroclear system and Clearstream Banking, S.A., as applicable, or any successors thereto and shall, wherever the context so admits, be deemed to include reference to any additional or alternative clearing system approved by the Issuer and the Notes Trustee in relation to the Notes;



**“European Union”** means the European Union, including member states as of 1 May 2004 but excluding any country which became or becomes a member of the European Union after 1 May 2004;

**“Excess Cash Facility”** means the revolving facility to be made available by the Issuer to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement pursuant to Clause 2.1 (*The Excess Cash Facility*) thereof;

**“Excess Cash Loans”** means loans to be made under the Excess Cash Facility pursuant to the New VFZ Facilities Agreement;

**“Excluded Note”** means any Note held at the time of determination by the Issuer or a member of the VFZ Group;

**“Existing APMSA”** means the accounts payable management services agreement originally dated 23 February 2015, as amended and restated on 14 December 2016 and as most recently amended and restated on 2 April 2018, between, *inter alios*, the Platform Provider and the Obligors, as amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement), or otherwise modified from time to time;

**“Expenses Agreement”** means the expenses agreement dated on or about the Issue Date between VFZG and the Issuer;

**“Extraordinary Resolution”** means:

- (a) a resolution passed at a meeting of the Noteholders, duly convened and held, in each case, in accordance with and subject to the terms of the Trust Deed and these Conditions, by (i) in respect of any matter other than a Basic Terms Modification, a majority consisting of more than 50 per cent. of the persons voting at that meeting, or (ii) in respect of a Basic Terms Modification, a majority consisting of not less than three-fourths of the persons voting at that meeting; or
- (b) a resolution in writing signed by or on behalf of all the Noteholders (each, a **“Written Extraordinary Resolution”**), which resolution in writing may be contained in one document or in several documents in the same form each signed by or on behalf of one or more of the Noteholders;

**“Foundation”** refers to Stichting Trade Finance, a foundation (*stichting*) established under the laws of the Netherlands and the direct parent of the Issuer;

**“Framework Assignment Agreement”** means (i) the Original Framework Assignment Agreement, and (ii) following an SCF Platform Addition, the Original Framework Assignment Agreement and any receivables assignment agreement (or equivalent) to be entered into between, *inter alios*, the Issuer, the Platform Provider and VFZG, in each case of (i) and (ii), as may be amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement) or otherwise modified from time to time, and pursuant to which the Issuer will purchase eligible VFZ Accounts Receivable from the Platform Provider. As used herein, the term “Framework Assignment Agreement” may also refer to, as the context may require, the Framework Assignment Agreement and the Assignment Framework Notes;

**“Further Notes”** has the meaning assigned to such term in Condition 20 (*Issue of Further Notes*);

**“including”** shall be construed as a reference to including without limitation, so that any list of items or matters appearing after the word including shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word including;

**“Interest Facility”** means the revolving facility to be made available by the Issuer to the New VFZ Facilities Borrower pursuant to Clause 2.2 (*Interest Facility*) of the New VFZ Facilities Agreement;

**“Interest Facility Loans”** means loans to be made under the Interest Facility pursuant to the New VFZ Facilities Agreement;

**“Interest Payment Date”** means semi-annually in arrears on each 15 April and 15 October of each year, commencing on 15 April 2020, or, if any such day is not a Business Day, on the next succeeding Business Day;

**“Interest Period”** has the meaning ascribed thereto in Condition 5 (*Interest*);

**“Interest Proceeds Account”** means the account in the name of the Issuer, the details of which are set forth in the Agency and Account Bank Agreement, held with the Account Bank through which the Issuer will finance the payment of interest on the Notes;

**“Investment Company Act”** means the U.S. Investment Company Act of 1940, as amended;

**“Issue Date”** means 2019;

**“Issue Date Arrangements Agreement”** means the agreement dated on or about the Issue Date between VFZG, the Issuer and the Foundation;

**“Issue Date Facility”** means the revolving facility to be made available by the Issuer to the New VFZ Facilities Borrower pursuant to Clause 2.3 (*Issue Date Facility*) of the New VFZ Facilities Agreement;

**“Issuer Available Funds”** means the aggregate of:

- (a) (i) all monies standing to the credit of the Issuer Transaction Accounts (including any proceeds of the Notes) and (ii) without double counting, all monies which are to be credited, in accordance with the terms of the Transaction Documents, to the Issuer Transaction Accounts; and
- (b) any funds available to be called under the New VFZ Facilities Agreement (*provided that* prior to the Maturity Date or an early redemption of the Notes in accordance with Condition 6 (*Redemption, Purchase and Cancellation; Approved Exchange Offer*), funds called under the Interest Facility shall only be applied towards payment of interest on the Notes);

**“Issuer Collection Account”** means the account in the name of the Issuer, the details of which are set forth in the Agency and Account Bank Agreement, held with the Account Bank into which the Issuer will receive payments on Assigned Receivables and amounts under the New VFZ Facilities Agreement (with any such payments being immediately credited to the Interest Proceeds Account or the Principal Proceeds Account, as applicable);

**“Issuer Event of Default”** has the meaning ascribed thereto in Condition 10(b) (*Issuer Events of Default—Events*);

**“Issuer Security”** means the security interests created under the Notes Security Documents;

**“Issuer Transaction Accounts”** means the Issuer Collection Account, the Interest Proceeds Account and the Principal Proceeds Account;

a **“law”** shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;

**“Margin Amendments”** means any amendments, modifications, supplements or waivers to the Framework Assignment Agreement, any Assignment Framework Note and any other Transaction Document (as applicable), which have the effect of changing the Platform Provider Processing Fee, the Margin, the Funding Rate and/or the Applied Discount (each as defined in the Framework Assignment Agreement and/or the APMSA, as applicable);

**“Maturity Date”** means (i) initially, 31 January 2024 and (ii) following an Accelerated Maturity Event, the New Maturity Date;

**“New Maturity Date”** means the date that is one Business Day following the VFZ Change of Control Prepayment Date;

**“New VFZ Facilities”** means the Excess Cash Facility, the Interest Facility and the Issue Date Facility.

**“New VFZ Facilities Agreement”** means the facility agreement to be entered into on the Issue Date between, *inter alios*, VZ Financing I B.V. as borrower and the Issuer as lender;

**“New VFZ Facilities Borrower”** means VZ Financing I B.V., a private limited company incorporated under the laws of the Netherlands with registered number 70536163, in its capacity as the borrower under the New VFZ Facilities Agreement;

**“New VFZ Facilities Guarantors”** means VZ Financing I B.V., VZ Financing II B.V. and VodafoneZiggo Group B.V., each in their capacity as guarantor under the New VFZ Facilities Agreement;

**“Note Acceleration Notice”** has the meaning ascribed thereto in Condition 10 (*Issuer Events of Default*); **“Notes”** shall, unless the context otherwise requires, be construed to mean all of the Notes and any Further Notes issued in accordance with Condition 20 (*Issue of Further Notes*) other than:

- (a) those which have been redeemed in full in accordance with these Conditions;

- (b) those in respect of which the date for redemption in accordance with these Conditions has occurred and for which the redemption monies (including all interest and other amounts (if any) accrued thereon to such date for redemption) have been duly paid to the Paying Agent or the Notes Trustee in accordance with the Agency and Account Bank Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 19 (*Notices and Information*)) and remain available for payment in accordance with these Conditions;
- (c) those which have become void under Condition 8 (*Prescription*);
- (d) those mutilated or defaced Notes which have been surrendered or cancelled and in respect of which replacement Notes have been issued pursuant to Condition 18 (*Replacement of Notes*); and
- (e) (for the purpose only of ascertaining how many Notes are outstanding and without prejudice to their status for any other purpose) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 18 (*Replacement of Notes*);

**“Notes Collateral”** has the meaning assigned to such term in Condition 3(d) (*Status, Priority and Security—Security*);

**“Notes Secured Obligations”** means the aggregate of all monies and other liabilities for the time being due or owing by the Issuer to the Secured Parties under or pursuant to the Trust Deed (including these Conditions), the Notes, the Agency and Account Bank Agreement and the other Notes Security Documents;

**“Notes Security Documents”** means the documents evidencing the security interests granted over the Notes Collateral (including, without limitation, the Trust Deed) and any other agreement or instrument from time to time governing a grant of a security interest permitted under the Trust Deed or the provisions of these Conditions to secure, *inter alia*, the obligations under the Notes;

**“Obligor”** means, with respect to each VFZ Account Receivable, any person who owes a payment obligation in respect of such VFZ Account Receivable or any payment undertaking related to such VFZ Account Receivable to the Platform Provider or the Issuer pursuant to the Framework Assignment Agreement or any SCF Platform Documents, in any case, related to such VFZ Account Receivable, whether such obligation forms the whole or any part of such VFZ Account Receivable. On the Issue Date, the Obligors will be VFZG, together with each of VZ Financing I B.V. and VZ Financing II B.V.;

**“Obligor Enforcement Notification”** means a notice informing an Obligor of an Assignment pursuant to the Framework Assignment Agreement;

**“Obligor Subsidiaries”** means VZ Financing I B.V., a private limited company incorporated under the laws of the Netherlands with registered number 70536163 and VZ Financing II B.V., a private limited company incorporated under the laws of the Netherlands with registered number 70537364; and any additional “Designated Buyer Subsidiary” (as defined in the Accounts Payable Management Services Agreement) that accedes to the Accounts Payable Management Services Agreement in accordance with its terms, each in its capacity as a “Buyer Subsidiary” under the Accounts Payable Management Services Agreement;

**“Offering Circular”** means the Offering Circular published in connection with the Notes dated 2019;

**“Officer”** of any person means the chairman of the board of directors, the chief executive officer, the chief financial officer, any director, any managing director, the treasurer, any assistant treasurer, the secretary, any assistant secretary, or any authorized signatory of such person;

**“Officer’s Certificate”** means a certificate signed by one or more Officers;

**“Original Framework Assignment Agreement”** means the framework assignment agreement dated on or about the Issue Date between, *inter alios*, the Issuer, the Platform Provider and VFZG;

**“Payment Obligation”** means an independent and primary obligation of the Buyer Parent (and, following an SCF Transfer in respect of such Payment Obligation, of each Obligor Subsidiary on a joint and several basis) to pay to the Relevant Recipient the Certified Amount on the Confirmed Payment Date under the APMSA;

**“Permitted Encumbrances”** means:

- (a) Encumbrances for taxes on the assets of the Issuer if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded;
- (b) Encumbrances created for the benefit of (or to secure) the Notes, including any Further Notes (including any Encumbrances granted pursuant to the Notes Security Documents);
- (c) Encumbrances granted to the Notes Trustee or the Security Trustee for their compensation and indemnities pursuant to the Trust Deed; and
- (d) Encumbrances with respect to bankers’ liens, rights of set-off or similar rights or remedies in respect of cash maintained in bank accounts or certificates of deposit;

a **“person”** or **“Person”** means, any individual, firm, company, corporation, government, state or agency of a state or any association or partnership, limited liability company, trustee or statutory business trust (whether or not having separate legal personality) of two or more of the foregoing;

**“Platform Provider”** means (i) initially, ING Bank N.V., in its capacity as provider and the administrator of the SCF Platform, together with its successors and permitted assigns; (ii) following an SCF Platform Addition, ING Bank N.V. (together with its successors and permitted assigns) and any additional provider and administrator of an additional SCF Platform approved or appointed by VFZG or a Buyer Subsidiary (together with such platform provider’s successors and permitted assigns); and (iii) following an SCF Platform Replacement, the successor provider and administrator of the replacement SCF Platform approved or appointed by VFZG or a Buyer Subsidiary (together with such platform provider’s successors and permitted assigns);

**“Potential Event of Default”** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, and/or request and/or the taking of any similar action and/or the fulfillment of any similar condition would constitute an Issuer Event of Default;

**“Principal Proceeds Account”** means the account in the name of the Issuer, the details of which are set forth in the Agency and Account Bank Agreement, held with the Account Bank through which the Issuer will finance its periodic purchases of VFZ Accounts Receivable available through the SCF Platform and the ultimate repayment of principal on the Notes;

**“Priorities of Payments”** refers to the Pre-Enforcement Priority of Payments as set out in Condition 3(e) (*Status, Priority and Security—Pre-Enforcement Priority of Payments*) and/or the Post-Enforcement Priority of Payments as set out in Condition 3(f) (*Status, Priority and Security—Post-Enforcement Priority of Payments*), as the context may require;

**“Purchase Price Amount”** has the meaning assigned above under *Overview of the Structure of the Offering of the Notes*;

**“QIB”** means a “qualified institutional buyer” as defined in Rule 144A;

**“Qualified Purchaser”** has the meaning specified in Section 2(a)(51) of the Investment Company Act and Rules 2a51-1, 2a51-2 and 2a51-3 under the Investment Company Act;

**“Quarterly Portfolio Reports”** mean the reports relating to the Assigned Receivables and outstanding loans under the New VFZ Facilities, prepared by the Administrator pursuant to paragraph (v)(B) of Part A of Schedule 3 (*General Duties of the Administrator*) of the Agency and Account Bank Agreement;

**“Recast E.U. Insolvency Regulations”** means Council Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast);

**“Receivable”** means an amount of money payable by a Buyer Entity to a Supplier as a result of an existing business relationship, evidenced by an invoice, and upon an Upload and Initial Transfer (each as defined above under *Overview of the Structure of the Offering of the Notes*), includes all rights attaching thereto under the relevant contract to which such invoice relates and the SCF Platform Documents;

**“Receiver”** means a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, examiner, curator or other similar official (other than any party, including without limitation the Notes Trustee, the Security Trustee and the Administrator, appointed or otherwise acting pursuant to or in connection with the Trust Deed, the other Notes Security Documents, the Notes and the Agency and Account Bank Agreement);

**“Record Date”** means, with respect to any payments to Noteholders in respect of the Notes (i) with respect to the Global Notes, the close of business (in the relevant clearing system) on the Clearing System Business Day immediately before the due date for such payment, where **“Clearing System Business Day”** means a day on which each of the clearing systems for which the Global Note is being held is open for business, or (ii) with respect to any Definitive Notes which have been issued, to the Noteholders of record of the Notes on the immediately preceding 15 April and 15 October;

**“Register”** means the register kept at the office of the Registrar in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and the registration of transfers and exchanges of Notes;

**“Regulation S”** means Regulation S promulgated under the Securities Act;

**“Relevant Date”** means, for the purposes of Condition 8 (*Prescription*), in respect of any payment in relation to the Notes, whichever is the later of:

- (a) the date on which the payment in question first becomes due; and
- (b) if the full amount payable has not been received by the Paying Agent or the Notes Trustee on or prior to that date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 19 (*Notices and Information*);

**“Relevant Recipient”** means, with respect to a Payment Obligation:

- (a) the Supplier to whom the Receivable which the Payment Obligation arose in respect of is payable to; or
- (b) following transfer (in accordance with the terms of the Accounts Payable Management Services Agreement) of the Payment Obligation from that Supplier to the Platform Provider, the Platform Provider; or
- (c) following transfer of the Payment Obligation from the Platform Provider to a Transferee (as defined in the Accounts Payable Management Services Agreement) or one Transferee to another Transferee, the Transferee to whom the Payment Obligation has most recently been transferred;

**“repay”, “redeem” and “pay”** shall each include both of the others and **“repayable”, “repayment” and “repaid” and “redeemable”, “redemption” and “redeemed” and “payable”, “payment” and “paid”** shall be construed accordingly;

**“Rule 144A”** means Rule 144A promulgated under the Securities Act;

**“SCF Platform”** means the online system, managed by the Platform Provider and administered under the terms of the APMSA and the Discounted Payments Purchase Agreements, to facilitate receivables financing provided by the Platform Provider and other participating funding providers, including the Issuer, and made available to VFZG and certain of its subsidiaries (including the Buyer Subsidiaries), together with any additional online system approved by VFZG or a Buyer Subsidiary pursuant to an SCF Platform Addition and any replacement online system approved by VFZG or a Buyer Subsidiary pursuant to an SCF Platform Replacement;

**“SCF Platform Addition”** means the addition of another online system established and administered by an additional Platform Provider to facilitate receivables financing made available to VFZG and certain of its subsidiaries (including the Buyer Subsidiaries), as approved or appointed by VFZG or a Buyer Subsidiary;

**“SCF Platform Addition Documentation”** means the relevant additional Framework Assignment Agreement, together with any amendments, modifications, supplements or additions to any Transaction Document as is reasonably required (in the determination of VFZG) to implement an SCF Platform Addition;

**“SCF Platform Documents”** means the APMSA and the Discounted Payments Purchase Agreements;

**“SCF Platform Replacement”** means the replacement of the then-current SCF Platform with another online system established and administered by a successor Platform Provider to facilitate receivables financing made available to VFZG and certain of its subsidiaries (including the Buyer Subsidiaries), as approved or appointed by VFZG or a Buyer Subsidiary.

**“SCF Platform Website”** means <https://www.ingscfplatform.com/> or such other website address as may be notified by the Platform Provider from time to time;



**“SCF Transfer”** means, in respect of a payment obligation arising in respect of a Receivable that has been given the status “approved” by or on behalf of the relevant Obligor via the SCF Platform, the transfer of such payment obligation to the Platform Provider pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement;

**“Secured Parties”** means each of the following (here stated in no order of priority):

- (a) the Security Trustee and any Receiver, manager or other Appointee appointed under the Trust Deed or any Notes Security Document;
- (b) the Notes Trustee and any Appointee of the Notes Trustee, the Noteholders and the Agents under the Trust Deed (including these Conditions), the Notes, and the Agency and Account Bank Agreement; and
- (c) any other person who accedes as a beneficiary of the Notes Security Documents;

**“Securities Act”** means the U.S. Securities Act of 1933, as amended;

**“Securitisation Regulation”** means any regulation of the European Union and/or the United Kingdom related to simple, transparent and standardised securitisation including any implementing regulations, technical standards and official guidance related thereto;

a **“subsidiary”** of a company or corporation shall be construed as a reference to any company or corporation (A) which is controlled, directly or indirectly, by the first-mentioned company or corporation; or (B) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or (C) which is a subsidiary of another subsidiary of the first-mentioned company or corporation and for these purposes a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

**“Supplier”** means:

- (a) the suppliers permitted to access the SCF Platform Website pursuant to the terms of a Supplier Access Agreement and which are listed in Schedule 2 to the APMSA (as may be updated by the Platform Provider from time to time when any changes to the details set out therein occurs);
- (b) any supplier proposed by the Buyer Parent to the Platform Provider as a supplier and meeting the eligibility criteria set out in Schedule 2 to the APMSA and permitted to access the SCF Platform Website pursuant to the terms of a Supplier Access Agreement from time to time; and
- (c) following an SCF Platform Replacement or SCF Platform Addition, any supplier permitted to access such replacement or additional SCF Platform pursuant to the relevant Supplier Access Agreement;

**“Supplier Access Agreement”** means (i) an electronic agreement entered into by the Platform Provider and each Supplier on substantially similar terms as set out in Schedule 2 to the APMSA; and (ii) following an SCF Platform Replacement or SCF Platform Addition, any agreement entered into by the Platform Provider and each Supplier which governs access to such replacement or additional SCF Platform;

**“tax”** means any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any jurisdiction or any sub-division of it or by any authority in it having power to tax, and taxes, taxation, taxable and comparable expressions shall be construed accordingly;

**“Tax Event”** means the occurrence of any of the following events by reason of a change in tax law (or in the application or official interpretation of any tax law) that has not become effective prior to the Issue Date:

- (a) the Issuer would on the next Interest Payment Date be required to deduct or withhold from any payment of principal, interest or other amounts (if any) on the Notes any amount for or on account of any present or future taxes imposed, levied, collected, withheld or assessed by the jurisdiction of tax residency of the Issuer or any political subdivision thereof or any authority thereof or therein and would be required to make an additional payment in respect thereof pursuant to Condition 9(a) (*Taxation—Gross Up for Deduction or Withholding*); or

- (b) any amounts payable by the Borrower or any member of the VFZ Group to the Issuer under the New VFZ Facilities Agreement or in respect of the funding costs of the Issuer cease to be receivable in full or the Borrower or any member of the VFZ Group incurs increased costs thereunder;

**“Transaction Documents”** means the Notes, the Trust Deed (including, for the avoidance of doubt, these Conditions and schedules thereto), the New VFZ Facilities Agreement (and the other finance documents related thereto), the Expenses Agreement, the Issue Date Arrangements Agreement and any additional issue date arrangements or agreements entered into in connection with the issuance of Further Notes, the Accounts Payable Management Services Agreement, the Discounted Payments Purchase Agreements, the Framework Assignment Agreement (and each Assignment Framework Note delivered in accordance with the terms thereof), together with the Agency and Account Bank Agreement, and the Corporate Administration Agreement and each, a **“Transaction Document”**;

**“Transactions”** means the issuance of the Notes offered hereby, the application of the proceeds of the Notes as described in the Offering Circular (including the purchase of VFZ Accounts Receivable pursuant to the Framework Assignment Agreement and the funding of the New VFZ Facilities Loans pursuant to the New VFZ Facilities Agreement), the making or receiving of payments under the New VFZ Facilities Agreement, the entry into the Transaction Documents and the Issuer’s performance of its obligations thereunder, as further described in the Offering Circular;

**“U.S. Risk Retention Rules”** means the credit risk retention requirements of Section 941 of The United States Dodd-Frank Wall Street Reform And Consumer Protection Act;

**“VFZ Account Receivable”** means, collectively, a Payment Obligation which has been acquired by the Platform Provider and any Receivable relating thereto, solely to the extent that such Receivable has been acquired by the Platform Provider;

**“VFZ Change of Control Event”** has the meaning assigned to the term “Change of Control” in the New VFZ Facilities Agreement;

**“VFZ Change of Control Prepayment Date”** has the meaning given to the term “Change of Control Prepayment Date” in the New VFZ Facilities Agreement;

**“VFZ Change of Control Prepayment Offer”** has the meaning assigned to the term “Change of Control Prepayment Offer” in the New VFZ Facilities Agreement;

**“VFZ Event of Default”** means an “Event of Default” as defined in the New VFZ Facilities Agreement;

**“VFZ Group”** means VFZG together with any of its subsidiaries from time to time; and

**“VFZG”** means VodafoneZiggo Group B.V. and any and all successors thereto.

#### *Singular and Plural*

- (b) Unless the context otherwise requires:
- (i) words denoting the singular number only include the plural number also and vice versa;
  - (ii) a defined term in the plural which refers to a number of different items or matters may be used in the singular or plural to refer to any (or any set) of those items or matters, as the context requires;
  - (iii) words denoting one gender only include the other genders; and
  - (iv) words denoting persons only include firms, corporations and other organised entities, whether separate legal entities or otherwise, and vice versa.

#### *Agreements and Statutes*

- (c) Unless the context otherwise requires, any reference in these Conditions to:
- (i) the Trust Deed, the Agency and Account Bank Agreement, any other Transaction Document or any other agreement, deed or document shall be construed as a reference to the relevant agreement, deed or document as the same may have been, or may from time to time be, replaced, extended, amended, varied, novated, supplemented or superseded in accordance with its terms and includes any agreement, deed or document expressed to be supplemental to it, as from time to time so extended, amended, varied or novated; and

- (ii) any statutory provision or legislative enactment shall be deemed also to refer to any re-enactment, modification or replacement thereof and any statutory instrument, order or regulation made thereunder or under any such re-enactment.

#### *Overview of the Structure of the Offering of the Notes*

- (d) The section entitled “*Overview of the Structure of the Offering of the Notes*” contains a description of the Transactions as of the Issue Date and does not purport to account for all relevant transactions (including, without limitation, one or more issuances of Further Notes) which might occur after the Issue Date. In the event of a conflict in these Conditions between the definitions set forth in the section entitled “*Overview of the Structure of the Offering of the Notes*” and the definitions set forth in Condition 1(a) (“*Definitions and Principles of Construction—General Interpretation*”), the latter shall prevail.

## **2. Form, Denomination and Title**

### *Form and Registration*

- (a) The Notes will be sold only to (i) non-U.S. persons who are also not “U.S. Persons” (within the meaning of the U.S. Risk Retention Rules) in offshore transactions in reliance on Regulation S under the Securities Act or (ii) in the United States to persons that are (x) QIBs and (y) also Qualified Purchasers. Each note sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Note, is both a QIB and a Qualified Purchaser will be issued in the form of one or more permanent global notes in definitive, fully registered form without interest coupons (the “**Rule 144A Global Notes**”). The Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S and will be issued in the form of one or more permanent global notes in definitive, fully registered form without interest coupons (the “**Regulation S Global Notes**”). The Rule 144A Global Notes and the Regulation S Global Notes are referred to herein collectively as the “**Global Notes**”.
- (b) Each initial investor in the Notes and subsequent transferee of an interest in a Global Note (except, in the case of the initial purchasers of the Notes), as may be expressly agreed in writing between such initial purchaser and the Issuer) will be deemed to represent, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA, as applicable.
- (c) As used herein, “**U.S. person**” shall have the meanings assigned to such term in each of Regulation S and the U.S. Risk Retention Rules. The term “**offshore transaction**” shall have the meaning assigned to such term in Regulation S.
- (d) The Global Notes will be deposited with the common depository for the respective accounts of Euroclear and Clearstream and registered in the name of a nominee of the common depository.
- (e) A beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the corresponding Rule 144A Global Note only upon, in accordance with the applicable procedures of the Clearing Systems, expiration of the Distribution Compliance Period and receipt by the Transfer Agent of (i) a written certification from the transferor in the form required by the Trust Deed to the effect that such transfer is being made to a person whom the transferor reasonably believes is (x) a QIB in a transaction meeting the requirements of Rule 144A, in compliance with certain restrictions imposed during the Distribution Compliance Period, if applicable, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (y) also a Qualified Purchaser, and (ii) a written certification from the transferee in the form required by the Trust Deed to the effect, among other things, that such transferee is (x) a QIB and (y) also a Qualified Purchaser. In accordance with the applicable procedures of the Clearing Systems, upon expiration of the Distribution Compliance Period, beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note only upon receipt by the Transfer Agent of a written certification from the transferor in the form required by the Trust Deed to the effect that such transfer is being made in accordance with Regulation S and a written certification from the transferee in the form required by the Trust Deed to the effect, inter alia, that such transferee is a non-U.S. person purchasing such beneficial interest in such Regulation S Global Note in an offshore transaction pursuant to Regulation S. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note, and become an

interest in such other Global Note, and accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Notes for as long as it remains such an interest.

- (f) The registered owner of the relevant Global Note will be the only person entitled to receive payments in respect of the Notes represented thereby, and the Issuer will be discharged by payment to the registered owner of such Global Note or in respect of each amount so paid. No person other than the registered owner of the relevant Global Note will have any claim against the Issuer in respect of any payment due on that Global Note.
- (g) Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to have Notes registered in their names, will not receive or be entitled to receive definitive physical Notes, and will not be considered “holders” of Notes under the Trust Deed or the Notes. If Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue as depository for Global Notes and a successor depository or custodian is not appointed by the Issuer within 120 days after receiving such notice, the Issuer will issue or cause to be issued, Notes in the form of definitive physical certificates in exchange for the applicable Global Notes to the beneficial owners of such Global Notes in the manner set forth in the Trust Deed. In addition, the owner of a beneficial interest in a Global Note will be entitled to receive a definitive physical Note in exchange for such interest if Euroclear and/or Clearstream so request following an Issuer Event of Default which is continuing, or if the holder of a beneficial interest in a Global Note requests such exchange in writing delivered through Euroclear and/or Clearstream or to the Issuer following an Issuer Event of Default which is continuing. Additionally, the Issuer, may, at its option, notify the Notes Trustee in writing that it elects to exchange in whole, but not in part, the Global Note for a definitive physical Note. In the event that definitive physical certificates are not so issued by the Issuer to such beneficial owners of interests in Global Notes, the Issuer expressly acknowledges that such beneficial owners shall be entitled to pursue any remedy that the holders of a Global Note would be entitled to pursue in accordance with the Trust Deed (but only to the extent of such beneficial owner’s interest in the Global Note) as if definitive physical Notes had been issued; *provided that* the Notes Trustee shall be entitled to rely, absolutely and without further enquiry, upon any certificate of ownership provided by such beneficial owners and/or other forms of reasonable evidence of such ownership. In the event that definitive physical Notes are issued in exchange for Global Notes as described above, the applicable Global Note will be surrendered to the Registrar by Euroclear or Clearstream and the Issuer will execute and the Registrar will authenticate and deliver an equal aggregate outstanding principal amount of definitive physical Notes.
- (h) The Notes will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and the Notes will bear the restrictive legend set forth under “*Transfer Restrictions*”.

### 3. Status, Priority and Security

#### *Status and Relationship between the Notes*

- (a) The Notes constitute direct and, upon issue, unconditional obligations of the Issuer subject to the Trust Deed and these Conditions and are secured by the Issuer Security over the Notes Collateral. The Notes are the obligations solely of the Issuer and not obligations of, or guaranteed by, any of the other parties to the Transaction Documents. The Notes rank *pari passu* without preference or priority among themselves. Certain other obligations of the Issuer rank in priority to the Notes in accordance with the Priorities of Payments set out in this Condition 3 (*Status, Priority and Security*).

#### *Conflicts of Interest*

- (b) In relation to the exercise or performance by it of each of its trusts, powers, authorities, duties, discretions and obligations under or in connection with the Trust Deed and each of the other Transaction Documents or conferred upon it by operation of law, the Notes Trustee shall not have regard to the circumstances of individual Noteholders (and in particular the place where they are domiciled or resident for any purpose) and no Noteholder shall have any right to be compensated by the Issuer or any other person for the tax or other consequences for it individually of any such exercise or performance.
- (c) The Trust Deed and other Notes Security Documents contain provisions requiring the Security Trustee to have regard solely to the interests of the Secured Parties as regards the exercise and performance of

all its powers, trusts, agency, authorities, duties and discretions in respect of the Notes Collateral, the Notes Security Documents or any other Transaction Document the rights and benefits of which are comprised in the Notes Collateral.

#### *Security*

- (d) As security for the payment or discharge of the Notes Secured Obligations, to the extent permitted under applicable law, the Issuer has created the following security pursuant to the Notes Security Documents:
- (i) a first fixed charge over its rights, title, benefit and interest in, to and under the Assigned Receivables;
  - (ii) an assignment by way of security over its rights under all contracts, agreements, deeds and documents to which it is or may become a party or in respect of which it has or may have any right, title, benefit or interest (including, without limitation, the New VFZ Facilities Agreement, the Expenses Agreement, the Framework Assignment Agreement and the Issue Date Arrangements Agreement);
  - (iii) a first fixed charge over its rights to all amounts at any time standing to the credit of the Issuer Transaction Accounts; and
  - (iv) a first floating charge over all the present and future property, assets and undertaking of the Issuer not subject to the fixed charges or assignments by way of security described above,
- the assets in (i) through (iv) above collectively, the “**Notes Collateral**”.

#### *Pre-Enforcement Priority of Payments*

- (e) Until the Security Trustee serves an Enforcement Notice on the Issuer, the Administrator shall, on behalf of the Issuer, apply Issuer Available Funds in accordance with the Agency and Account Bank Agreement and the other Transaction Documents.

#### *Post-Enforcement Priority of Payments*

- (f) After the Security Trustee serves an Enforcement Notice on the Issuer, all monies subsequently received by the Issuer or the Security Trustee in respect of the Assigned Receivables, and any other Notes Collateral, shall be credited to the relevant Issuer Transaction Account and shall be applied by the Security Trustee in or towards satisfaction of the Notes Secured Obligations in each case with interest and any value added tax payable thereon (if applicable) as provided for in the relevant Transaction Document in the following order of priority (the “**Post-Enforcement Priority of Payments**”) (and in each case only if and to the extent that payments or provisions of a higher priority, if any, have been made in full):
- (i) *first*, in or towards satisfaction, on a *pro rata* and *pari passu* basis, of (A) the fees or other remuneration and indemnity payments (if any) then payable to any Receiver and any costs, charges, liabilities and expenses incurred by it, (B) the fees or other remuneration and indemnity payments (if any) payable to the Notes Trustee and any Appointee of the Notes Trustee and any costs, charges, liabilities and expenses incurred by it for which it is entitled to be reimbursed or indemnified under the Transaction Documents and (C) the fees or other remuneration and indemnity payments (if any) payable to the Security Trustee and any Appointee of the Security Trustee and any costs, charges, liabilities and expenses incurred by it for which it is entitled to be reimbursed or indemnified under the Trust Deed or the other Transaction Documents;
  - (ii) *second*, in or towards satisfaction, on a *pro rata* and *pari passu* basis of the fees or other remuneration and indemnity payments (if any) then due and payable to (A) the relevant Agents under the Agency and Account Bank Agreement, and (B) the Corporate Servicer under the Corporate Administration Agreement, in each case, including any costs, charges, liabilities and expenses incurred by it;
  - (iii) *third*, in or towards satisfaction, on a *pro rata* and *pari passu* basis, according to the respective amounts due, of the fees then due and payable to (i) the Issuer’s independent auditors in connection with the services provided to it by such auditors and (ii) the Issuer’s other advisors, including legal and tax advisors in connection with the services provided to it by such advisors;



- (iv) *fourth*, in or towards satisfaction, on a *pro rata* and *pari passu* basis, according to the respective amounts due, of all interest and all amounts of principal due and payable in respect of the Notes;
- (v) *fifth*, to the extent not paid or provided for under paragraphs (i) to (iii) (inclusive), in or towards satisfaction, on a *pro rata* and *pari passu* basis, according to the respective amounts due, of any amounts due and payable pursuant to and in accordance with any Transaction Document (other than to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement); and
- (vi) *sixth*, any surplus to the Issuer (or to the New VFZ Facilities Borrower, on behalf of the Issuer, in accordance with the New VFZ Facilities Agreement).

#### 4. Covenants

The Issuer has given certain covenants to the Notes Trustee and the Security Trustee pursuant to the Trust Deed. In particular, except with the prior written consent of the Notes Trustee and the Security Trustee or as expressly provided in these Conditions or any of the other Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

##### *Negative Pledge*

- (a) create or permit to subsist any security interest over the whole or any part of its present or future assets, revenues or undertaking, except for Permitted Encumbrances;

##### *Restrictions on Activities*

- (b) carry on any business other than as contemplated by the Transaction Documents and, in respect of that business, shall not engage in any activity or do anything whatsoever except that the Issuer shall be entitled to:
  - (i) enter into the Transaction Documents to which it is a party and preserve, exercise and/or enforce any of its rights and perform and observe its obligations under and pursuant to the Transaction Documents to which it is a party and under any modifications, supplements or additions thereto;
  - (ii) engage in activities relating to the offering, sale and issuance of the Notes (including any Further Notes) and the lending or otherwise advancing the proceeds thereof, or proceeds received pursuant to the Issue Date Arrangements Agreement, to the VFZ Group and any other activities in connection therewith;
  - (iii) engage in those activities undertaken as investments in the loans under the New VFZ Facilities Agreement or cash and cash equivalents for purposes of assuring the servicing or timely distribution of proceeds to Noteholders or related or incidental to purchasing or otherwise acquiring or holding Assigned Receivables or loans under the New VFZ Facilities Agreement;
  - (iv) perform any act, incidental to or necessary in connection with any of the above; and
  - (v) engage in those activities directly related or incidental to its continued existence and proper management; *provided, however*, that the Issuer shall not hold any assets other than Assigned Receivables, loans under the New VFZ Facilities Agreement or cash or cash equivalents for the purposes described in (iii) above;

##### *Enforceability of the Notes Security Documents*

- (c) take any steps as a result of which the validity or effectiveness or enforceability of the Notes Security Documents shall be affected or otherwise impaired in any material respect or the priority of the security given under or pursuant to the Notes Security Documents shall be amended, terminated, postponed or discharged, except (i) for Permitted Encumbrances, (ii) at redemption or satisfaction and discharge of the Notes in accordance with the provisions of these Conditions and the Trust Deed or (iii) as otherwise expressly permitted by the provisions of these Conditions, the Trust Deed and the other Notes Security Documents;

##### *Disposal of Assets*

- (d) dispose of the Notes Collateral or any part thereof without the consent of the Notes Trustee or the Security Trustee, as applicable, except (i) in connection with the incurrence of a Permitted

Encumbrance, (ii) to facilitate or in connection with a Redemption Block Assignment (as defined below), or (iii) otherwise in accordance with the express provisions of these Conditions, the Trust Deed or any other Transaction Document to which it is a party; *provided*, for the avoidance of doubt, that the Notes Trustee or the Security Trustee, as applicable, may dispose of the Notes Collateral following the delivery of an Enforcement Notice in accordance with these Conditions and the Trust Deed;

#### *Indebtedness*

- (e) create, incur or permit to subsist any indebtedness or give any guarantee or indemnity in respect of indebtedness or of any other obligation of any person, other than the Notes, Further Notes, or any obligation to make payments under the New VFZ Facilities Agreement;

#### *Dividends, Distributions and Shares*

- (f) pay any dividend or make any other distribution to its shareholders or issue any further shares, other than to the Foundation on or prior to the date of the Trust Deed, or otherwise in accordance with the terms of the Transaction Documents to which the Issuer is party;

#### *Subsidiaries, Employees and Premises*

- (g) have or form or cause to be formed, any subsidiaries or subsidiary undertakings of any other nature or have any employees or premises;

#### *Merger*

- (h) amalgamate, consolidate or merge with any other person or transfer its assets, revenues or undertaking to any other person, except (i) in connection with the incurrence of a Permitted Encumbrance, (ii) pursuant to an Enforcement Action following the delivery of an Enforcement Notice in accordance with these Conditions and the Trust Deed or (iii) otherwise in accordance with the express provisions of these Conditions, the Trust Deed or any other Transaction Document to which it is a party;

#### *Bank Accounts*

- (i) have an interest in any bank account other than the Issuer Transaction Accounts, unless that account or interest is charged to the Security Trustee on terms acceptable to the Security Trustee;

#### *Separateness*

- (j) permit or consent to any of the following occurring:
  - (i) its books and records being maintained with or commingled with those of any other person or entity;
  - (ii) its bank accounts and the debts represented thereby being commingled with those of any other person or entity;
  - (iii) its assets or revenues being commingled with those of any other person or entity; or
  - (iv) its business being conducted other than in its own name,

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

- (A) separate financial statements in relation to its financial affairs to be maintained; (B) all corporate formalities with respect to its affairs to be observed;
- (B) separate stationery, invoices and cheques to be used; and
- (C) it always holds itself out as a separate entity.

#### *Tax Residence*

- (k) it shall not become tax resident in any country outside the Netherlands; and
- (l) it shall not elect to be treated as other than a corporation for U.S. federal income tax purposes;

## 5. Interest

### *Period of Accrual*

- (a) Interest on Notes will accrue from their applicable issue date. Interest will accrue: (i) in the case of the first interest period, in respect of the period commencing on (and including) the applicable issue date, and ending on (but excluding) the following Interest Payment Date, and (ii) in the case of each subsequent interest period, in respect of each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date (each such period, an “Interest Period”). Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.
- (b) The Notes shall cease to bear interest from and including the due date for redemption, unless, upon due presentation of the Notes to be redeemed, payment of the relevant amount of principal or any part of it is not made when due or is otherwise improperly withheld or refused. In that event, the Notes shall continue to bear interest in accordance with this Condition 5 (*Interest*) (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Notes up to (but excluding) that day are received by or on behalf of the relevant Noteholder(s) and (B) the seventh day after the Trustee or the Paying Agent has notified the Noteholders in accordance with Condition 19 (*Notices and Information*) that such payment will be made in respect of all such Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Noteholders under these Conditions).

### *Interest Payment Dates and Interest Periods*

- (c) Interest on the Notes is payable semi-annually in arrears on each Interest Payment Date in respect of the Interest Period ending on (but excluding) that Interest Payment Date.

### *Rate of Interest*

- (d) Interest on the Notes will accrue at the rate of                      % per annum.

## 6. Redemption, Purchase and Cancellation; Approved Exchange Offer

### *Final Redemption*

- (a) Subject to Condition 6(n) (*Redemption, Purchase and Cancellation; Approved Exchange Offer—Limited Recourse*), unless previously redeemed in full and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date (or, following the occurrence of an Accelerated Maturity Event, at the Accelerated Redemption Price on the New Maturity Date) together with interest and other amounts (if any) accrued to the initial Maturity Date or the New Maturity Date, as applicable. The date on which the Notes are redeemed in full may be earlier than the initial Maturity Date. The Issuer may not redeem any of the Notes in whole or in part prior to that date except as provided in this Condition 6 (*Redemption, Purchase and Cancellation; Approved Exchange Offer*), but without prejudice to Condition 8 (*Prescription*). At least two Business Days prior to the date of such final redemption of the Notes, any and all Assigned Receivables shall be repaid or prepaid by the Obligors.

### *Early Redemption: Tax Event*

- (b) The Issuer will give notice to the New VFZ Facilities Borrower in the event that a Tax Event has occurred or will occur and despite using all reasonable endeavours to mitigate the effects of the occurrence of such Tax Event, it has been unable to do so. In the event that all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer pursuant to Clause 7.2(a) (*Voluntary Prepayment*) of the New VFZ Facilities Agreement, the Issuer will redeem all, but not some only, of the Notes specified in the notice referred to in paragraph (i) below at the principal amount of such Notes together with interest and other amounts (including Additional Amounts), if any, accrued to the applicable redemption date;

*provided in all cases that:*

- (i) the Issuer has given not more than 60 nor less than 10 days’ notice of redemption to the Notes Trustee and the Noteholders in accordance with Condition 19 (*Notices and Information*);

- (ii) any and all Assigned Receivables are repaid or prepaid by the Obligor prior to the date of such redemption, or to the extent any Assigned Receivables will not be repaid or prepaid by the Obligor prior to the date of such redemption (the “**Remaining Assigned Receivables**”), the Issuer shall have assigned or agreed to assign (the “**Redemption Block Assignment**”) its right, title and interest in the Remaining Assigned Receivables to any person (which, for the avoidance of doubt, can be a special purpose vehicle) and the Issuer shall have received payment for the Redemption Block Assignment of the Remaining Assigned Receivables prior to the date of such redemption;
- (iii) all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer prior to the date of such redemption; and
- (iv) before giving the notice referred to in paragraph (i) above, the Issuer has delivered to the Notes Trustee an Officer’s Certificate (upon which the Notes Trustee shall be entitled to absolutely rely without further enquiry) to the effect that it will have available, not subject to the interest of any other person, the funds (the “**Tax Event Sufficient Funds**”) required to discharge in full all amounts payable to the Noteholders on redemption of the Notes. For the avoidance of doubt, the Tax Event Sufficient Funds may include amounts to be repaid or prepaid under (ii) and (iii) above as well as any amounts due to the Issuer under the New VFZ Facilities Agreement and the Expenses Agreement.

#### *Early Redemption: Illegality*

- (c) The Issuer will redeem all, but not some only, of the Notes specified in the notice referred to in paragraph (i) below at the principal amount of such Notes together with interest and other amounts (including Additional Amounts), if any, accrued to the applicable redemption date if at any time it becomes unlawful in any applicable jurisdiction for the Issuer to be a lender or to perform any of its obligations under the New VFZ Facilities Agreement, *provided that*:
  - (i) the Issuer has given not more than 60 nor less than 10 days’ notice of redemption to the Notes Trustee and the Noteholders in accordance with Condition 19 (*Notices and Information*);
  - (ii) any and all Assigned Receivables are repaid or prepaid by the relevant Obligor prior to the date of such redemption, or to the extent there are or will be Remaining Assigned Receivables prior to the date of redemption, the Issuer shall have completed or agreed to complete a Redemption Block Assignment of its right, title and interest in the Remaining Assigned Receivables to any person (which, for the avoidance of doubt, can be a special purpose vehicle) and the Issuer shall have received payment for the Redemption Block Assignment of the Remaining Assigned Receivables prior to the date of such redemption;
  - (iii) all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer prior to the date of such redemption; and
  - (iv) before giving the notice referred to in paragraph (i) above, the Issuer has delivered to the Notes Trustee an Officer’s Certificate (upon which the Notes Trustee shall be entitled to absolutely rely without further enquiry) to the effect that it will have available, not subject to the interest of any other person, the funds required (the “**Illegality Sufficient Funds**”) to discharge in full all amounts payable to the Noteholders on redemption of the Notes. For the avoidance of doubt, the Illegality Sufficient Funds may include amounts to be repaid or prepaid under (ii) and (iii) above as well as any amounts due to the Issuer under the New VFZ Facilities Agreement and the Expenses Agreement.

#### *Early Make-Whole Redemption Event*

- (d) (i) In the event that all or any portion of amounts lent to the New VFZ Facilities Borrower under the Excess Cash Facility are repaid to the Issuer at any time prior to 2020 pursuant to Clause 7.2(d) (*Voluntary Prepayment*) of the New VFZ Facilities Agreement (the “**Early Partial Make-Whole Redemption Event**”), the Issuer will redeem an aggregate principal amount of the Notes equal to the principal amount of the Excess Cash Facility prepaid in such Early Partial Make-Whole Redemption Event at the principal amount of such Notes plus the Applicable Premium, together with interest and other amounts (including Additional Amounts), if any, accrued, to the applicable redemption date, *provided that*:
  - (A) the Issuer has given not more than 60 nor less than 10 days’ notice of redemption to the Notes Trustee and the Noteholders in accordance with Condition 19 (*Notices and Information*);

- (B) all amounts lent to the New VFZ Facilities Borrower under the Excess Cash Facility that are to be repaid or all amounts that are to be paid to the Issuer in connection with such Early Partial Make-Whole Redemption Event are so repaid or paid to the Issuer prior to the date of such redemption; and
- (C) before giving the notice referred to in paragraph (A) above, the Issuer has delivered to the Notes Trustee an Officer's Certificate (upon which the Notes Trustee shall be entitled to absolutely rely without further enquiry) to the effect that it will have available, not subject to the interest of any other person, the funds required (the "**Make-Whole Sufficient Funds**") to discharge in full all amounts payable to the Noteholders on redemption of such Notes. For the avoidance of doubt, the Make-Whole Sufficient Funds may include amounts to be paid under (B) above as well as any amounts due to the Issuer under the New VFZ Facilities Agreement and the Expenses Agreement.
- (ii) In the event that all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer at any time prior to 2020 pursuant to Clause 7.2(b) (*Voluntary Prepayment*) of the New VFZ Facilities Agreement, the Issuer will redeem all, but not some only, of the Notes, at the principal amount of such Notes plus the Applicable Premium, together with interest and other amounts (including Additional Amounts), if any, accrued, to the applicable redemption date, *provided that*:
- (A) the Issuer has given not more than 60 nor less than 10 days' notice of redemption to the Notes Trustee and the Noteholders in accordance with Condition 19 (*Notices and Information*);
- (B) any and all Assigned Receivables are repaid or prepaid by the relevant Obligors prior to the date of such redemption, or to the extent there are or will be Remaining Assigned Receivables prior to the date of redemption, the Issuer shall have completed or agreed to complete a Redemption Block Assignment of its right, title and interest in the Remaining Assigned Receivables to any person (which, for the avoidance of doubt, can be a special purpose vehicle) and the Issuer shall have received payment for the Redemption Block Assignment of the Remaining Assigned Receivables prior to the date of such redemption;
- (C) all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer prior to the date of such redemption; and
- (D) before giving the notice referred to in paragraph (A) above, the Issuer has delivered to the Notes Trustee an Officer's Certificate (upon which the Notes Trustee shall be entitled to absolutely rely without further enquiry) to the effect that it will have available, not subject to the interest of any other person, the Make-Whole Sufficient Funds to discharge in full all amounts payable to the Noteholders on redemption of the Notes. For the avoidance of doubt, the Make-Whole Sufficient Funds may include amounts to be repaid or prepaid under (B) and (C) above as well as any amounts due to the Issuer under the New VFZ Facilities Agreement and the Expenses Agreement.

*Early Redemption Event on or after 2020*

- (e) (i) In the event that all or any portion of amounts lent to the New VFZ Facilities Borrower under the Excess Cash Facility are repaid to the Issuer at any time on or after 2020 pursuant to Clause 7.2(d) (*Voluntary Prepayment*) of the New VFZ Facilities Agreement (the "**Early Partial Redemption Event**"), the Issuer will redeem an aggregate principal amount of the Notes equal to the principal amount of the Excess Cash Facility prepaid in such Early Partial Redemption Event at the following redemption prices (expressed as a percentage of the principal amount of such Notes), together with interest and other amounts (including Additional Amounts), if any, accrued, to the applicable redemption date, if redeemed during the twelve month period commencing on of the years set out below:

	<u>Redemption Price</u>
2020 .....	%
2021 and thereafter .....	100.000%



provided that:

- (A) the Issuer has given not more than 60 nor less than 10 days' notice of redemption to the Notes Trustee and the Noteholders in accordance with Condition 19 (*Notices and Information*);
- (B) all amounts lent to the New VFZ Facilities Borrower under the Excess Cash Facility that are to be repaid or all amounts that are to be paid to the Issuer in connection with such Early Partial Redemption Event are so repaid or paid to the Issuer prior to the date of such redemption; and
- (C) before giving the notice referred to in paragraph (A) above, the Issuer has delivered to the Notes Trustee an Officer's Certificate (upon which the Notes Trustee shall be entitled to absolutely rely without further enquiry) to the effect that it will have available, not subject to the interest of any other person, the funds required (the "**Callable Period Sufficient Funds**") to discharge in full all amounts payable to the Noteholders on redemption of the Notes. For the avoidance of doubt, the Callable Period Sufficient Funds may include amounts to be paid under (B) above as well as any amounts due to the Issuer under the New VFZ Facilities Agreement and the Expenses Agreement.

(ii) In the event that all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer at any time on or after 2020 pursuant to Clause 7.2(b) (*Voluntary Prepayment*) of the New VFZ Facilities Agreement, the Issuer will redeem all, but not some only, of the Notes, at the following redemption prices (expressed as a percentage of the principal amount of such Notes), together with interest and other amounts (including Additional Amounts), if any, accrued, to the applicable redemption date, if redeemed during the twelve month period commencing on of the years set out below:

	<u>Redemption Price</u>
2020 .....	%
2021 and thereafter .....	100.000%

provided that:

- (A) the Issuer has given not more than 60 nor less than 10 days' notice of redemption to the Notes Trustee and the Noteholders in accordance with Condition 19 (*Notices and Information*);
- (B) any and all Assigned Receivables are repaid or prepaid by the relevant Obligor prior to the date of such redemption, or to the extent there are or will be Remaining Assigned Receivables prior to the date of redemption, the Issuer shall have completed or agreed to complete a Redemption Block Assignment of its right, title and interest in the Remaining Assigned Receivables to any person (which, for the avoidance of doubt, can be a special purpose vehicle) and the Issuer shall have received payment for the Redemption Block Assignment of the Remaining Assigned Receivables prior to the date of such redemption;
- (C) all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer prior to the date of such redemption; and
- (D) before giving the notice referred to in paragraph (A) above, the Issuer has delivered to the Notes Trustee an Officer's Certificate (upon which the Notes Trustee shall be entitled to absolutely rely without further enquiry) to the effect that it will have available, not subject to the interest of any other person, the funds required (the "**Callable Period Sufficient Funds**") to discharge in full all amounts payable to the Noteholders on redemption of the Notes. For the avoidance of doubt, the Callable Period Sufficient Funds may include amounts to be repaid or prepaid under (B) and (C) above as well as any amounts due to the Issuer under the New VFZ Facilities Agreement and the Expenses Agreement.

#### *Early Redemption Event*

- (f) In the event that all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer at any time on or after 30 days after the Issue Date pursuant to Clause 7.2(e) (*Voluntary Prepayment*) of the New VFZ Facilities Agreement, the Issuer will redeem

all, but not some only, of the Notes, at a price of 100%, together with interest and other amounts (including Additional Amounts), if any, accrued, to the applicable redemption date, *provided that*:

- (A) the Issuer has given not more than 60 nor less than 10 days' notice of redemption to the Notes Trustee and the Noteholders in accordance with Condition 19 (*Notices and Information*);
- (B) any and all Assigned Receivables are repaid or prepaid by the relevant Obligors prior to the date of such redemption, or to the extent there are or will be Remaining Assigned Receivables prior to the date of redemption, the Issuer shall have completed or agreed to complete a Redemption Block Assignment of its right, title and interest in the Remaining Assigned Receivables to any person (which, for the avoidance of doubt, can be a special purpose vehicle) and the Issuer shall have received payment for the Redemption Block Assignment of the Remaining Assigned Receivables prior to the date of such redemption;
- (C) all amounts lent to the New VFZ Facilities Borrower under the New VFZ Facilities Agreement are repaid to the Issuer prior to the date of such redemption; and
- (D) before giving the notice referred to in paragraph (A) above, the Issuer has delivered to the Notes Trustee an Officer's Certificate (upon which the Notes Trustee shall be entitled to absolutely rely without further enquiry) to the effect that it will have available, not subject to the interest of any other person, the funds required (the "**Callable Period Sufficient Funds**") to discharge in full all amounts payable to the Noteholders on redemption of the Notes. For the avoidance of doubt, the Callable Period Sufficient Funds may include amounts to be repaid or prepaid under (B) and (C) above as well as any amounts due to the Issuer under the New VFZ Facilities Agreement and the Expenses Agreement.

#### *Accelerated Maturity Event*

- (g) Within 15 days of receiving a VFZ Change of Control Prepayment Offer from the New VFZ Facilities Borrower under the New VFZ Facilities Agreement, the Issuer shall notify the Noteholders in accordance with Condition 19 (*Notices and Information*) that a VFZ Change of Control Event has occurred or will occur under the New VFZ Facilities Agreement, and solicit the consent of the Noteholders (the "**Maturity Consent Solicitation**") to set (i) the Maturity Date of the Notes as the New Maturity Date and (ii) the redemption price of the Notes on the New Maturity Date at 101% of the principal amount of the Notes (the "**Accelerated Redemption Price**"), plus accrued and unpaid interest and Additional Amounts (if any), to the New Maturity Date.
- (h) If Noteholders of more than 50% in the aggregate principal amount of the Notes consent to the terms set out in the Maturity Consent Solicitation (an "**Accelerated Maturity Event**"), the Issuer shall:
  - (i) promptly notify the New VFZ Facilities Borrower that the Issuer accepts the VFZ Change of Control Prepayment Offer;
  - (ii) amend the Transaction Documents and the Notes Trustee shall concur (without seeking further consent of the Noteholders and subject to receiving an Officer's Certificate or Opinion of Counsel in accordance with the Trust Deed, upon which Officer's Certificate or Opinion of Counsel the Notes Trustee may rely absolutely and without further enquiry), as necessary, to reflect the New Maturity Date and the Accelerated Redemption Price; and
  - (iii) redeem all of the Notes on the New Maturity Date at the Accelerated Redemption Price, plus accrued and unpaid interest and Additional Amounts (if any) to the New Maturity Date;

*provided that*, notwithstanding anything herein to the contrary, the consent of the Noteholders shall be validly given if made in accordance with the terms and conditions of the Maturity Consent Solicitation, and need not comply with Schedule D (*Provisions for Meetings of the Noteholders*) of the Trust Deed or any other provisions of the Trust Deed and these Conditions relating to an Extraordinary Resolution.

- (i) If the Issuer does not receive the consent of more than 50% in the aggregate principal amount of the Notes to the terms set out in the Maturity Consent Solicitation, the Issuer will promptly notify the New VFZ Facilities Borrower that it rejects the VFZ Change of Control Prepayment Offer.

### *Notice of Redemption Irrevocable*

- (j) Once a notice of redemption is mailed or delivered, Notes called for redemption become irrevocably due and payable on the specified redemption date at the redemption price; *provided, however*, that a notice of redemption may be conditional.

### *Approved Exchange Offer*

- (k) In order to extend the availability of the committed financing for the purchase of VFZ Accounts Receivable represented by the Committed Principal Proceeds beyond the Maturity Date of the Notes, VFZG may, at any time, enter into an exchange offer and payables financing plan agreement (a “**Plan Agreement**”) with a new entity (a “**New Issuer**”). Pursuant to any such Plan Agreement, the New Issuer will procure from VFZG a commitment to cancel amounts of the New VFZ Facilities as set forth below, and will enter into agreements with VFZG, the Platform Provider, the Notes Trustee and other relevant counterparties providing for the New Issuer’s purchase of VFZ Accounts Receivable on terms and conditions substantially similar to the Transaction Documents. Defined terms used in paragraphs (j) and (k) of this Condition 6 (*Redemption, Purchase and Cancellation; Approved Exchange Offer*) and not defined in Condition 1 (*Definitions and Principles of Construction—General Interpretation*) are defined and further described above under *Overview of the Structure of the Offering of the Notes*.
- (l) Promptly after entering into the Plan Agreement, the New Issuer will launch an exchange offer (the “**Approved Exchange Offer**”) designed to allow Noteholders to exchange up to a specified principal amount of Notes for a principal amount of new notes (the “**New Notes**”) to be set out in the Approved Exchange Offer. Upon consummation of the Approved Exchange Offer, subject to the terms of the Trust Deed:
  - (i) The New Issuer will issue a specified amount of New Notes to the Noteholders validly tendered into the Approved Exchange Offer and not withdrawn. If, upon the expiration of the Approved Exchange Offer, Noteholders have validly tendered more Notes than the New Issuer is able to accept pursuant to the Approved Exchange Offer, the New Issuer will accept for exchange Notes validly tendered and not withdrawn on a pro rata basis, based on the proportion that the aggregate principal amount of Notes to be accepted bears to the aggregate principal amount of Notes validly tendered and not withdrawn; and
  - (ii) The Issuer will purchase from the New Issuer any Notes accepted by the New Issuer pursuant to the Approved Exchange Offer and will cancel such purchased Notes. As consideration for such purchase, the Issuer will simultaneously pay, assign and transfer to the New Issuer:
    - (A) Assigned Receivables such that (a) minus (b) is equal to or less than (c) plus (d); where (a) is the Committed Principal Proceeds multiplied by the Relevant Percentage, where “**Relevant Percentage**” means the proportion that the aggregate principal amount of Notes accepted into the Approved Exchange Offer bears to the aggregate principal amount of Notes outstanding as of the date of consummation of the Approved Exchange Offer (the “**Determination Date**”), (b) is the aggregate historical Purchase Price Amount of such Assigned Receivables assigned to the New Issuer pursuant to this clause (A), (c) is the balance of Excess Cash Loans outstanding on the Determination Date, and (d) is any Interim Platform Amounts to be credited to the Issuer on the Determination Date. The Assigned Receivables to be assigned to the New Issuer pursuant to this clause (A) will be selected by an independent financial, banking, accounting or other similar advisor designated by VFZG, the Issuer or the Administrator on behalf of the Issuer with a mandate to maximise the aggregate Purchase Price Amount of the transferred Assigned Receivables whilst ensuring that they have the shortest maturities possible. Assigned Receivables will only be assigned and transferred to the New Issuer pursuant to this clause (A) in whole, and not in part;
    - (B) The cash proceeds from the repayment of Interest Facility Loans (to be demanded by the Issuer or the Administrator on behalf of the Issuer) in an amount equal to (a) minus (b); where (a) is the accrued and unpaid interest that remained outstanding on the Assigned Receivables assigned pursuant to clause (A) above as of the immediately preceding Interest Payment Date, and (b) is any accrued and unpaid Retained Amount Interest that remained outstanding as of the Determination Date in respect of the Retained Amounts to be transferred to the New Issuer pursuant to clause (D) below, as applicable;
    - (C) The cash proceeds from the repayment of Excess Cash Loans (to be demanded by the Issuer or the Administrator on behalf of the Issuer) in an amount equal to (a) minus (b) minus (c),

where (a) is the Committed Principal Proceeds multiplied by the Relevant Percentage, (b) is the aggregate Purchase Price Amounts of Assigned Receivables assigned to the New Issuer pursuant to clause (A) above, and (c) is any Interim Platform Amounts to be credited to the Issuer on the Determination Date;

- (D) The cash proceeds from the payment by the Platform Provider to the Issuer on the Determination Date of any Retained Amounts and any other Interim Platform Amounts; and
- (E) An “**Accrued Facility Interest and Shortfall Amount**” equal to (a) minus (b) minus (c) minus (d) minus (e), where (a) is the aggregate principal amount of Notes tendered into the Approved Exchange Offer, (b) is the aggregate Purchase Price Amounts of the Assigned Receivables assigned pursuant to clause (A) above *plus* accrued and unpaid interest thereon through the Determination Date, (c) is the amount of cash proceeds set out in clause (B) above, (d) is the amount of cash proceeds set out in clause (C) above and (e) is the amount of cash proceeds set out in clause (D) above. The Issuer will demand repayment of Excess Cash Loans in an amount equal to any Accrued Facility Interest and Shortfall Amount in order to make such payment.

#### *Cancellation*

- (m) All Notes redeemed under this Condition 6 (*Redemption, Purchase and Cancellation; Approved Exchange Offer*) or otherwise surrendered under Condition 18 (*Replacement of Notes*) will be cancelled upon redemption or surrender and may not be resold or re-issued.

#### *Limited Recourse*

- (n) Notwithstanding any other provision of these Conditions or the other Transaction Documents:
  - (i) the Noteholders will only have recourse in respect of any amount, claim or obligation due or owing under the Notes by the Issuer (the “**Claims**”) to the extent of available funds pursuant to Condition 3(f) (*Status, Priority and Security—Post-Enforcement Priority of Payments*) and subject to the provisos in such Conditions, which shall be applied by the Security Trustee subject to and in accordance with the terms thereof and after all other prior ranking claims in respect thereof have been satisfied and discharged in full;
  - (ii) following the application of funds following enforcement of the security interests created under the Trust Deed and any other Notes Security Documents, subject to and in accordance with Condition 3(f) (*Status, Priority and Security—Post-Enforcement Priority of Payments*), the Issuer will have no assets available for payment of its obligations under the Notes, the Trust Deed and the other Transaction Documents other than as provided for pursuant to the Trust Deed, and that the Claims of the Noteholders will accordingly be extinguished to the extent of any shortfall (and the Notes shall be surrendered in accordance with Condition 7 (*Payments*) and cancelled in accordance with Condition 6 (m) (*Redemption, Purchase and Cancellation; Approved Exchange Offer—Cancellation*); and
  - (iii) the respective obligations of the Issuer under the Notes, the Trust Deed, and the other Transaction Documents will not be obligations or responsibilities of, or guaranteed by, any other person or entity.

## **7. Payments**

#### *Payment of Principal, Interest and Other Amounts*

- (a) Payments to Noteholders shall be made ratably among the Noteholders in the proportion that the aggregate principal amount of the Notes registered in the name of each such Noteholder on the applicable Record Date bears to the aggregate principal amount outstanding of all Notes on such Record Date.
- (b) All reductions in the principal amount of a Note (or one or more predecessor Notes) effected by payments of instalments of principal made on any Interest Payment Date on which a Note is redeemed shall be binding upon all future holders of such Note and of any Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, whether or not such payment is noted on such Note.

- (c) Subject to the foregoing, each Note delivered under the Trust Deed, and upon registration of transfer of or in exchange for or in lieu of any other Note, shall carry the rights to unpaid interest and principal (or other applicable amount) that were carried by such other Note.

#### *Currency of Payment*

- (d) Payments in respect of the Notes will be made in euro.

#### *Payments subject to the Trust Deed and all Fiscal Laws*

- (e) Payments of principal, interest and other amounts (if any) in respect of the Notes are subject in all cases to the Priorities of Payments and the Trust Deed and to any fiscal or other laws and regulations applicable thereto.

#### *Payment of Interest on Withheld Amounts*

- (f) If payment of principal on or in respect of any Note or part thereof is not made when due or is otherwise improperly withheld or refused, the interest which continues to accrue in respect of such Note in accordance with Condition 5(a) (*Interest—Period of Accrual*) will become due and payable on the date on which the payment of such principal is paid.

#### *Paying Agents*

- (g) The initial Paying Agent and its specified office is set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Notes Trustee, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents. Upon being notified of the same by the relevant Agent, the Issuer shall promptly give notice of any change in an Agent's specified office to the Noteholders in accordance with Condition 19 (*Notices and Information*).

#### *Payments on Business Days*

- (h) If any Note is presented for payment on a day which is not a Business Day in the place of presentation, then the holder shall not be entitled to payment in such place until the next succeeding Business Day in such place and no further payment or additional amount by way of interest, principal or otherwise shall be due in respect of such Note.

#### *Entitlement to Payments*

- (i) Payments on the Notes will be made to the person in whose name the Note is registered on the Record Date. Payments on interests in notes not in global form will be made in euro by wire transfer, in accordance with the information on the Register, in immediately available funds to the Noteholder, *provided that* wiring instructions have been provided to the Paying Agent on or before the related Record Date. Final payments in respect of principal on the Notes will be made only against surrender of the Notes at the office of the Paying Agent.
- (j) Payments on any Global Notes will be made by the Issuer to the Paying Agent. The Paying Agent will, in turn, make such payments to the common depository for Euroclear and/or Clearstream which will distribute such payments to participants in accordance with their respective procedures. None of the Issuer, the Notes Trustee, the Paying Agent, the Registrar or the Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Notes or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests. The Issuer also expects that payments by participants to owners of beneficial interests in a Global Note held through the participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for the customers. The payments will be the responsibility of the participants.



## 8. Prescription

### *General*

- (a) After the date on which a Note becomes void in its entirety, no claim may be made in respect of it.

### *Principal*

- (b) Claims for payment of principal or Additional Amounts, if any, in respect of Notes shall become void unless the relevant Note(s) are presented or surrendered for payment within ten years of the Relevant Date. Any funds deposited with the Notes Trustee or the Paying Agent for the payment of principal remaining unclaimed for ten years after such principal has become due and payable shall be paid to the Issuer pursuant to the Trust Deed; and the Noteholder shall thereafter, as an unsecured general creditor, look only to the Issuer for payment of such amounts and all liability of the Notes Trustee and the Paying Agent with respect to such trust funds shall thereupon cease.

As used herein, “**Relevant Date**” means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Paying Agent or the Notes Trustee on or prior to such due date, the date on which, the full amount plus any accrued interest having been so received, notice to that effect shall have been given to the Noteholders in accordance with Condition 19 (*Notices and Information*).

### *Interest*

- (c) Claims for interest in respect of Notes shall become void unless the relevant Note(s) is presented or surrendered for payment within five years of the Relevant Date. Any funds deposited with the Notes Trustee or the Paying Agent for the payment of interest remaining unclaimed for five years after such principal or interest has become due and payable shall be paid to the Issuer pursuant to the Trust Deed; and the Noteholder shall thereafter, as an unsecured general creditor, look only to the Issuer for payment of such amounts and all liability of the Notes Trustee and the Paying Agent with respect to such trust funds shall thereupon cease.

## 9. Taxation

### *Gross Up for Deduction or Withholding*

- (a) Subject to the proviso below, all payments of principal, premium, if any, and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, taxes unless such withholding or deduction is required by law or by the official interpretation or administration thereof. If any deduction or withholding for, or on account of, any taxes imposed or levied by or on behalf of:
  - (i) the government of the Netherlands or any political subdivision or governmental authority thereof or therein having power to tax;
  - (ii) any jurisdiction from or through which payment on the Notes is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or
  - (iii) any other jurisdiction in which a Payor (as defined below) is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (i), (ii) and (iii), a “**Relevant Taxing Jurisdiction**”),

the Issuer or any successor thereto (a “**Payor**”) shall pay such additional amounts (the “**Additional Amounts**”) as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required but only to the extent and only at such time as the Issuer receives an equivalent amount from VFZG under the Expenses Agreement. To the extent that the Issuer receives a lesser amount from VFZG, the Issuer will account to each Noteholder for an additional amount equivalent to a pro rata proportion of such amount (if any) as is actually received (after deduction or withholding of such taxes or duties as may be required to be made by the Issuer by law in respect of the Notes) by, or for the account of, the Issuer pursuant to the Expenses Agreement on the date of the payment of such amount to the Issuer, *provided that* no such Additional Amount will be payable in respect of:

- (i) any taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Noteholder or beneficial owner and the Relevant Taxing

Jurisdiction imposing such taxes (other than the mere ownership or holding of such Note or enforcement of rights thereunder or under the Trust Deed or the receipt of payments in respect thereof);

- (ii) any taxes that would not have been so imposed if the Noteholder had made a declaration of non-residence or any other claim or filing for exemption to which it is entitled (provided that (i) such declaration of non-residence or other claim or filing for exemption is required by the applicable law of the Relevant Taxing Jurisdiction as a precondition to exemption from the requirement to deduct or withhold all or a part of any such taxes and (ii) at least 30 days prior to the first payment date with respect to which such declaration of non-residence or other claim or filing for exemption is required under the applicable law of the Relevant Taxing Jurisdiction, the relevant holder at that time has been notified (in accordance with the procedures set forth in the Trust Deed) by the Payor or any other person through whom payment may be made that a declaration of non-residence or other claim or filing for exemption is required to be made, but only to the extent the holder is legally entitled to provide such declaration, claim or filing);
- (iii) any Note presented for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the Noteholder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented during such 30-day period);
- (iv) any taxes that are payable otherwise than by withholding from a payment of the principal of, premium, if any, or interest on the Notes;
- (v) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
- (vi) all United States backup withholding;
- (vii) any withholding or deduction imposed pursuant to (i) Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended), as of the Issue Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, (ii) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of (i) above, or (iii) any agreement pursuant to the implementation of (i) or (ii) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction; or
- (viii) any combination of items (i) through (vii) above.

Such Additional Amounts will also not be payable where, had the beneficial owner of the Note been the holder, it would not have been entitled to payment of Additional Amounts by reason of any of clauses (i) to (viii) inclusive above.

- (b) The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such taxes and will provide such certified copies (or, if certified copies are not available despite reasonable efforts of the Payor, other evidence of payment reasonably satisfactory to the Notes Trustee) to each Noteholder. The Payor will attach to each certified copy (or other evidence) a certificate stating (a) that the amount of withholding taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (b) the amount of such withholding taxes paid per £1,000 principal amount of the Notes, as the case may be. Copies of such documentation will be available for inspection during ordinary business hours at the office of the Paying Agent by the Noteholders upon request.
- (c) At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable (unless such obligation to pay Additional Amounts arises on or after the 30th day prior to such date, in which case it shall be promptly thereafter), if the Payor will be obligated to pay Additional Amounts with respect to such payment, the Payor will deliver to the Notes Trustee an Officer's Certificate (upon which the Notes Trustee shall be entitled to absolutely rely without further enquiry) stating the fact that such Additional Amounts will be payable, the amounts so payable and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to

Noteholders on the payment date. Each such Officer's Certificate shall be relied upon until receipt of a further Officer's Certificate addressing such matters. The Notes Trustee shall be entitled to rely absolutely and without further enquiry on each such Officer's Certificate as conclusive proof that such payments are necessary.

- (d) Wherever mentioned in the Trust Deed, the Notes or these Conditions, in any context: (i) the payment of principal, (ii) purchase prices in connection with a purchase of Notes, (iii) interest, or (iv) any other amount payable on or with respect to the Notes, such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.
- (e) The Payor will pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies (including interest and penalties to the extent resulting from a failure by the Issuer to timely pay amounts due) which arise in any jurisdiction from the execution, delivery or registration of any Notes or any other document or instrument referred to therein (other than a transfer of the Notes), or the receipt of any payments with respect to the Notes, excluding any such taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction or any jurisdiction in which a Paying Agent is located, other than those resulting from, or required to be paid in connection with, the enforcement of the Notes, the Notes Collateral or any other such document or instrument following the delivery of an Enforcement Notice with respect to the Notes.
- (f) The foregoing obligations will survive any termination, defeasance or discharge of the Trust Deed and the Notes and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized or any political subdivision or taxing authority or agency thereof or therein.

#### *Tax Characterisation*

- (g) The Issuer intends to treat, and the Trust Deed will provide that the Issuer and the Notes Trustee agree and each Noteholder and beneficial owner of Notes, by accepting a Note, agrees, to the extent permitted by law, to treat the Notes as debt instruments of the Issuer for U.S. federal, state and local income and franchise tax purposes. The Trust Deed will provide that each Noteholder, by accepting a Note, agrees to report all income (or loss) in accordance with such treatment and to take no action inconsistent with such treatment unless otherwise required by a law or relevant taxing authority.

### **10. Issuer Events of Default**

#### *Determination of an Issuer Event of Default*

- (a) The Notes Trustee:
  - (i) may in its absolute discretion; and
  - (ii) shall if it has been directed to do so:
    - (A) in writing by the holders of not less than 30 per cent. in aggregate of the principal amount outstanding of the Notes; or
    - (B) by an Extraordinary Resolution of the Noteholders,subject in each case to being indemnified and/or secured to its satisfaction, give a notice (a “**Note Acceleration Notice**”) to the Issuer declaring the Notes to be immediately due and payable at any time after the occurrence and during the continuation of any of the events specified in Condition 10(b) (*Issuer Events of Default— Events*).

#### *Events*

- (b) The occurrence of any of the following events shall be an “**Issuer Event of Default**”:
  - (i) default being made for a period of 30 days or more in the payment of any interest or Additional Amounts (if any) on any Notes (other than principal, for the avoidance of doubt) when due; or
  - (ii) default being made for a period of three Business Days or more in the payment of any principal of any Notes when due (at maturity, upon redemption or otherwise); or
  - (iii) the Issuer failing duly to perform or observe any other obligation binding upon it under the Notes, the Trust Deed or any of the other Transaction Documents and such failure (A) being in the

opinion of the Notes Trustee (or, in the case of any Notes Security Document, the Security Trustee) incapable of remedy or (B) being a failure which is, in the opinion of the Notes Trustee (or, in the case of any Notes Security Document, the Security Trustee), capable of remedy, but which remains unremedied for a period of 60 days following the giving by the Notes Trustee (or the Security Trustee, as applicable), to the Issuer of notice requiring the same to be remedied and, in either case, *provided that*, in each case, the Notes Trustee shall have determined that such event is, in its opinion, materially prejudicial to the interests of the Noteholders; or

- (iv) the Issuer ceasing or, through an official action of the Board of Directors of the Issuer, threatening to cease to carry on business; or
- (v) any of the following occurs with respect to the Issuer:
  - (A) it is, or is deemed for the purposes of any law to be, unable to pay its debts as they fall due or insolvent; or
  - (B) it admits its inability to pay its debts as they fall due; or it suspends making payments on any of its debts or announces an intention to do so; or
  - (C) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, “**Insolvency Law**”), or a receiver, administrative receiver, trustee, administrator, examiner, custodian, conservator, liquidator, curator or other similar official appointed in connection with any Insolvency Law or a security enforcement or related proceedings (a “**Receiver**”) is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer and in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 30 calendar days; or the Issuer is subject to, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation; or
  - (D) the passing of an effective resolution or the making of an order by a court of competent jurisdiction for the winding up, liquidation or dissolution of the Issuer;
- (vi) any event occurs which under any applicable laws has an analogous effect to any of the events referred to in paragraph (v) above; or
- (vii) the Issuer Security (or any material part thereof) is repudiated or is or becomes void, illegal, invalid or unenforceable; or
- (viii) the occurrence of a VFZ Event of Default that is continuing.

For so long as any Issuer Event of Default has occurred and is continuing, no further purchases of VFZ Accounts Receivable shall be made by or for the account of the Issuer. In addition, pursuant to Clause 4.2 of the New VFZ Facilities Agreement, an Issuer Event of Default would result in New VFZ Facilities Borrower no longer satisfying the conditions precedent to further utilisations of the facilities made available thereunder.

#### *Acceleration*

- (c) Upon delivery of a Note Acceleration Notice, the Notes shall immediately become due and payable at their principal amount outstanding together with accrued interest up to (but excluding) the earlier of
  - (i) the date on which the full amount (together with accrued interest) is paid to the Noteholders and
  - (ii) the seventh day after notice has been given to the Noteholders in accordance with Condition 19 (*Notices and Information*) that the full amount (together with accrued interest) has been received by the Paying Agent or the Notes Trustee; *provided that* upon the occurrence of an Issuer Event of Default described in clause (v) or (vi) of the definition thereof, the Note Acceleration Notice shall be deemed to have been given and all the Notes shall become immediately due and payable.

### **11. Enforcement**

#### *Instruction to Enforce*

- (a) At any time:
  - (i) after a Note Acceleration Notice has been given (or deemed to have been given) to the Issuer, the Notes Trustee:
    - (A) may in its absolute discretion; and

(B) shall if it has been directed to do so:

- (1) in writing by the holders of not less than 30 per cent. in aggregate of the principal amount outstanding of the Notes; or
- (2) by an Extraordinary Resolution of the Noteholders,

subject in each case to being indemnified and/or secured to its satisfaction, instruct the Security Trustee to give an Enforcement Notice to the Issuer;

(ii) the Notes Trustee may in its absolute discretion; and

(A) shall if it has been directed to do so:

- (1) in writing by the holders of not less than 30 per cent. in aggregate of the principal amount outstanding of the Notes; or
- (2) by an Extraordinary Resolution of the Noteholders,

subject in each case to being indemnified and/or secured to its satisfaction, instruct the Issuer to notify the New VFZ Facilities Borrower and the New VFZ Facilities Guarantors of any default under the New VFZ Facilities Agreement.

#### *Enforcement Notice*

- (b) Under the terms of the Trust Deed, at any time following the service (or deemed service) of a Note Acceleration Notice on the Issuer, the Security Trustee shall if instructed by the Notes Trustee (in accordance with Condition 11(a) (*Enforcement—Instruction to Enforce*)) or instructed pursuant to an Extraordinary Resolution of the Noteholders or by the holders of not less than 30 per cent. in aggregate of the principal amount outstanding of the Notes (in accordance with Condition 12(c) (*Noteholder Action—Exceptions*)) serve an Enforcement Notice on the Issuer declaring the security created by the Notes Security Documents to be enforceable, whereupon the security created by the Notes Security Documents shall become immediately enforceable.
- (c) Under the terms of the Trust Deed, upon receipt of any Enforcement Notice, the Issuer shall be required to promptly (and in no event more than 10 Business Days after receipt of such Enforcement Notice) deliver or cause to be delivered to the relevant Obligors an Obligor Enforcement Notification pursuant to the Framework Assignment Agreement, whereupon legal assignment of the relevant Assigned Receivables (and all related rights) will be perfected in favour of the Issuer.

## **12. Noteholder Action**

#### *Limit on Noteholder Action*

- (a) Subject to Conditions 12(c) and 12(d) (*Noteholder Action—Exceptions*), no Noteholder shall be entitled to take any proceedings or other action directly against the Issuer including:
  - (i) take any corporate action or other steps or legal proceedings for the winding-up, dissolution or re-organisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator, examiner or similar officer of the Issuer or of its revenues and assets (other than as permitted by the Trust Deed); or
  - (ii) take any steps for the purpose of obtaining payment of any amounts payable to it under the Notes or any Transaction Document and shall not take any steps to recover any debts whatsoever owing to it by the Issuer (other than in accordance with the Trust Deed).

#### *Recourse Against Certain Parties*

- (b) No recourse under any obligation, covenant, or agreement of the Issuer (acting in any capacity whatsoever) contained in these Conditions or any Transaction Document shall be had against any shareholder, officer, agent, employee or director of the Issuer by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that each Transaction Document (including these Conditions) to which the Issuer is a party is a corporate obligation of the Issuer and no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the



obligations, covenants or agreements of the Issuer contained in these Conditions or any such Transaction Document, or implied therefore, and that any and all personal liability for breaches by such party of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is hereby expressly waived.

#### *Exceptions*

- (c) If the Notes Trustee having become bound (i) to give a Note Acceleration Notice to the Issuer or (ii) to instruct the Security Trustee to give an Enforcement Notice to the Issuer, fails to do so within a reasonable time and that failure is continuing, the Noteholders by an Extraordinary Resolution may agree to (A) sign and give a Note Acceleration Notice to the Issuer in accordance with Condition 10 (*Issuer Events of Default*) and/or (B) instruct the Security Trustee to give an Enforcement Notice to the Issuer in accordance with Condition 11 (*Enforcement*).
- (d) At any time after the Notes become due and payable and the security under the Trust Deed and the other Notes Security Documents has become enforceable in accordance with Condition 11 (*“Enforcement”*), the Noteholders may direct the Security Trustee by an Extraordinary Resolution or in writing by the holders of not less than 30 per cent in aggregate of the principal amount of the Notes to (i) institute such proceedings or take such other action against the Issuer or take any other action as it may think fit to enforce the terms of the Trust Deed, the Notes or the other Notes Security Documents and/or (ii) enforce, exercise remedies available in respect of, realise and/or otherwise liquidate or sell the Notes Collateral in whole or in part and/or take such other action as may be permitted under applicable laws against any obligor in respect of the Notes Collateral and/or take any other action to enforce or realise the payment claims constituting the Notes Collateral or the security over the Notes Collateral in accordance with the Trust Deed and the other Notes Security Documents.

### **13. Meeting of Noteholders**

#### *Convening of Meeting*

- (a) The Trust Deed contains provisions for convening meetings of Noteholders (**“Meetings”**) to consider any matter affecting their interests.

#### *Excluded Notes*

- (b) The provisions for Meetings of Noteholders provide that a holder or beneficial holder of Excluded Notes shall not be entitled to attend or vote at any Meeting.

#### *Powers*

- (c) A Meeting will have the power, exercisable by Extraordinary Resolution, to make certain decisions, including to approve the modification, and to authorise or waive any proposed breach or breach, of the Trust Deed, these Conditions and any other Transaction Document.

Any Basic Terms Modification affecting the Notes must be approved by an Extraordinary Resolution of the Noteholders.

#### *Quorum*

- (d) The quorum at any Meeting of the Noteholders for passing an Extraordinary Resolution in respect of any matter other than a Basic Terms Modification will be two or more persons bearing a voting certificate, block voting instruction and/or Definitive Note (each, a **“Voter”**), in each case representing or holding in aggregate more than 50 per cent. of the aggregate principal amount outstanding of Notes then outstanding or at any adjourned Meeting two or more Voters representing or holding Notes, whatever the aggregate principal amount outstanding. The quorum at any Meeting of the Noteholders for passing an Extraordinary Resolution in respect of a Basic Terms Modification shall be two or more Voters representing or holding in aggregate at least 75 per cent. of the aggregate principal amount outstanding of the Notes then outstanding or at any adjourned Meeting two or more persons representing or holding at least 33 1/3 per cent. of the aggregate principal amount outstanding of the Notes then outstanding.

So long as all of the Notes are held by a single Noteholder (including the holder of a Global Note), a single voter in relation thereto shall be deemed to be two voters for the purpose of forming a quorum.

- (e) In accordance with the Trust Deed, any Extraordinary Resolution of the Noteholders duly passed shall be binding on all Noteholders (regardless of whether or not a Noteholder was present at the meeting at which such Extraordinary Resolution) was passed.

#### *Written Extraordinary Resolutions*

- (f) Any reference to an action being directed, authorised or approved by an Extraordinary Resolution of Noteholders shall be deemed to include a reference to that matter being directed, authorised or approved by a Written Extraordinary Resolution of the Noteholders. Any Written Extraordinary Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more relevant Noteholders and the date of such Written Extraordinary Resolution shall be the date on which the latest such document is signed.

### **14. Modification and Waiver of Breach**

#### *Modification*

- (a) The Trust Deed provides that, without the consent of the Noteholders, the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed, these Conditions or any of the other Transaction Documents and the Notes Trustee and/or the Security Trustee, as applicable, shall consent to, to the extent required, (without the consent of Noteholders subject to paragraph (xv) below) such amendment, supplement, modification or waiver for any of the following purposes:
  - (i) it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders;
  - (ii) to, in the opinion of the Issuer, correct a manifest error, ambiguity, omission, defect or inconsistency or amendments/modifications of a formal, minor or technical nature;
  - (iii) to provide for the assumption by a substitute principal obligor of the obligations of the Issuer under the Trust Deed, and the Notes, as applicable, in accordance with Condition 15 (*Substitution of Principal Obligor*) below;
  - (iv) to evidence and provide for the acceptance and appointment of any successor Notes Trustee, Security Trustee or Agent;
  - (v) to secure the Notes (including pursuant to any Notes Security Documents);
  - (vi) to give effect to Permitted Encumbrances or to provide for the release of security interests over the Notes Collateral as provided by the terms of the Trust Deed and the other Transaction Documents;
  - (vii) to give effect to, or as otherwise reasonably required to allow for, the Transactions (including, without limitation, the performance by each party to the Transaction Documents of its obligations or duties contemplated thereunder, and to give effect to any SCF Platform Addition and any SCF Platform Replacement);
  - (viii) to comply with the rules of any applicable securities depository;
  - (ix) to provide for the issuance of Further Notes in accordance with the Trust Deed and the provisions of these Conditions;
  - (x) to provide for the issue of Definitive Notes;
  - (xi) to conform the provisions of the Trust Deed or any other Transaction Document to the Offering Circular;
  - (xii) to comply with or implement the Securitisation Regulation;
  - (xiii) to make any changes necessary to prevent the Issuer from becoming an investment company or being required to register as an investment company under the Investment Company Act;
  - (xiv) to add to the covenants of the Issuer for the benefit of the Noteholders;
  - (xv) if it is necessary to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) or to enable the Issuer to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required by the Trust Deed; *provided that*, if the interests of the

Noteholders would, in the opinion of the Issuer, be materially and adversely affected by such modification, the requisite level of consent to such modification has been obtained from the Noteholders by Extraordinary Resolution;

- (xvi) to take any action advisable to prevent the Issuer from being treated as resident in the U.K. for U.K. tax purposes or as trading in the U.K. for U.K. tax purposes;
  - (xvii) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis;
  - (xviii) to make any amendments to the Trust Deed or any other Transaction Document to enable the Issuer to comply with FATCA; or
  - (xix) to make any Margin Amendment, so long as the obligations of the New VFZ Facilities Borrower in favour of the Issuer under Clause 11.2 (*Facility Fees*) of the New VFZ Facilities Agreement remain in full force and effect.
- (b) Any such modification, amendment, supplement or waiver shall be binding on the Noteholders. For the avoidance of doubt, the Notes Trustee and/or the Security Trustee, as applicable, shall, without the consent or sanction of any of the Noteholders or any other Secured Party, concur with the Issuer in making any such modification, amendment, waiver or authorisation for which the Issuer has delivered an Officer's Certificate or Opinion of Counsel in compliance with Clause 27.4 (*Waiver, Determination and Modification—Notes Trustee and/or Security Trustee to Sign Amendments, etc.*) of the Trust Deed, upon which Officer's Certificate and/or Opinion of Counsel the Notes Trustee and/or the Security Trustee, as applicable, shall rely absolutely and without enquiry.
- (c) The Notes Trustee and/or the Security Trustee, as applicable, will sign any amended or supplemental trust deed, waivers, or other modifications to any Transaction Document authorized pursuant to the Trust Deed and these Conditions, if the amendment, supplement, waiver or such modification does not adversely affect the rights, duties, liabilities or immunities of the Notes Trustee and/or the Security Trustee, as applicable; *provided that* the Notes Trustee and/or Security Trustee, as applicable, shall not be obliged to agree to any modification which, in the opinion of the Notes Trustee and/or Security Trustee, as applicable, would have the effect of breaching any duty at law or fiduciary duty of the Notes Trustee and/or the Security Trustee, as applicable, or would have the effect of exposing the Notes Trustee and/or Security Trustee, as applicable, to any liability against which it has not been indemnified and/or secured to its satisfaction or decreasing the rights, indemnifications and protections of the Notes Trustee and/or Security Trustee, as applicable, in respect of the Transaction Documents.

#### *Waiver of Breach*

- (d) Subject as provided below, the Notes Trustee may also, without the consent of the Noteholders if in its opinion it will not be materially prejudicial to the interests of the Noteholders:
- (i) authorise or waive, on any terms and subject to any conditions which it considers appropriate, any proposed breach or breach of the Trust Deed, these Conditions or any other Transaction Document; or
  - (ii) determine that any event that would otherwise constitute an Issuer Event of Default or Potential Event of Default shall not, or shall not subject to any conditions which it considers appropriate, be treated as such for the purposes of the Trust Deed and these Conditions.

The Notes Trustee shall not exercise any powers conferred on it by this Condition 14(d) (*Modification and Waiver of Breach—Waiver of Breach*) in contravention of any direction given to it in accordance with Condition 10(a) (*Issuer Events of Default—Determination of an Issuer Event of Default*) or Condition 11(a) (*Enforcement—Instruction to Enforce*).

#### *Notice*

- (e) Unless the Notes Trustee otherwise agrees, the Issuer shall give notice of (i) any modification, amendment, supplement, waiver, authorisation or determination which has been made with requisite Noteholder consent (as set out in Clause 27.3 (*Modification with Noteholders' Consent*) of the Trust Deed); and (ii) any other material modification, amendment, supplement, waiver, authorisation or determination to the Noteholders in accordance with Condition 19 (*Notices and Information*) and the Trust Deed.

#### *Direction*

- (f) In the event that the Issuer, as lender under the New VFZ Facilities Agreement, is eligible or required to vote, give notice, instruct or otherwise consent (including with respect to any enforcement decision) with respect to any matter arising from time to time under the New VFZ Facilities Agreement that is not otherwise provided for under the Transaction Documents or separately set forth in this Condition 14 (*Modification and Waiver of Breach*), the Issuer shall vote, give notice or otherwise provide or withhold any consent or instruction as directed by Extraordinary Resolution. If applicable, the Issuer shall solicit any such vote, consent or instruction from Noteholders.

#### **15. Substitution of Principal Obligor**

The Trust Deed contains provisions permitting the Notes Trustee, without the consent of the Noteholders but subject to such amendment of the Trust Deed and such other conditions as the Notes Trustee may require, to agree to (i) the substitution pursuant to these Conditions and the Trust Deed in place of the Issuer (or of any previous substitute) of another entity as principal debtor in respect of the Trust Deed and the Notes and/or (ii) to a change of the law governing the Trust Deed, the Notes and/or any other Transaction Document if, in each case, such change would not, in the Notes Trustee's opinion, be materially prejudicial to the interests of the Noteholders. Any such entity shall be a newly formed single purpose company which, among other things, undertakes to be bound by the Trust Deed, the Notes and the other Transaction Documents.

#### **16. Notes Trustee and Security Trustee**

##### *Actions Binding*

- (a) Each of the Notes Trustee and the Security Trustee shall (except as expressly provided otherwise in the Trust Deed or the other Transaction Documents) have absolute discretion as to whether and how it exercises or performs each of its trusts, powers, authorities, duties, discretions and obligations under or in connection with the Transaction Documents or conferred on it by operation of law and its decision as to whether and how to exercise or perform those trusts, powers, authorities, duties, discretions and obligations and any action taken or omitted in consequence shall, as between itself and the Noteholders be conclusive and binding on the Noteholders.

##### *Limitation on Notes Trustee's and Security Trustee's Liability; Right to Indemnity*

- (b) The Trust Deed contains provisions:
  - (i) giving various powers, authorities and discretions to the Notes Trustee and the Security Trustee in addition to those conferred by law including those referred to elsewhere in these Conditions;
  - (ii) specifying various matters in respect of which the Notes Trustee or, as applicable, the Security Trustee is to have (A) no duty or responsibility to make any investigation to supervise or to enforce and (B) no liability or responsibility to the Noteholders in the absence of wilful default, negligence or fraud or, in the case of certain matters, in any circumstances; and
  - (iii) entitling the Notes Trustee or, as applicable, the Security Trustee to indemnification or providing that it is not obliged to take any steps, proceedings or other action at the request or direction of any person unless it has been indemnified and/or secured to its satisfaction.

##### *Notes Trustee, Security Trustee and Issuer Security*

- (c) Neither the Notes Trustee nor the Security Trustee shall be responsible for matters relating to the Issuer Security or the Notes Collateral including:
  - (i) the nature, value, collectability or enforceability of the Notes Collateral; (ii) the registration, perfection or priority of the Issuer Security;
  - (ii) the Issuer's title to the Notes Collateral; or
  - (iii) the compliance of the Notes Collateral or the Issuer Security with any applicable criteria or performance measures.

### *Removal and Replacement of Notes Trustee and Security Trustee*

- (d) There shall at all times be a Notes Trustee and a Security Trustee. The Trust Deed provides that the retirement or removal of any Notes Trustee or Security Trustee shall not become effective unless a trust corporation would remain as trustee or a replacement trust corporation is appointed.

## **17. Agents**

### *Paying Agent, Transfer Agent and Registrar Solely Agents of Issuer*

In acting under the Agency and Account Bank Agreement and in connection with the Notes the Paying Agent, Transfer Agent and Registrar will act solely as the agents of the Issuer or (to the extent provided in the Agency and Account Bank Agreement) the Notes Trustee and shall not be under any fiduciary duty or other obligation towards, or have any relationship of agency or trust for or with, any of the Noteholders.

## **18. Replacement of Notes**

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of the costs and expenses incurred in connection with such replacement and with such evidence, security and indemnity as the Issuer and/or the Registrar may reasonably require. Mutilated or defaced Notes, must be surrendered before replacements will be issued.

## **19. Notices and Information**

### *Valid Notices*

- (a) For as long as the Notes are admitted to trading on the Global Exchange Market and the listing requirements of Euronext Dublin so require, all notices regarding the Notes will be deemed to be validly given if published via the Company Announcements Office of Euronext Dublin via its website, which as at the Issue Date is: <http://www.ise.ie>. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers or the website of Euronext Dublin, as relevant, in or on which publication is required. For so long as the Notes are represented by Global Notes, notices to Noteholders will be validly given if published as described above or, at the option of the Issuer, if delivered to Euroclear and/or Clearstream for communication by them to their participants and for communication by such participants to entitled account holders. Any notice delivered to Euroclear and/or Clearstream as aforesaid shall be deemed to have been given on the day on which it is delivered to Euroclear or Clearstream.

### *Notices on Screen Page*

- (b) Any notice to Noteholders specifying that a Note Acceleration Notice or Enforcement Notice has been given shall be deemed to have been duly given if the information contained in such notice is delivered to Euroclear and/or Clearstream for communication by them to their participants and for communication by such participants to entitled account holders or if the information contained in such notice appears on the relevant page of the Reuters or Bloomberg Screen or such other medium for the electronic display of data approved by the Notes Trustee and notified to the Noteholders in accordance with the other paragraphs of this Condition 19 (*Notices and Information*).

### *Other Methods for Notice*

- (c) The Notes Trustee may approve any other method of giving notice to Noteholders which is, in its opinion, reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed.

### *Noteholder Information*

- (d) The Issuer shall provide the Notes Trustee and the Paying Agent with copies of the Issuer's audited annual financial statements (including balance sheet, profit and loss and cash flow statements) as soon as they become publicly available (together with the related auditors' report); *provided that*, such audited annual financial statements (together with the related auditors' report) shall be deemed validly



delivered to the Notes Trustee and the Paying Agent if they are published on the website of Euronext Dublin, which at the Issue Date is <http://www.ise.ie>. The audited annual financial statements (together with the related auditors' report) shall be available for inspection by the Noteholders on any Business Day at the specified office for the time being of the Paying Agent.

- (e) The Quarterly Portfolio Reports will be posted, on a quarterly basis, within 15 Business Days of each Portfolio Reporting Date (as defined in the Agency and Account Bank Agreement) falling in each March, June, September and December, on a website administered by the Administrator (currently <https://gctinvestorreporting.bnymellon.com>), to which the Noteholders will be given access upon registration. Noteholders may also contact the Administrator at [gctinvestorreporting@bnymellon.com](mailto:gctinvestorreporting@bnymellon.com) with any access or registration queries.

## 20. Issue of Further Notes

### *Further Notes*

- (a) The Issuer may from time to time on any date on or before the Maturity Date or the date of early redemption of the Notes in accordance with Condition 6 (*Redemption, Purchase and Cancellation; Approved Exchange Offer*) (such date, the “**Further Notes Issue Date**”) without the consent of the Noteholders but subject to the provisions of these Conditions and the Trust Deed, raise further funds by creating and issuing additional Vendor Financing Notes (the “**Further Notes**”) in fully registered form, having the same terms and conditions (except in relation to the issue date and the date from which interest will accrue) as, and so that they shall be consolidated and form a single series and rank *pari passu* with, the Notes then outstanding, *provided that*:
  - (i) once credited to the Issuer Transaction Account in accordance with the Trust Deed, the net proceeds of the issue of the Further Notes are to form part of the Issuer Available Funds and to be applied by the Issuer in accordance with the Agency and Account Bank Agreement;
  - (ii) no Issuer Event of Default has occurred and is continuing; and
  - (iii) VFZG will, if applicable, create or cause to be created an incremental or new Issue Date Facility such that the aggregate Issue Date Facility Commitment (as defined in the New VFZ Facilities Agreement) is equal to or greater than 1/300 of the aggregate principal amount of Notes (including the Further Notes) issued.

### *Supplemental Trust Deeds and Issuer Security*

- (b) Any Further Notes shall be created by a further deed supplemental to the Trust Deed and shall have the benefit of the Issuer Security.

## 21. Satisfaction and Discharge

The Trust Deed includes provisions which allow the Issuer to satisfy and discharge its obligations under the Notes, the Trust Deed and the other Notes Security Documents, subject to the satisfaction of certain conditions.

## 22. Survival of Redemption

The provisions of Condition 6(n) (*Redemption, Purchase and Cancellation; Approved Exchange Offer—Limited Recourse*), Condition 12(a) (*Noteholder Action—Limit on Noteholder Action*) and Condition 12(b) (*Noteholder Action—Recourse Against Certain Parties*) shall survive the redemption in full of the Notes.

## 23. Contracts (Rights of third Parties) Act 1999

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

## 24. Governing Law

The Trust Deed and the Notes and the relationship between (a) the parties to those Transaction Documents, (b) the Noteholders and the Notes Trustee and (c) the Noteholders and the Security Trustee and any non-contractual obligations arising out of such agreements and relationships shall be governed by, and interpreted in accordance with, English law.

## 25. Listing

The Issuer will use its reasonable efforts to have the Notes admitted to listing on Euronext Dublin and trading on its Global Exchange Market following the Issue Date, and will maintain such listing as long as the Notes are outstanding; *provided that*, if the Issuer can no longer maintain such listing or it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on Euronext Dublin; *provided further that* the Issuer will use its reasonable efforts to obtain and maintain the listing of the Notes on another recognized listing exchange for notes issuers (which may be a stock exchange that is not regulated by the European Union). Notwithstanding the foregoing or any other provision of the Trust Deed or these Conditions to the contrary, the Issuer may, at its sole option at any time, without the consent of the Noteholders or the Notes Trustee, de-list the Notes from any stock exchange for the purposes of moving the listing of the Notes to The International Stock Exchange.

## FORM OF THE NOTES

### General

#### *Denominations*

- (a) The Notes will have a minimum authorized denomination of €100,000 principal amount and integral multiples of €1,000 in excess thereof.

#### *Form and Registration*

- (b) The Notes will be sold only to non-U.S. persons in offshore transactions in reliance on Regulation S and will be issued in the form of one or more permanent global notes in fully registered form without interest coupons (each a “**Regulation S Global Note**”, and together with the global notes representing the Rule 144A Global Notes (as defined below), the “**Global Notes**”)
- (c) Each initial investor in the Notes and subsequent transferee of an interest in a Global Note (except, in the case of an Initial Purchaser, as may be expressly agreed in writing between such Initial Purchaser and the Issuer) will be deemed to represent, among other matters, as to its status under the U.S. Securities Act and the Investment Company Act and ERISA, as applicable.
- (d) As used herein, “**U.S. person**” shall have the meanings assigned to such term in each of Regulation S and the U.S. Risk Retention Rules. The term “**offshore transaction**” shall have the meaning assigned to such term in Regulation S.
- (e) The Global Notes will be deposited with and registered in the name of a common depository for the respective accounts of Euroclear and/or Clearstream. The Common Codes and ISIN for the Notes are as follows:

#### **Rule 144A Global Note**

Common Code:

ISIN:

#### **Regulation S Global Note**

Common Code:

ISIN:

- (f) A beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the corresponding global notes representing the Notes sold pursuant to Rule 144A (the “**Rule 144A Global Notes**”) only upon, in accordance with the applicable procedures of the Clearing Systems, expiration of the Distribution Compliance Period and receipt by the Transfer Agent of (i) a written certification from the transferor in the form required by the Trust Deed to the effect that such transfer is being made to a person whom the transferor reasonably believes is both a QIB and a Qualified Purchaser (or a transferee thereof that is identified in Rules 3c-5 or 3c-6 under the Investment Company Act) in a transaction meeting the requirements of Rule 144A and Section 3(c)(7) under the Investment Company Act, respectively, in compliance with certain restrictions imposed during the 40-day period prescribed by Regulation S commencing on the later of (a) the date upon which Notes are first offered to persons other than the Initial Purchasers and any other distributor (as such term is defined in Regulation S) of the Notes and (b) the Issue Date (the “**Distribution Compliance Period**”), if applicable, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) a written certification from the transferee in the form required by the Trust Deed to the effect, among other things, that such transferee is both (x) a QIB and (y) a Qualified Purchaser (or a transferee thereof that is identified in Rules 3c-5 or 3c-6 under the Investment Company Act). Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note only upon receipt by the Transfer Agent of a written certification from the transferor in the form required by the Trust Deed to the effect that such transfer is being made in accordance with Regulation S and a written certification from the transferee in the form required by the Trust Deed to the effect, *inter alia*, that such transferee is a non-U.S. person purchasing such beneficial interest in such Regulation S Global Note in an offshore transaction pursuant to Regulation S. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note, and become an interest in such other Global Note, and accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Notes for as long as it remains such an interest.

- (g) No service charge will be made for any registration of transfer or exchange of Notes but the Issuer, the Registrar or the Transfer Agent may require payment of a sum sufficient to cover any transfer, tax or other governmental charge payable in connection therewith. The Registrar or the Transfer Agent will be permitted to request such evidence reasonably satisfactory to it documenting the identity and/or signatures of the transferor and transferee.
- (h) The registered owner of the relevant Global Note will be the only person entitled to receive payments in respect of the Notes represented thereby, and the Issuer will be discharged by payment to the registered owner of such Global Note or in respect of each amount so paid. No person other than the registered owner of the relevant Global Note will have any claim against the Issuer in respect of any payment due on that Global Note. Account holders or participants in Euroclear and/or Clearstream shall have no rights under the Trust Deed with respect to Global Notes held on their behalf by Euroclear and/or Clearstream, and Euroclear and/or Clearstream may be treated by the Issuer, the Notes Trustee and any agent of the Issuer or the Notes Trustee as the holder of Global Notes for all purposes whatsoever.
- (i) Global Notes will be exchangeable by the Issuer for Definitive Notes if: (i) Euroclear and/or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depository for the Global Notes and a successor depository is not appointed by the Issuer within 120 days after receiving such notice; (ii) the Issuer, at its option, notifies the Notes Trustee in writing that it elects to exchange in whole, but not in part, the Global Note for Definitive Notes; (iii) Euroclear and/or Clearstream so request following an Issuer Event of Default which is continuing; or (iv) the holder of a beneficial interest in a Global Note requests such exchange in writing delivered through Euroclear and/or Clearstream or to the Issuer following an Issuer Event of Default which is continuing.

Upon the occurrence of any of the preceding events in clauses (i) through (iv) above, the Issuer shall issue or cause to be issued Definitive Notes in such name or names and issued in any approved denominations as Euroclear or Clearstream shall instruct the Issuer based on the instructions received by Euroclear or Clearstream from the holders of beneficial interests in such Global Notes.

In the event that Definitive Notes are not so issued by the Issuer to such beneficial owners of interests in Global Notes, the Issuer expressly acknowledges that such beneficial owners shall be entitled to pursue any remedy that the holders of a Global Note would be entitled to pursue in accordance with the Trust Deed (but only to the extent of such beneficial owner's interest in the Global Note) as if Definitive Notes had been issued; provided, that the Notes Trustee shall be entitled to rely upon any certificate of ownership provided by such beneficial owners and/or other forms of reasonable evidence of such ownership. In the event that Definitive Notes are issued in exchange for Global Notes as described above, the applicable Global Note will be surrendered to the Registrar by Euroclear and/or Clearstream, as applicable, and the Issuer will execute and the Registrar will authenticate and deliver an equal aggregate outstanding principal amount of Definitive Notes.

- (j) The Notes will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and the Notes will bear the restrictive legend set forth in "*Transfer Restrictions*".

***Bloomberg Screens, Etc.***

- (k) The Issuer will from time to time request all third-party vendors to include on screens maintained by such vendors appropriate legends regarding restrictions on the Global Notes under Section 3(c)(7) of the Investment Company Act and Rule 144A, if applicable.

## BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream (together, the “**Clearing Systems**”) currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Notes Trustee, the Obligors, the Initial Purchasers or any Agent party to the Agency and Account Bank Agreement (or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the U.S. Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

### **Euroclear and Clearstream**

Custodial and depository links have been established between Euroclear and Clearstream to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (see “*Settlement and Transfer of Notes*” below). The Issuer provides the following summary of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Issuer nor the Initial Purchasers are responsible for those operations or procedures.

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and/or Clearstream is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Notes directly through Euroclear and/or Clearstream if they are accountholders (“**Direct Participants**”) or indirectly (“**Indirect Participants**”, and together with Direct Participants, “**Participants**”) through organizations which are accountholders therein.

### **Book-Entry Ownership**

#### ***Euroclear and Clearstream***

The Regulation S Global Note and the Rule 144A Global Note will each have an ISIN and a Common Code and will be registered in the name of, and deposited with, a common depository on behalf of Euroclear and/or Clearstream.

#### ***Relationship of Participants with Clearing Systems***

Each of the persons shown in the records of Euroclear and/or Clearstream as a Noteholder represented by a Global Note must look solely to Euroclear and/or Clearstream (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear and/or Clearstream. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Note, the common depository by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants’ or accountholders’ accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Note held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note in respect of each amount so paid. None of the Issuer, the Notes Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.



### ***Settlement and Transfer of Notes***

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note held within a Clearing System are exchanged for Definitive Notes.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

### ***Trading between Euroclear and/or Clearstream Participants***

Secondary market sales of book-entry interests in the Notes held through Euroclear and/or Clearstream to purchasers of book-entry interests in the Notes held through Euroclear and/or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and/or Clearstream and will be settled using the procedures applicable to conventional Eurobonds.

### ***Redemption of Global Notes***

In the event any Global Note, or any portion thereof, is redeemed, Euroclear and/or Clearstream, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the Beneficial Owner of book-entry interests in such Global Note, subject to any applicable withholding taxes. The redemption price payable in connection with the redemption of such book-entry interests will be equal to the amount received by Euroclear and/or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof), subject to any applicable withholding taxes. The Issuer understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and/or Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; provided, however, that no book-entry interest of less than €100,000 in principal amount at maturity, or less, may be redeemed in part.

### ***Payments on Global Notes***

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest, additional interest and additional amounts) will be made by the Issuer to the Paying Agent. The Paying Agent will, in turn, make such payments to Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Trust Deed, the Issuer, the Trustee the Registrar, the Transfer Agent and the Paying Agent will treat the registered holder of the Global Notes (for example Euroclear or Clearstream) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Registrar, the Transfer Agent nor the Paying Agents or any of their respective agents has or will have any responsibility or liability for:

- any aspects of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by Euroclear or Clearstream, or for maintaining, supervising or reviewing the records of Euroclear or Clearstream, or payments made on account of, a Book-Entry Interest, or
- payments made by Euroclear or Clearstream, or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or payments made on account of a Book-Entry Interest, or

- Euroclear or Clearstream; or
- the records of the common depositary or the custodian.

Payments made by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in “street name”.

***Currency and Payment for the Global Notes***

The principal of, premium, if any, and interest on, and all other amounts payable in respect of the Global Notes will be paid to holders of interest in such Notes through Euroclear and/or Clearstream in euro.

***Action by Owners of Book-Entry Interests***

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a Noteholder only at the direction of one or more participants to whose account book-entry interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Issuer Event of Default under the Notes, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Notes in certificated form, and to distribute such Definitive Notes to their respective participants.

## TAXATION

### THE NETHERLANDS

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes and does not purport to describe every aspect of taxation that may be relevant to a particular Noteholder. Tax matters are complex, and the tax consequences of the issuance of the Notes to a particular holder of Notes will depend in part on such holder's circumstances. Accordingly, a holder is urged to consult their own tax advisor for a full understanding of the tax consequences of the issuance of the Notes to them, including the applicability and effect of Dutch tax laws.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. This summary assumes that the Issuer is organized, and that its business will be conducted, in the manner outlined in this Offering Circular. A change to such organizational structure or to the manner in which the Issuer conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Offering Circular. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

The summary in this "the Netherlands" taxation paragraph does not address the Dutch tax consequences for a holder of Notes who:

- (i) is a person who may be deemed an owner of Notes for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;
- (ii) is, although in principle subject to Dutch corporate income tax, in whole or in part, specifically exempt from that tax in connection with income from Notes;
- (iii) is an investment institution as defined in the Dutch Corporation Tax Act 1969 and other entities that are exempt from Dutch corporate income tax;
- (iv) owns Notes in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role;
- (v) has a substantial interest in the Issuer or a deemed substantial interest in the Issuer for Dutch tax purposes. Generally, a person holds a substantial interest if (a) such person—either alone or, in the case of an individual, together with his partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner for Dutch tax purposes—owns or is deemed to own, directly or indirectly, 5% or more of the shares or of any class of shares of the Issuer, or rights to acquire, directly or indirectly, such an interest in the shares of the Issuer or profit participating certificates relating to 5% or more of the annual profits or to 5% or more of the liquidation proceeds of the Issuer, or (b) such person's shares, rights to acquire shares or profit participating certificates in the Issuer are held by him following the application of a non-recognition provision; or
- (vi) is a corporate entity or taxable as a corporate entity and who is resident or deemed to be resident of Aruba, Curaçao or Sint Maarten for tax purposes.

#### ***Withholding tax***

All payments under the Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands.

#### ***Taxes on income and capital gains***

##### **Resident holders of Notes**

A holder of Notes who is resident or deemed to be resident in the Netherlands for Dutch tax purposes is fully subject to Dutch income tax if they are an individual, or fully subject to Dutch corporation tax if it is a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, as described in the summary below.

### *Individuals deriving profits or deemed to be deriving profits from an enterprise*

Any benefits derived or deemed to be derived from or in connection with Notes that are attributable to an enterprise from which an individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net value of an enterprise, other than as a shareholder, are generally subject to Dutch income tax at progressive rates up to 51.75%.

### *Individuals deriving benefits from miscellaneous activities*

Any benefits derived or deemed to be derived from or in connection with Notes that constitute benefits from miscellaneous activities by an individual are generally subject to Dutch income tax at progressive rates up to 51.75%.

An individual may, *inter alia*, derive or be deemed to derive benefits from or in connection with Notes that are taxable as benefits from miscellaneous activities if his investment activities go beyond regular active portfolio management.

### *Other individuals*

If a holder of Notes is an individual whose situation has not been discussed before in this section “*Taxation—The Netherlands—Taxes on income and capital gains—Resident holders of Notes*”, the value of their Notes forms part of the yield basis for purposes of tax on benefits from savings and investments. A deemed benefit, which is determined on the basis of progressive rates starting from 1.94% up to 5.60% per annum (2019 rates) of this yield basis, is taxed at the rate of 30% insofar as the individual’s yield basis exceeds a statutory threshold (*heffingvrij vermogen*). Actual benefits derived from or in connection with their Notes are not subject to Dutch income tax.

### *Corporate entities*

Any benefits derived or deemed to be derived from or in connection with Notes that are held by a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, are generally subject to Dutch corporate income tax.

### *General*

A holder of Notes will not be deemed to be resident in the Netherlands for Dutch tax purposes by reason only of the execution and/or enforcement of the documents relating to the issue of Notes or the performance by the Issuer of its obligations under such documents or under the Notes.

## **Non-resident holders of Notes**

### *Individuals*

If a holder of Notes is an individual who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch income tax, they will not be subject to Dutch income tax in respect of any benefits derived or deemed to be derived from or in connection with Notes, except if:

- (i) they derive profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and their Notes are attributable to such permanent establishment or permanent representative; or
- (ii) they derive benefits or are deemed to derive benefits from or in connection with Notes that are taxable as benefits from miscellaneous activities performed in the Netherlands.

### *Corporate entities*

If a holder of Notes is a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, which is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch corporate income tax, it will not be subject to Dutch corporate income tax in respect of any benefits derived or deemed to be derived from or in connection with Notes, except if:

- (i) it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and to which permanent establishment or permanent representative its Notes are attributable; or

- (ii) it derives profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its Notes are attributable.

### *General*

If a holder of Notes is neither resident nor deemed to be resident in the Netherlands, such holder will for Dutch tax purposes not carry on or be deemed to carry on an enterprise, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of Notes or the performance by the Issuer of its obligations under such documents or under the Notes.

### *Gift and inheritance taxes*

No Dutch gift tax or Dutch inheritance tax will arise with respect to an acquisition or deemed acquisition of Notes by way of gift by, or upon the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax except if, in the event of a gift whilst not being a resident nor being a deemed resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, the holder of Notes becomes a resident or a deemed resident in the Netherlands and dies within 180 days after the date of the gift.

For purposes of Dutch gift tax and Dutch inheritance tax, a gift of Notes made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

### *Registration taxes and duties*

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with the execution and/or enforcement (including by legal proceedings and including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Notes, the performance by the Issuer of its obligations under such documents or under Notes, or the transfer of Notes, except that Dutch real property transfer tax may be due upon an acquisition, in connection with Notes, of real property situated in the Netherlands, (an interest in) an asset that qualifies as real property situated in the Netherlands, or (an interest in) a right over real property situated in the Netherlands, for the purposes of Dutch real property transfer tax.

### *Information Exchange Regimes*

On 9 December 2014, the Council of the European Union adopted a Directive (EC Council Directive 2014/107/EU amending EU Council Directive 2011/16/EU) which effectively implemented the OECD's common reporting standard on automatic exchange of financial account information in tax matters (the "CRS"). EU member states were required to implement this Directive in respect of taxable periods from 1 January 2016 and exchange information pursuant to such Directive no later than 30 September 2017 (subject to deferral under transitional rules in the case of Austria). The CRS is generally broader than the European Union Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), although it does not impose withholding taxes.

The Netherlands has implemented the CRS into Dutch law. To comply with its obligations under the CRS (or similar information sharing arrangements), the Issuer may require additional information and documentation from Noteholders. The Issuer may disclose the information, certifications or other documentation that they receive from or in relation to Noteholders to the Dutch tax authorities who may in turn exchange this information with tax authorities in other territories. Each prospective investor should consult their own tax advisor on the requirements.

On 10 November 2015, the Council of the European Union adopted EU Council Directive 2015/2060/EU repealing the EU Savings Directive with effect from 1 January 2016 (or 1 January 2017 in the case of Austria), subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates. The repeal of the EU Savings Directive is intended to prevent overlap between the EU Savings Directive and EC Council Directive 2014/107/EU.



## **FATCA**

Sections 1471 through 1474 of the Code and the U.S. Treasury and IRS guidance issued thereunder (commonly referred to as “**FATCA**”) impose a 30% withholding tax on “withholdable payments”, including “foreign passthru payments” made by a foreign financial institution, unless the foreign financial institution complies with certain reporting rules under FATCA or otherwise qualifies for an exemption. Currently, the term “foreign passthru payment” is not defined and it is unclear whether or to what extent payments on the Note would be considered foreign passthru payments, assuming the issuer would be considered a foreign financial institution. If and when such regulations are issued, the Notes will be considered grandfathered, and FATCA should not apply to the Notes to the extent otherwise applicable. If, however, the Notes are modified more than six months after the date final regulations defining a foreign passthru payment are published FATCA withholding may apply (effective beginning two years from such date of publication) and holders and beneficial owners of the Notes will not be entitled to receive any Additional Amounts to compensate for any such withholding. In addition, if Further Notes are issued after the expiration of the grandfathering period and have the same ISIN as the Notes issued hereby, then withholding agents may treat all notes bearing the same ISIN, including any Notes issued hereby, as subject to withholding under FATCA. Holders should consult their tax advisors regarding the availability of a refund in such circumstances. The intergovernmental agreement between the Netherlands and the United States modified the requirements in this paragraph and an intergovernmental agreement between the United States and another foreign country where a holder or intermediary is located may also modify the requirements. Prospective holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in the Notes.

**THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR PURCHASER. EACH PROSPECTIVE PURCHASER IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE NOTES IN LIGHT OF THE PURCHASER’S OWN CIRCUMSTANCES.**

## CERTAIN ERISA CONSIDERATIONS

**The Notes are not eligible for purchase by or using the assets of a Benefit Plan Investor or any other employee benefit plan (within the meaning of Section 3(3) of ERISA) which is subject to Similar Laws.**

Under ERISA and a regulation issued by the U.S. Department of Labor at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the “**Plan Asset Regulation**”), the assets of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the Investment Company Act will be deemed to constitute “plan assets” for the purposes of ERISA and the Code if a Benefit Plan Investor acquires an “equity interest” in the entity and none of the exceptions contained in the Plan Asset Regulation is applicable. An equity interest is defined under the Plan Asset Regulation as an interest other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Under the exceptions in the Plan Asset Regulation, an entity will not be deemed to hold plan assets if (i) participation in the entity by Benefit Plan Investors is not “significant” (e.g., Benefit Plan Investors hold less than 25% of each class of equity interest in the entity), or (ii) the entity is an operating company, including a “venture capital operating company” or “real estate operating company”.

Although there is little guidance on the subject, at the time of their issuance, the Notes may be treated as equity interests of the Issuer for purposes of the Plan Asset Regulation. The Notes are not a publicly-offered security and the Issuer is not an investment company registered under the Investment Company Act. Furthermore, it is not expected that the Issuer will be an operating company for purposes of the Plan Asset Regulations, and the Issuer will not be able to monitor the level of Benefit Plan Investor participation in the Notes in order to maintain such participation below the 25% threshold. Therefore, there can be no guarantee that the assets of the Issuer will not be deemed to include plan assets if the Notes were to be treated as equity interests of the Issuer. Certain transactions involving the Issuer might be deemed to constitute prohibited transactions under Section 406 of ERISA or Section 4975 of the Code or Similar Laws if the assets of the Issuer are deemed to include plan assets under ERISA, the Code, or such Similar Laws. As a result, the Notes will not be made available for purchase by Benefit Plan Investors or employee benefit plans (within the meaning of Section 3(3) of ERISA) subject to Similar Laws, and any purchase of a Note by such a Benefit Plan Investor or employee benefit plan will be null and void.

Each acquirer and each transferee of a Note or any interest therein will be deemed to have represented, warranted and agreed at the time of its acquisition and throughout the period that it holds such Note or any interest therein that it is not, and is not acting on behalf of (and for so long as such acquirer or transferee holds such Notes or any interest therein will not be, and will not be acting on behalf of) a Benefit Plan Investor or an employee benefit plan which is subject to Similar Laws, and no part of the assets used by it to acquire or hold any Note or any interest therein constitutes the assets of any Benefit Plan Investor or any such employee benefit plan.

### **Legal investment considerations**

If your investment activities are subject to regulation by federal, state or local law or governmental authorities you should review the applicable laws and/or rules, policies and guidelines adopted from time to time by such authorities before purchasing any Notes. No representation is made as to the proper characterisation of the Notes for legal investment or other purposes or as to the ability of particular investors to purchase any Notes under applicable law or other legal investment restrictions. Accordingly, if your investment activities are subject to such laws and/or regulations, regulatory capital requirements or review by regulatory authorities you should consult your own legal advisers in determining whether and to what extent the Notes constitute a legal investment or are subject to investment, capital or other restrictions.

None of the Issuer, the Initial Purchasers, VodafoneZiggo, VodafoneZiggo Group Holding B.V., Liberty Global Europe Holding II B.V., Liberty Global, Vodafone, Vodafone International or any person who controls them or any director, officer, employee or agent of any of theirs or affiliate of any such person make any representation as to the proper characterisation of the Notes for legal investment or other purposes, as to the ability of particular investors to purchase the Notes for legal investment or other purposes or as to the ability of particular investors to purchase the Notes under applicable investment restrictions. All institutions whose activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult their own legal advisers in determining whether and to what extent the Notes are subject to investment, capital or other restrictions. Without limiting the generality of the foregoing, none of the Issuer, the Initial Purchasers, VodafoneZiggo, VodafoneZiggo Group Holding B.V., Liberty Global Europe Holding II B.V., Liberty Global, Vodafone, Vodafone International or any person who controls them or

any director, officer, employee or agent of any of theirs or affiliate of any such person makes any representation as to the characterisation of the Notes as a U.S.-domestic or foreign (non-U.S.) investment under any state insurance code or related regulations, and they are not aware of any published precedent that addresses such characterisation. The uncertainties described above (and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of the Notes) may affect the liquidity of the Notes.

## PLAN OF DISTRIBUTION

The Subscription Agreement dated as of 2019 has been entered into between the Issuer, VodafoneZiggo and the Initial Purchasers in respect of the Notes. Upon the terms and subject to the conditions contained in the Subscription Agreement, the Initial Purchasers each agreed to purchase a percentage, as specified opposite their names below, of the total amount of the Notes from the Issuer on the Issue Date at their issue price of 100% of their initial principal amounts outstanding:

<u>Initial Purchaser</u>	<u>Principal Amount of Notes</u>
Citigroup Global Markets Limited .....	35%
Credit Suisse Securities (Europe) Limited .....	35%
Crédit Agricole Corporate and Investment Bank .....	15%
RBC Europe Limited .....	15%

The obligations of the Initial Purchasers to purchase the Notes under the Subscription Agreement are several and not joint, are subject to approval of certain legal matters by counsel and to certain conditions precedent and the Initial Purchasers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issuance of the Notes. In the Subscription Agreement, VodafoneZiggo and the Issuer each agree to indemnify each of the Initial Purchasers against certain liabilities under the U.S. Securities Act, the Exchange Act or otherwise, or to contribute to payments each Initial Purchaser may be required to make in respect thereof.

### Selling Restrictions

#### *European Economic Area*

In relation to each member state of the EEA (each, a “**Member State**”), each Initial Purchaser has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this offering circular to the public in that Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the relevant Initial Purchaser or Initial Purchasers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation; provided that no such offer of the Notes shall require the publication by the Issuer or any Initial Purchaser of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for the Issuer or the Initial Purchasers to publish a prospectus, pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Initial Purchasers have authorized, nor do the Issuer or any Initial Purchaser authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this offering circular.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 and includes any relevant implementing measure in any Member State.

Each subscriber for or purchaser of the Notes in the offering located within a Member State will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of the Prospectus Regulation. The Issuer, the Initial Purchasers and their affiliates, and others will rely upon the trust and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Initial Purchasers of such fact in writing may, with the consent of the Initial Purchasers, be permitted to subscribe for or purchase the Notes in the offering.

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

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

### *Professional Investors and ECPS Only Target Market*

Solely for the purposes of the product approval process of each Initial Purchaser (each, a “**manufacturer**”), the target market assessment in respect of the Notes described in this Offering Circular has led to the conclusion that: (i) the target market for such Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of such Notes to eligible counterparties and professional clients are appropriate. The target market and distribution channel(s) may vary in relation to sales outside the EEA in light of local regulatory regimes in force in the relevant jurisdiction. Any person subsequently offering, selling or recommending such Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

### *United States of America*

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or the state securities laws of any state of the United States of America and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions pursuant to an exemption from, or not subject to, the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

No action has been taken or is being contemplated by the Issuer that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any amendment thereof, or supplement thereto or any other offering material relating to the Notes in any jurisdiction where, or in any other circumstances in which, action for those purposes is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Initial Purchasers. Because of the restrictions contained in the front of this Offering Circular, you are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Each of the Initial Purchasers agrees that it or one or more of its affiliates will sell or arrange for the sale (as applicable) of Notes only to or with Eligible Non-U.S. Persons. Each of the Initial Purchasers also agrees that it will send to each other dealer to which it sells Notes pursuant to Regulation S during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes in non-offshore transactions or to, or for the account or benefit of, U.S. persons. Prior to the expiration of the Distribution Compliance Period, no offer or resale of Notes will be permitted other than in an offshore transaction pursuant to Regulation S. Resales of the Notes in a transaction exempt from the registration requirements under the U.S. Securities Act, as the case may be, are restricted as described under “*Transfer Restrictions*”. Beneficial interests in a Global Note may not be held by a U.S. person at any time, and resales of the Notes offered in offshore transactions to Eligible Non-U.S. Persons in reliance on Regulation S may be effected only in accordance with the transfer restrictions described herein. As used in this paragraph, the terms “United States” and “U.S.” have the meanings given to them by Regulation S.

### *United Kingdom*

Each of the Initial Purchasers has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of



Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the U.K..

### **Miscellaneous**

This document does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorized.

Attention is drawn to the information set out on the inside front cover of this document in respect of restrictions on offers and sales of the Notes and on distribution of documents.

You should be aware that the laws and practices of certain countries require investors to pay stamp taxes and other charges in connection with the purchases of securities.

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Circular, which will be business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as “T+ ”). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Circular or the next business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

The Notes are a new issue of securities for which there is currently no market.

The Issuer will apply to list the Notes to be listed on the Official List of Euronext Dublin and to be admitted for trading on the Global Exchange Market thereof, which is not a regulated market (pursuant to the provisions of Directive 2004/39/EC) as soon as practicable after the Issue Date. Notwithstanding the foregoing, the Issuer may at its sole option at any time, without the consent of the holders of the Notes or the Trustee, de-list the Notes from any stock exchange for the purposes of moving the listing of such Notes to the Official List of the International Stock Exchange. The Initial Purchasers are not under an obligation to make a market in the Notes and any market making activity, if commenced, may be discontinued at any time. In addition, such market making activities will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, there can be no assurance that a secondary market for the Notes will develop, or if one does develop, that it will continue. Accordingly, no assurance can be given as to the liquidity of or trading market for the Notes.

No action has been taken or is being contemplated by the Issuer that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any amendment thereof, or supplement thereto or any other offering material relating to the Notes in any jurisdiction (other than Ireland) where, or in any other circumstances in which, action for those purposes is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Initial Purchasers. Because of the restrictions contained in the front of this Offering Circular, you are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

The Notes are offered when, as and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to approval of certain legal matters by counsel and certain other conditions.

Persons into whose hands this Offering Circular comes are required by the Issuer and the Initial Purchasers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

In connection with the offering of the Notes, the Stabilizing Manager may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a syndicate short position. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of those transactions. If the Stabilizing Manager engages in stabilizing or syndicate covering transactions, it may discontinue them at any time.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, including securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the Initial Purchasers and/or their respective affiliates have, from time to time, performed, and may in the future perform, various consulting, financial advisory, investment banking, commercial lending, cash management and capital markets services for VodafoneZiggo and Liberty Global, for which they received or will receive customary fees and expenses. Certain of the Initial Purchasers and/or their respective affiliates have arranged and made loans to subsidiaries of Liberty Global or VodafoneZiggo in the past. Certain of the Initial Purchasers and/or their respective affiliates that have a lending relationship with, and/or own outstanding debt securities of, VodafoneZiggo and/or its affiliates have hedged, and are likely to hedge in the future, their credit exposure to VodafoneZiggo and/or its affiliates consistent with their risk management policies. Typically, the Initial Purchasers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes. In addition, certain of the Initial Purchasers and/or their respective affiliates provide VodafoneZiggo and/or its affiliates, from time to time, with hedging services, and may act as counterparties to certain hedging agreements entered into by VodafoneZiggo and/or its affiliates and such parties will receive customary fees and commissions for their services in such capacities.

In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and such investment and securities activities may involve securities and/or instruments of the Issuer. The Initial Purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Certain Initial Purchasers are lenders under facilities of the Existing Credit Facility, and certain of the Initial Purchasers and/or affiliates are parties to certain hedging arrangements with VodafoneZiggo and/or its subsidiaries. In addition, certain of the Initial Purchasers and/or their affiliates are party to certain hedging arrangements and may be counterparties to certain cross-currency swap contracts that we may enter into with respect to the Notes.

The overall exposure of certain Initial Purchasers to the VodafoneZiggo group could be indirectly reduced as a result of the Excess Cash Loans under the Excess Cash Facility.

Certain Initial Purchasers are not broker-dealers registered with the SEC and, therefore, may not make sales of any Notes in the United States or to U.S. persons, except in compliance with applicable U.S. laws and regulations. To the extent that such Initial Purchasers intend to effect sales of the Notes in the United States, they will do so only through one or more U.S. registered broker-dealers or otherwise as permitted by applicable U.S. law.

## TRANSFER RESTRICTIONS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, or transfer of the Notes. The Notes have not been registered under the U.S. Securities Act or any state securities or “Blue Sky” laws or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described herein and set forth in the Trust Deed.

Prospective investors should note that, although the definition of “U.S. person” in the U.S. Risk Retention Rules is similar to the definition of “U.S. person” in Regulation S, the definitions are not identical and persons who are not “U.S. persons” under Regulation S may be “U.S. persons” under the U.S. Risk Retention Rules.

- (a) Each holder of a Note or a beneficial interest therein acquired on the Issue Date, by its acquisition of a Note or a beneficial interest in a Note, will be deemed by, and in certain circumstances will be required to represent to, VodafoneZiggo, the Issuer and the Initial Purchasers that it (1) is not a Risk Retention U.S. Person (as defined below), (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 percent Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein). Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S, and that persons who are not “U.S. persons” under Regulation S may be U.S. persons under the U.S. Risk Retention Rules. VodafoneZiggo and the Issuer will presume that any person that is a U.S. Person under Regulation S will also be a U.S. person under the U.S. Risk Retention Rules. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (ii) and (viii)(y), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, “U.S. person” (and “Risk Retention U.S. Person” as used in this Offering Circular) means any of the following:

- (i) any natural person resident in the United States;
  - (ii) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States (the comparable provision from Regulation S is “any partnership or corporation organised or incorporated under the laws of the United States.”);
  - (iii) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
  - (iv) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
  - (v) any agency or branch of a foreign entity located in the United States;
  - (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
  - (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
  - (viii) any partnership, corporation, limited liability company, or other organisation or entity if:
    - (x) organised or incorporated under the laws of any foreign jurisdiction; and
    - (y) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act (the comparable provision from Regulation S is “formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts.”).
- (b) Without limiting the foregoing, by holding a Note, you will acknowledge and agree, among other things, that you understand that the Issuer is not registered as an investment company under the Investment

Company Act and that, in connection with any subsequent resale or transfer of the Notes that are made in reliance on Rule 144A after the Distribution Compliance Period, the Issuer will not be registered as an investment company under the Investment Company Act, in reliance upon the exception contained in Section 3(c)(7) of the Investment Company Act for companies (a) whose outstanding securities offered within the U.S. are beneficially owned by U.S. residents that are “qualified purchasers” or “knowledgeable employees” with respect to the Issuer at the time of acquisition of such securities and certain transferees thereof identified in Rules 3c-5 or 3c-6 under the Investment Company Act and (b) which do not make, or propose to make, a public offering of their securities in the United States. Section 2(a)(51) of the Investment Company Act defines the term “qualified purchaser” and the U.S. Securities and Exchange Commission (the “SEC”) has designated several additional classes of qualified purchasers, including companies beneficially owned exclusively by one or more “qualified purchasers”. Each of the following would fall within the definition of “qualified purchaser”:

- (i) a natural person who owns not less than \$5,000,000 in “investments,” as such term has been defined in (and as the value of such investments are calculated pursuant to) the relevant rules promulgated by the SEC as of the date hereof;
- (ii) a company that owns not less than \$5,000,000 in “investments” and that is owned directly or indirectly by or for two or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons;
- (iii) a trust that is not covered by clause (ii) and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who contributed assets to the trust, is a person described in clause (i), (ii) or (iv); or
- (iv) a person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than \$25,000,000 in “investments”;

*provided that*, in the case of an entity that would be an investment company but for the exclusions from the Investment Company Act provided by Section 3(c)(1) or Section 3(c)(7) thereof (“excepted investment company”), (i) all of the beneficial owners of its outstanding securities (other than short-term paper) that acquired such securities on or before 30 April 1996 (“pre-amendment beneficial owners”) and (ii) all of the pre-amendment beneficial owners of the outstanding securities (other than short-term paper) of an excepted investment company that directly or indirectly own any of its outstanding securities, must have consented to its treatment as a “qualified purchaser”.

## **Regulation S Global Notes**

If you are either an Initial Purchaser or a transferee of Notes represented by an interest in a Regulation S Global Note you will be deemed to have represented and agreed as follows (except as may be expressly agreed in writing between you and the Issuer, if you are an Initial Purchaser):

- (a) In connection with the purchase of such Notes: (A) none of (i) the Issuer, the Initial Purchasers, VodafoneZiggo, VodafoneZiggo Group Holding B.V., Liberty Global Europe Holding II B.V., Liberty Global, Vodafone, Vodafone International or any person who controls them or any director, officer, employee or agent of any of theirs or affiliate of any such person, or (ii) the Notes Trustee, the Security Trustee, the Transfer Agent, any other Agent or any other party to the transaction contemplated by this Offering Circular or any of their respective affiliates, is acting as a fiduciary or financial or investment adviser for such beneficial owner; (B) such beneficial owner is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of (i) the Issuer, the Initial Purchasers, VodafoneZiggo, VodafoneZiggo Group Holding B.V., Liberty Global Europe Holding II B.V., Liberty Global, Vodafone, Vodafone International or any person who controls them or any director, officer, employee or agent of any of theirs or affiliate of any such person, or (ii) the Notes Trustee, the Security Trustee, the Transfer Agent, any other Agent or any other party to the transaction contemplated by this Offering Circular or any of their respective affiliates, other than any statements in this Offering Circular, and such beneficial owner has read and understands this Offering Circular; (C) such beneficial owner has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by (i) the Issuer, the Initial Purchasers, VodafoneZiggo,

VodafoneZiggo Group Holding B.V., Liberty Global Europe Holding II B.V., Liberty Global, Vodafone, Vodafone International or any person who controls them or any director, officer, employee or agent of any of theirs or affiliate of any such person, or (ii) the Notes Trustee, the Security Trustee, the Transfer Agent, any other Agent or any other party to the transaction contemplated by this Offering Circular or any of their respective affiliates; (D) such beneficial owner is not a “U.S. person” (as defined in Regulation S and the U.S. Risk Retention Rules) and is acquiring the Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from registration provided by Regulation S; (E) such beneficial owner is acquiring its interest in such Notes for its own account; (F) such beneficial owner was not formed for the purpose of investing in such Notes; (G) such beneficial owner understands that the Issuer may receive a list of participants holding interests in the Notes from one or more book-entry depositories; (H) such beneficial owner will hold and transfer at least the minimum denomination of such Notes; (I) such beneficial owner will provide notice of the relevant transfer restrictions to subsequent transferees; and (J) such beneficial owner is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income tax.

- (b) Each acquirer and each transferee of a Note or any interest therein will be deemed to have represented, warranted and agreed at the time of its acquisition and throughout the period that it holds such Note or any interest therein that it is not, and is not acting on behalf of (and for so long as such acquirer or transferee holds such Notes or any interest therein will not be, and will not be acting on behalf of) a Benefit Plan Investor or an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to any Similar Laws, and no part of the assets to be used by such acquirer or transferee to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or any such employee benefit plan.
- (c) Such beneficial owner understands that such Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, such Notes have not been and will not be registered under the U.S. Securities Act, and, if in the future such beneficial owner decides to offer, resell, pledge or otherwise transfer such Notes, such Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Trust Deed and the legend on such Notes. Such beneficial owner acknowledges that no representation has been made as to the availability of any exemption under the U.S. Securities Act or any state securities laws for resale of such Notes. Such beneficial owner understands that the Issuer has not been registered under the Investment Company Act, and, in connection with any subsequent resale or transfer of the Notes that are made in reliance on Rule 144A after the Distribution Compliance period, that the Issuer intends to comply with the exception under Section 3(c)(7) of the Investment Company Act in order to avoid the adverse consequences of failing to register as an “investment company”. Such beneficial owner understands that any transferee will be a Qualified Institutional Buyer that is also a Qualified Purchaser.
- (d) Such beneficial owner is aware that, except as otherwise provided in the Trust Deed, any Notes being sold to it in reliance on Regulation S will be represented by one or more Regulation S Global Notes and that in each case beneficial interests therein may be held only through a common depository for the respective accounts of Euroclear and/or Clearstream.
- (e) Such beneficial owner will provide notice to each person to whom it proposes to transfer any interest in the Notes of the transfer restrictions and representations set forth in the Trust Deed.

### **Non-Permitted Holder**

If any U.S. person that is not both a Qualified Institutional Buyer and a Qualified Purchaser becomes the holder or beneficial owner of an interest in any Note (any such person a “**Non-Permitted Holder**”), the Issuer shall, promptly after discovery that such person is a Non-Permitted Holder, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a person that is not a Non-Permitted Holder within 30 days after the date of such notice. If such Non-Permitted Holder fails to so transfer its Notes, the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Notes or interest in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted Holder on such terms as the Issuer may choose. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes and selling such Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder, as applicable, the Non-Permitted Holder and each other person in the chain of title from the holder to the Non-Permitted Holder, by its acceptance of an interest in the Notes agrees to cooperate with the Issuer and the Transfer Agent to effect such transfers. The proceeds of such sale, net of any



commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

## Legends

The Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY EVIDENCED HEREBY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE NOTEHOLDER BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”)) THAT IS ALSO A “QUALIFIED PURCHASER” (AS DEFINED IN SECTION 2(a)(51) OF, AND RULES 2a51-1, 2a51-2 AND 2a51-3 UNDER, THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”)) (OR A TRANSFEREE THEREOF THAT IS IDENTIFIED IN RULES 3C-5 AND 3C-6 UNDER THE INVESTMENT COMPANY ACT) AND IS ACQUIRING THIS NOTE IN A SECONDARY MARKET TRANSACTION AND NOT AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES OR (B) IT IS NOT A U.S. PERSON (AS DEFINED IN BOTH REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”) AND THE FINAL RULES IMPLEMENTING THE CREDIT RISK RETENTION REQUIREMENTS OF SECTION 941 OF THE UNITED STATES DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT (THE “**U.S. RISK RETENTION RULES**”)) AND IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION” IN RELIANCE ON REGULATION S, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE “**RESALE RESTRICTION TERMINATION DATE**”) THAT IS IN THE CASE OF RULE 144A NOTES: ONE YEAR AND IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATES OF THE ISSUER WERE THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS BOTH A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) AND A QUALIFIED PURCHASER (AS DEFINED IN SECTION 2(a)(51) OF, AND RULES 2a51-1, 2a51-2 AND 2a51-3 UNDER, THE INVESTMENT COMPANY ACT) (OR A TRANSFEREE THEREOF THAT IS IDENTIFIED IN RULES 3c-5 OR 3c-6 UNDER THE INVESTMENT COMPANY ACT) THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHO IS ALSO A QUALIFIED PURCHASER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER’S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

FOR NOTEHOLDERS THAT HOLD THE NOTES FOLLOWING THE RESALE RESTRICTION TERMINATION DATE, THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A) THAT IS ALSO

A “QUALIFIED PURCHASER” (AS DEFINED IN SECTION 2(a)(51) OF, AND RULES 2a51-1, 2a51-2 AND 2a51-3 UNDER, THE INVESTMENT COMPANY ACT) (OR A TRANSFEREE THEREOF THAT IS IDENTIFIED IN RULES 3C-5 AND 3C-6 UNDER THE INVESTMENT COMPANY ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION” PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, FOLLOWING THE RESALE RESTRICTION TERMINATION DATE, ONLY (A) TO THE ISSUER, (B) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS BOTH A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) AND A QUALIFIED PURCHASER (AS DEFINED IN SECTION 2(a)(51) OF, AND RULES 2a51-1, 2a51-2 AND 2a51-3 UNDER, THE INVESTMENT COMPANY ACT) (OR A TRANSFEREE THEREOF THAT IS IDENTIFIED IN RULES 3c-5 OR 3c-6 UNDER THE INVESTMENT COMPANY ACT), (C) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S, OR (D) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER’S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT IS A U.S. PERSON AND IS NOT BOTH (A) A QUALIFIED PURCHASER AND (B) A QUALIFIED INSTITUTIONAL BUYER TO SELL ITS INTEREST IN THE NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, A COMMON DEPOSITORY ON BEHALF OF EUROCLEAR AND/OR CLEARSTREAM, HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR AND/OR CLEARSTREAM, TO THE ISSUER OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF A COMMON DEPOSITORY ON BEHALF OF EUROCLEAR AND/OR CLEARSTREAM OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR AND/OR CLEARSTREAM (AND ANY PAYMENT HEREON IS MADE TO A COMMON DEPOSITORY ON BEHALF THEREOF).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR AND/OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

BY ACCEPTING THIS NOTE (OR AN INTEREST IN THE NOTE REPRESENTED HEREBY) EACH ACQUIRER AND EACH TRANSFEREE IS DEEMED TO REPRESENT, WARRANT AND AGREE THAT AT THE TIME OF ITS ACQUISITION AND THROUGHOUT THE PERIOD THAT IT HOLDS THIS NOTE OR ANY INTEREST HEREIN THAT IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”)) SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER PLAN OR ARRANGEMENT TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), APPLIES, (III) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA)) BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN’S AND/OR PLAN’S INVESTMENT IN SUCH ENTITY (EACH OF (I), (II) AND (III), A “BENEFIT PLAN INVESTOR”), OR (IV) AN

EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) WHICH IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAWS"), AND NO PART OF THE ASSETS USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR ANY SUCH EMPLOYEE BENEFIT PLAN.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS NOTE, BY ACQUIRING THIS NOTE OR ITS INTEREST IN THIS NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, THIS NOTE AS DEBT OF THE ISSUER FOR U.S. FEDERAL AND, TO THE EXTENT PERMITTED BY LAW, STATE AND LOCAL INCOME AND FRANCHISE TAX PURPOSES AND SHALL TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY ANY RELEVANT TAXING AUTHORITY.

The following legend shall also be included, if applicable:

THE FOLLOWING INFORMATION IS SUPPLIED SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS NOTE WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND THIS LEGEND IS REQUIRED BY SECTION 1275(c) OF THE CODE. Noteholders may obtain information regarding the amount of any OID, the issue price, the Issue Date and the yield to maturity relating to the Notes by contacting the Managing Director of the Issuer at Herikerbergweg 238, Luna ArenA, 1101CM Amsterdam, the Netherlands, +31 (0) 20 575 5600 or AMS.Secretary.SFS@TMF-Group.com.

## **INDEPENDENT AUDITORS**

The consolidated financial statements of VodafoneZiggo comprise the consolidated balance sheet as of 31 December 2018, the consolidated statements of operations, owner's equity and cash flows for the year ended 31 December 2018 and the related notes to the consolidated financial statements. These consolidated financial statements are included in the 2018 Annual Report and have been audited by KPMG Accountants N.V., Amstelveen, the Netherlands, as stated in their report thereon.

The Issuer's independent auditors are KPMG Accountants N.V., independent auditors, who were appointed pursuant to resolutions of the board of directors of the Issuer passed on 21 October 2019. Their address is KPMG Accountants N.V. Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands.

## LISTING AND GENERAL INFORMATION

### Clearing Systems

The Notes sold in offshore transactions in reliance on Regulation S and represented by the Regulation S Global Note have been accepted for clearance through Euroclear and Clearstream.

The Common Codes and ISIN for the Notes are as follows:

#### Rule 144A Global Note

Common Code:

ISIN:

#### Regulation S Global Note

Common Code:

ISIN:

### Listing

Application will be made to Euronext Dublin for the approval of this document as Listing Particulars. Application will be made for the Notes to be listed on the Official List of Euronext Dublin and to be admitted for trading on the Global Exchange Market thereof, which is not a regulated market (pursuant to the provisions of Directive 2004/39/EC). There is no assurance that the Notes will be listed on the Official List of Euronext Dublin and admitted for trading on the Global Exchange Market thereof.

The listing of the Notes on Euronext Dublin's Global Exchange Market will be expressed in euro. Transactions will normally be effected for settlement on the third business day after the day of the transaction.

Notice of any optional redemption or any change in the rate of interest payable on the Notes will be published by the Companies Announcement Office of Euronext Dublin.

The gross proceeds of the offering of the Notes are expected to be €400.0 million.

### Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Global Exchange Market of Euronext Dublin.

### Legal Information Regarding the Issuer

The Issuer, VZ Vendor Financing B.V., is a limited liability company under Dutch law (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat in Amsterdam, the Netherlands and registered with the Dutch commercial register under number 76130592. The registered office of the Issuer is at Herikerbergweg 238, Luna ArenA, 1101CM Amsterdam, the Netherlands.

The Issuer does not have an authorized share capital. The Issuer has issued 100 ordinary shares of €1 each and will issue a number of ordinary shares equal to the Minimum Issuer Capitalization Amount (the “**Issue Date Shares**”, together with the Existing Shares, the “**Shares**”), if any, in connection with the offering of the Notes, which are and will be, respectively, fully paid up and held by the Foundation.

TMF Management B.V. (the “**Managing Director**”, which term shall include any successor or substitute managing directors of the Issuer in accordance with the terms of the Issuer Management Agreement), a Dutch company, acts as the managing directors for the Issuer. The office of the Managing Director serves as the general business office of the Issuer.

The Notes are the obligations of the Issuer alone and not the Foundation.

The Issuer's financial year ends on December 31 of each year.



The independent auditors of the Issuer are KPMG Accountants N.V., who are chartered accountants and are members of the Institute of Chartered Accountants and registered independent statutory auditors qualified to practice in the Netherlands.

There are no potential conflicts of interests between any duties to the Issuer of the members of the board of directors of the Issuer and their private interests.

### **Legal Information Regarding VodafoneZiggo**

VodafoneZiggo is a limited liability company under Dutch law (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat in Utrecht, the Netherlands and registered with the Dutch commercial register under number 61370991. Its issued share capital amounts to €10,004, divided into 10,004 shares with a nominal value of €1 per share.

The principal office of VodafoneZiggo is at Atoomweg 100, 3452 AB Utrecht, The Netherlands.

VodafoneZiggo's fiscal year ends on December 31 of each year.

There has been no significant change in the financial or trading position of VodafoneZiggo since 30 June 2019 and no material adverse change in the prospects of VodafoneZiggo since 30 June 2019.

### **The Notes Trustee**

The Notes provide for the Notes Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Notes Trustee is indemnified and/or secured to its satisfaction. It may not be possible for the Notes Trustee to take certain actions in relation to the Notes and accordingly in such circumstances, the Notes Trustee will be unable to take action, notwithstanding the provision of an indemnity or security to it, and it will be for the Noteholders to take action directly. If the Notes Trustee resigns or is removed, the Issuer will appoint a successor.

### **Consents and Authorizations**

The Issuer has obtained all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes and the Transaction Documents. The issue of the Notes, the creation of the security relating thereto and the entry into of the Transaction Documents and the other relevant documents to which it is a party was authorized by the resolutions of the Board of Directors of the Issuer passed on 22 October 2019.

VodafoneZiggo has obtained all necessary consents, approvals and authorizations in connection with the entry into and performance of the Framework Assignment Agreement and the other Transaction Documents to which it is a party.

### **No Significant or Material Change**

There has been no significant change in the financial or trading position of the Issuer since its incorporation on 16 October 2019 and no material adverse change in the financial position or prospects of the Issuer since its incorporation on 16 October 2019.

### **No Litigation**

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

### **Accounts**

Since the date of its incorporation, the Issuer has not commenced operations and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Paying Agent during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2019. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide certification to the Notes Trustee on an annual basis and upon request that no Issuer Event of Default, Potential Event of Default (as defined in Condition 1 (“*Definitions and Principles of Construction—General Interpretation*”)) or other breach of its obligations under the Trust Deed has occurred.

### **Documents Available**

Copies of the following documents may be inspected in electronic format at the registered offices of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes:

- (a) the Articles of Association;
- (b) the Trust Deed;
- (c) the Agency and Account Bank Agreement;
- (d) the Framework Assignment Agreement;
- (e) the Accounts Payable Management Services Agreement;
- (f) the standard form of Discounted Payments Purchase Agreement;
- (g) the Issuer Management Agreement;
- (h) the New VFZ Facilities Agreement;
- (i) the Expenses Agreement; and
- (j) the Issue Date Arrangements Agreement.

### **Change of Control**

Dutch company law combined with the holding structure of the Issuer, covenants made by the Issuer in the Transaction Documents and the role of the Security Trustee are together intended to prevent any abuse of control of the Issuer. As far as the Issuer is aware, there are currently no arrangements in place which may at a subsequent date result in a change of control of the issuer.

### **Enforceability of Judgments**

The Issuer is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands. None of the Directors and officers of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons may be located outside of the United States at any time. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts (or any non-Dutch courts), including judgments predicated upon civil liability provisions of the securities laws of the United States or any State or territory within the United States.

The Netherlands does not currently have a treaty with the United States providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any court in any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in the Netherlands. In order to obtain a judgment which is enforceable in the Netherlands, the claim must be relitigated before a competent Dutch court. A final judgment by a U.S. court, however, may under current practice be given binding effect, if and to the extent that the Dutch court finds that (i) the jurisdiction of the U.S. court has been based on grounds that are internationally acceptable, (ii) the judgment by the U.S. court was rendered in legal proceedings that comply with the standards of the proper administration of justice that includes sufficient safeguards (*behoorlijke rechtspleging*), (iii) the judgment by the U.S. court is not incompatible with a decision rendered between the same parties by a Dutch court, or with a previous decision rendered between the same parties by a foreign court in a dispute that concerns the same subject and is based on the same cause, provided that the previous decision qualifies for acknowledgement in the Netherlands and (iv) the final judgment does not contravene public policy (*openbare orde*) of the Netherlands.

Subject to the foregoing and provided that service of process occurs in accordance with applicable treaties, investors may be able to enforce in the Netherlands, judgments in civil and commercial matters obtained from U.S. federal or state courts. Moreover, a Dutch court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

Dutch civil procedure differs substantially from U.S. civil procedure in a number of respects. Insofar as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may prior to trial compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under Dutch law.

Enforcement and recognition of judgments of U.S. courts in the Netherlands are governed by the provisions of the Dutch Civil Procedure Code (*Wetboek van Burgerlijke Rechtsvordering*).

### **Foreign Language**

The language of the Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct meaning may be ascribed to them under applicable law.

### **Legal Matters**

Certain legal matters in connection with this offering will be passed upon for VodafoneZiggo and the Issuer by Ropes & Gray International LLP, London, England, as to matters of United States federal, New York law and English law, and by Allen & Overy LLP, Amsterdam, as to matters of Dutch law.

Certain legal matters in connection with this offering will be passed upon for the Initial Purchasers by Latham & Watkins (London) LLP, London, England, as to matters of United States federal, New York law and English law, and by Clifford Chance LLP, as to matters of Dutch law.

## **ANNEX A: NEW VFZ FACILITIES AGREEMENT**

**Dated [●] 2019**

**VZ FINANCING I B.V.**

**as Borrower**

**THE ENTITIES LISTED IN SCHEDULE 1**

**as Original Guarantors**

**and**

**VZ VENDOR FINANCING B.V.**

**as Lender**

**with**

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

**acting as Administrator**

**£[●]**

**FACILITIES AGREEMENT**

**ROPES & GRAY**



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**THIS AGREEMENT** is dated [●], 2019 and made **BETWEEN**:

- (1) **VZ FINANCING I B.V.**, a company incorporated under the laws of the Netherlands with registration number 70536163 (the **Borrower**);
- (2) **THE ENTITIES** listed in Schedule 1 (*The Original Guarantors*) as original guarantors (the **Original Guarantors**);
- (3) **VZ VENDOR FINANCING B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands with registered number 76130592 (the **Lender**); and
- (4) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, acting as administrator for the Lender (the **Administrator**).

**IT IS AGREED** as follows:

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

In this Agreement:

**Accelerated Maturity Event** has the meaning given to it in Condition 6(g).

**Account Bank** means The Bank of New York Mellon, London Branch.

**Accounts Payable Management Services Agreement** or **APMSA** means (i) the Existing APMSA, and (ii) following an SCF Platform Addition, the Existing APMSA and any accounts payable management services agreement (or equivalent) to be entered into between, *inter alios*, the Platform Provider and VodafoneZiggo Group B.V. as Buyer Parent, in each case of (i) and (ii), as amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement), or otherwise modified from time to time.

**Account Bank and Agency Agreement** has the meaning given to it in the Notes Trust Deed.

**Act** means the Companies Act 2006.

**Additional Guarantor** means a company which becomes a Guarantor in accordance with Clause 18 (*Changes to the Obligors*).

**Additional Notes** means any further Vendor Financing Notes issued at any time after the Issue Date under and in accordance with the Notes Trust Deed.

**Additional Notes Issue Date** means the date of issuance of the relevant Additional Notes.

**Affiliate** has the meaning given to it in Schedule 7 (*Additional Definitions*).

**Affiliate Covenant Party** means a Permitted Affiliate Parent.

**Affiliate Subsidiary** has the meaning specified in Clause 18.3 (*Affiliate Designation Subsidiary*).

**Applied Discount** means the discount amount that the Platform Provider will deduct from the Certified Amount in case of a transfer of the Payment Obligation prior to the Confirmed Payment Date pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement.

**Approved Exchange Offer** has the meaning given to it in Condition 1(a).

**Assigned Receivable** means, at any time of determination, any VFZ Account Receivable in respect of which there has been an assignment of such VFZ Account Receivable from the Platform Provider to the Lender pursuant to the terms of the Framework Assignment Agreement and the relevant Assignment Framework Note.

**Assignment Date** means the date of a sale and assignment of any VFZ Account Receivable from the Platform Provider to the Lender.

**Assignment Framework Note** means an assignment framework note in the form set out in Schedule 1 (*Form of Assignment Framework Note*) to the Original Framework Assignment Agreement or any other notice under a Framework Assignment Agreement as agreed between the relevant parties.

**Assignment Notice** means an assignment notice substantially in the form set out in Schedule 2 (*Form of Assignment Notice*) to the Framework Assignment Agreement, or any other notice under a Framework Assignment Agreement as agreed between the relevant parties.

**Authorisation** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**Availability Period** means:

- (a) in relation to the Excess Cash Facility, the period from and including the date of this Agreement to and including the date falling one Business Day or such shorter period as may be agreed by the Borrower and the Lender prior to the Termination Date;
- (b) in relation to the Interest Facility, the period from and including the date of this Agreement to and including the date falling one Business Day or such shorter period as may be agreed by the Borrower and the Lender prior to the Termination Date; and
- (c) in relation to the Issue Date Facility, the period from and including the date of this Agreement to and including the date falling one Business Day or such shorter period as may be agreed by the Borrower and the Lender prior to the Termination Date.

**Bank Levy** means any bank levy imposed in a jurisdiction on the basis of or in relation to some of all of a Finance Party's assets, its balance sheet or capital base or equity or any part of it or its liabilities or minimum regulatory capital or any combination thereof, including as set out in the Dutch bank levy act (*Wet bankenbelasting*) and any Taxes in any jurisdiction levied on a similar basis or for a similar purpose or any financial activities Taxes (or other Taxes) of a kind contemplated in the European Commission consultation paper on financial sector taxation dated 22 February 2011.

**Business Day** means each day that is not a Saturday, Sunday or other day on which banking institutions in Amsterdam, The Netherlands, New York, United States of America or London, England are authorised or required by law to close.

**Buyer Parent** means the Borrower in its capacity under the Framework Assignment Agreement and the APSMA, as parent of the Obligor Subsidiaries.

**Buyer Subsidiary** means any direct or indirect subsidiary of the Buyer Parent which has acceded to the Accounts Payable Management Services Agreement as a Buyer Subsidiary (as defined therein).

**Certified Amount** means, with respect to a Payment Obligation, the Outstanding Amount of such Payment Obligation on the earliest to occur of (i) the date of the Initial Transfer, and (ii) the date falling three Business Days prior to the Confirmed Payment Date of that Payment Obligation.

**Change of Control** has the meaning given to it in Schedule 7 (*Additional Definitions*).

**Change of Control Acceptance** has the meaning given to it in Clause 7.3 (*Change of Control Prepayment Offer*).

**Change of Control Fee** means the fee payable in accordance with Clause 11.4 (*Change of Control Fee*).

**Change of Control Prepayment Date** has the meaning given to it in Clause 7.3 (*Change of Control Prepayment Offer*).

**Change of Control Prepayment Loan Amount** has the meaning given to it in Clause 7.3 (*Change of Control Prepayment Offer*).

**Change of Control Prepayment Offer** has the meaning given to it in Clause 7.3 (*Change of Control Prepayment Offer*).

**Code** means the US Internal Revenue Code of 1986, as amended.

**Collected Amount** means, in relation to an Assigned Receivable, an amount received by the Platform Provider (acting as collection agent for the Lender under the Framework Assignment Agreement) from the relevant Receivables Obligor towards repayment of an amount equal to the Outstanding Amount relating to such Assigned Receivable.

**Commitment** means an Excess Cash Facility Commitment, an Interest Facility Commitment and/or an Issue Date Facility Commitment, as applicable.

**Common Holding Company** has the meaning specified in Clause 18.2 (*Permitted Affiliate Designation*).

**Condition** has the meaning given to it in the Notes Trust Deed.

**Confirmed Payment Date** means, with respect to a Payment Obligation, the date (which cannot be changed) specified as the date of payment in the Electronic Data File in respect of the Receivable that was designated as “approved” which led to that Payment Obligation arising.

**Constitutional Documents** means in respect of any person, memorandum and articles of association, partnership agreement or other document pursuant to which it is incorporated or organised.

**Coupon Payment Date** means each 15 April and 15 October of each year commencing on 15 April 2020, or, if any such day is not a Business Day, on the next succeeding Business Day.

**Credit Note** means an amount to be deducted from a Receivable that has been the subject of an Upload and designated as “approved” by an Obligor which is posted by an Obligor as an entry in an Electronic Data File to the SCF Platform Website and has been allocated to a corresponding Payment Obligation.

**Default** means an Event of Default or any event or circumstance specified in Clause 16 (*Events of Default*) which would (with the expiry of a grace period or the giving of notice) be an Event of Default.

**Delayed Aggregate Amounts** means any Requested Purchase Price Amounts held by the Platform Provider and not applied towards the purchase of VFZ Accounts Receivable exceeding €50,000,000 and which have not been repaid to the Lender in accordance with the timeframe set out in the Framework Assignment Agreement.

**Discounted Payments Purchase Agreements** means the agreements entered into, from time to time, each between the Platform Provider and the Supplier named therein, as may be amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement) or otherwise modified from time to time (including pursuant to an SCF Platform Addition).

**Disputes** has the meaning given to such term in Clause 31.1 (*Courts*).

**Drawstop Event** means the delivery of a Drawstop Notice by the Borrower to the Administrator (on behalf of the Lender) in accordance with Clause 8.5 (*Drawstop Notices*).

**Drawstop Notice** has the meaning given to it in Clause 8.5 (*Drawstop Notices*).

**Dutch Civil Code** means the *Burgerlijk Wetboek* of The Netherlands.

**Electronic Data File** means an electronic file substantially in the form set out in Schedule 4 to the Accounts Payable Management Services Agreement.

**euro or €** has the meaning given to it in Schedule 7 (*Additional Definitions*)

**Event of Default** means any event or circumstance specified as such in Clause 16 (*Events of Default*).

**Excess Cash Facility** means the facility made available under this Agreement as described in Clause 2.1 (*The Excess Cash Facility*).

**Excess Cash Facility Commitment** means the aggregate amount of (i) [●] million and (ii) the amount of any other Excess Cash Facility Commitment assumed by the Lender in accordance with Clause 2.4 (*Increase*), in each case, to the extent not cancelled, reduced or assigned by it under this Agreement.

**Excess Cash Loan** means a loan made or to be made under the Excess Cash Facility or the principal amount outstanding for the time being of that loan.

**Excess Requested Purchase Price Amounts** means any excess Requested Purchase Price Amounts which have not been applied towards the purchase of new VFZ Accounts Receivable on the date falling five Business Days following receipt by the Lender (or the Administrator on behalf of the Lender) of the relevant Assignment Notice.

**Existing APMSA** means the accounts payable management services agreement originally dated 23 February 2015, as amended and restated on 14 December 2016 and as most recently amended and restated on 2 April 2018, between, *inter alios*, the Platform Provider and the Obligors, as amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement), or otherwise modified from time to time.

**Expenses Agreement** means the expenses agreement to be entered into on the Issue Date between the Borrower and the Lender.

**Facility** means the Excess Cash Facility, the Interest Facility and/or the Issue Date Facility, as the context may require.



**Facility Office** means the office or offices through which the Lender will perform its obligations under this Agreement.

**FATCA** means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

**FATCA Deduction** means a deduction or withholding from a payment under a Finance Document required by FATCA.

**FATCA Exempt Party** means a Party that is entitled to receive payments free from any FATCA Deduction.

**Fee Letter** means:

- (a) any letter or letters between the Administrator and the Borrower setting out any of the fees referred to in Clause 11 (*Fees*); and
- (b) any agreement setting out fees payable to a Finance Party under any other Finance Document.

**Final Available Amount** means the sum of:

- (a) all Collected Amounts in respect of the Assigned Receivables due to be repaid or prepaid to the Lender on or before the day that is two Business Days prior to the final Coupon Payment Date, being the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions;
- (b) any other amounts (including any accrued interest) due to be paid by the Platform Provider to the Lender pursuant to the Framework Assignment Agreement by the cut-off time specified in the Agency and Account Bank Agreement;
- (c) the principal amount of, and interest due and payable to the Lender on, all of the Loans on the final Coupon Payment Date, being the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions; and
- (d) all other amounts standing to the credit of each of the Lender Interest Proceeds Account and the Lender Principal Proceeds Account (to the extent not included in the above).

**Finance Document** means this Agreement, any Obligor Accession Agreement, any Increase Confirmation, any Fee Letter, any Resignation Letter and any other document designated as a **Finance Document** by the Lender and the Borrower.

**Finance Party** means the Lender and the Administrator.

**Foundation** means Stichting Trade Finance, a foundation (*stichting*) established under the law of the Netherlands and the direct parent of the Lender.

**Framework Assignment Agreement** means (i) the Original Framework Assignment Agreement, and (ii) following an SCF Platform Addition, the Original Framework Assignment Agreement and any receivables assignment agreement (or equivalent) to be entered into between, *inter alios*, the Lender, the Platform Provider and the Borrower, in each case of (i) and (ii), as may be amended, amended and restated, supplemented, replaced (including pursuant to an SCF Platform Replacement) or otherwise modified from time to time, and pursuant to which the Lender will purchase eligible VFZ Accounts Receivable from the Platform Provider. As used herein, the term “Framework Assignment Agreement” may also refer to, as the context may require, the Framework Assignment Agreement and the Assignment Framework Notes.

**Group** means the Borrower, VZ Financing II B.V., any Permitted Affiliate Parent, any Affiliate Subsidiary and any Subsidiary of the Borrower, VZ Financing II B.V. or a Permitted Affiliate Parent from time to time, other than any Unrestricted Subsidiary as defined in Schedule 7 (*Additional Definitions*).

**Guarantor** means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 18 (*Changes to the Obligors*).

**Holding Company** has the meaning given to it in Schedule 7 (*Additional Definitions*).

**Increase Confirmation** means a confirmation substantially in the form set out in Schedule 8 (*Form of Increase Confirmation*).

**Initial Excess Cash Facility Amount** means as at the Issue Date, an amount, calculated by the Administrator, equal to £[●] million *less* the Initial Requested Purchase Price Amount.

**Initial Requested Purchase Price Amount** means an amount equal to the Requested Purchase Price Amount specified in the first Assignment Notice delivered on or following the Issue Date pursuant to the Framework Assignment Agreement.

**Initial Transfer** means the sale and assignment from the Supplier to the Platform Provider through the SCF Platform of (i) the independent and primary obligation of the Borrower (arising from an Upload and the designation of the relevant uploaded Receivable as “approved” by a Receivables Obligor) to make payment or cause payment to be made on the related Receivable on the Confirmed Payment Date, and (ii) such related Receivable.

**Interest Facility** means the facility made available under this Agreement as described in Clause 2.2 (*Interest Facility*).

**Interest Facility Commitment** means the aggregate of (i) £0 on the Signing Date, (ii) the amount of any other Interest Facility Commitment assumed by the Lender in accordance with Clause 2.4 (*Increase*), in each case of (i) and (ii) to the extent not cancelled, reduced or assigned by it under this Agreement and (iii) the principal amount of any Interest Facility Loan required to be advanced from time to time by the Lender to the Borrower in excess of the aggregate of the amounts referred to in (i) and (ii) above in accordance with the terms of this Agreement.

**Interest Facility Loan** means a loan made or to be made under the Interest Facility or the principal amount outstanding for the time being of that loan.

**Interest Payment Shortfall** means, in respect of any Coupon Payment Date, the amount, if any, by which the amount standing to the credit of the Lender Interest Proceeds Account at 10 a.m. one Business Day prior to that Coupon Payment Date will be insufficient to pay the interest due and payable by the Lender on the Notes on that Coupon Payment Date.

**Interest Period** means each period determined in accordance with Clause 10 (*Interest Periods*).

**Interest Proceeds** means (i) the Premium earned by the Lender on Assigned Receivables, (ii) the interest earned by the Lender on Excess Cash Loans and the Issue Date Facility Loan, and (iii) the Retained Amount Interest.

**Interest Rate** means:

- (a) in relation to the Excess Cash Facility, [●]% per annum;
- (b) in relation to the Interest Facility, 0% per annum; and
- (c) in relation to the Issue Date Facility, [●]% per annum.

**Issue Date** means [●], 2019.

**Issue Date Arrangements Agreement** means the agreement dated on or about the Issue Date among the Lender, the Borrower and the Foundation.

**Issue Date Facility** means the facility made available under this Agreement as described in Clause 2.3 (*Issue Date Facility*).

**Issue Date Facility Commitment** means the aggregate of (i) [●] and (ii) the amount of any other Issue Date Facility Commitment assumed by the Lender in accordance with Clause 2.4 (*Increase*) to the extent not cancelled, reduced or assigned by it under this Agreement.

**Issue Date Facility Loan** means a loan made or to be made under the Issue Date Facility or the principal amount outstanding for the time being of that loan.

**Legal Opinions** means the legal opinions set out in Schedule 2 (*Conditions Precedent*) and any other legal opinion delivered under this Agreement.

**Lender Interest Proceeds Account** means the Interest Proceeds Account as defined in the Agency and Account Bank Agreement.

**Lender Principal Proceeds Account** means the Principal Proceeds Account as defined in the Agency and Account Bank Agreement.

**Loan** means an Excess Cash Loan, an Interest Facility Loan or the Issue Date Facility Loan.

**Maturity Excess Payment** means an amount, calculated by the Administrator, on the final Coupon Payment Date, being the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions, equal to the positive difference, if any, between:

- (a) the Final Available Amount, *less*
- (b) the aggregate principal amount of the Notes to be repaid together with the amount of interest accrued and payable on the Notes on such final Coupon Payment Date.

**Maturity Shortfall Payment** means an amount, calculated by the Administrator, on the final Coupon Payment Date, being the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions, equal to the positive difference, if any, between:

- (a) the aggregate principal amount of the Notes to be repaid together with the amount of interest accrued and payable on the Notes on such final Coupon Payment Date, *less*
- (b) the Final Available Amount.

**New Maturity Date** means the date that is one Business Day following the Change of Control Prepayment Date.

**Notes** means:

- (a) the Vendor Financing Notes; and
- (b) any Additional Notes.

**Notes Acceleration Event** means (i) the delivery by the Notes Trustee of a Note Acceleration Notice to the Lender or (ii) the occurrence of an Issuer Event of Default as described in Condition 10.

**Note Acceleration Notice** has the meaning given to it in Condition 10.

**Notes Maturity Date** means initially, 31 January 2024 and following an Accelerated Maturity Event, the New Maturity Date.

**Notes Partial Redemption Shortfall Payment** means, in respect of a voluntary partial redemption of the Notes in accordance with the Conditions), an amount, calculated by the Administrator, equal to the positive difference, if any, between (i) the amount of interest due on the Notes on the Notes Partial Redemption Date, *less* (ii) the aggregate of the amount of (x) Interest Facility Loans to be repaid to the Lender pursuant to paragraph (f) of Clause 6.1 (*Interest Facility*) in relation to that Notes Partial Redemption Date and (y) the amount standing to the credit of the Lender Interest Proceeds Account at 10 a.m. one Business Day prior to that Notes Partial Redemption Date.

**Notes Partial Redemption Date** has the meaning given to it in paragraph (d) of Clause 7.2 (*Voluntary Prepayment*).

**Notes Trust Deed** means the trust deed dated on the Issue Date in relation to the Notes, as amended, amended and restated, supplemented or otherwise modified from time to time.

**Notes Trustee** means BNY Mellon Corporate Trustee Services Limited.

**Obligors** means the Borrower and the Guarantors and **Obligor** means any of them.

**Obligor Accession Agreement** means a document substantially in the form set out in Schedule 3 (*Form of Obligor Accession Agreement*) and including any guarantee limitation language as is necessary or desirable in the relevant jurisdiction of the Additional Guarantor as determined by the Borrower (acting reasonably).

**Obligors' Agent** means the Borrower in its capacity as agent for each Obligor in relation to the Finance Documents pursuant to Clause 2.5 (*Obligor's Agent*).

**Obligor Subsidiaries** means VZ Financing I B.V., a private limited company incorporated under the laws of the Netherlands with registered number 70536163 and VZ Financing II B.V., a private limited company incorporated under the laws of the Netherlands with registered number 70537364; and any additional "Designated Buyer Subsidiary" (as defined in the Accounts Payable Management Services Agreement) that accedes to the Accounts Payable Management Services Agreement in accordance with its terms, each in its capacity as a "Buyer Subsidiary" under the Accounts Payable Management Services Agreement.

**Original Framework Assignment Agreement** means the framework assignment agreement dated on or about the Issue Date between, *inter alios*, the Lender, the Platform Provider and the Borrower.

**Original Obligors** means the Borrower and the Original Guarantors and **Original Obligor** means any of them.

**Outstanding Amount** means, with respect to a Payment Obligation, an amount equal to (i) the gross amount of the relevant Receivable in respect of which the Payment Obligation arose, *less* (ii) the sum of all Credit Notes allocated to that Payment Obligation pursuant to the terms of the APMSA.

**Participating Member State** means any member state of the European Union that at the relevant time has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

**Party** means a party to this Agreement.

**Payment Obligation** means an independent and primary obligation of the Buyer Parent (and, following an SCF Transfer in respect of such Payment Obligation, of each Buyer Subsidiary on a joint and several basis) to pay to the Relevant Recipient the Certified Amount on the Confirmed Payment Date under the APMSA.

**Permitted Affiliate Group Designation Date** means any date on which the Administrator (on behalf of the Lender) provides confirmation to the Borrower that the conditions set out in Clause 18.2 (*Permitted Affiliate Designation*) are satisfied.

**Permitted Affiliate Parent** has the meaning specified in Clause 18.2 (*Permitted Affiliate Designation*).

**Platform Provider** means (i) initially, ING Bank N.V., in its capacity as provider and the administrator of the SCF Platform, together with its successors and permitted assigns; (ii) following an SCF Platform Addition, ING Bank N.V. (together with its successors and permitted assigns) and any additional provider and administrator of an additional SCF Platform approved or appointed by the Borrower or a Buyer Subsidiary (together with such platform provider's successors and permitted assigns); and (iii) following an SCF Platform Replacement, the successor provider and administrator of the replacement SCF Platform approved or appointed by the Borrower or an Obligor Subsidiary (together with such platform provider's successors and permitted assigns).

**Platform Provider Processing Fee** means the processing fee due to the Platform Provider as specified in the APMSA (as may be amended from time to time in accordance with the terms of the APMSA), which is 0.20% on the Signing Date.

**Premium** means the premium earned by the Lender on Assigned Receivables, being equal to the difference between Outstanding Amounts collected upon maturity thereof and the Purchase Price Amounts at which such Assigned Receivables are initially purchased by the Lender, which will be deemed to accrue on the basis of a 360-day year.

**Priorities of Payment** has the meaning given to it in Condition 1(a).

**Proceedings** has the meaning given to such term in Clause 31.1 (*Courts*).

**Purchase Price Amount** means, in relation to any VFZ Account Receivable, an amount equal to the Outstanding Amount of such VFZ Account Receivable *less* the Applied Discount calculated as at the relevant Assignment Date.

**Receivable** means an amount of money payable by a Receivables Obligor to a Supplier as a result of an existing business relationship, evidenced by an invoice, and includes all rights attaching thereto under the relevant contract to which such invoice relates and the SCF Platform Documents.

**Receivables Obligor** means, with respect to each VFZ Account Receivable, any person who owes a Payment Obligation in respect of such VFZ Account Receivable or any payment undertaking related to such VFZ Account Receivable to the Platform Provider or the Lender pursuant to the Framework Assignment Agreement or any SCF Platform Documents, in any case, related to such VFZ Account Receivable, whether such obligation forms the whole or any part of such VFZ Account Receivable. On the Issue Date, the Receivables Obligors will be the Original Guarantors.

**Relevant Recipient** means, with respect to a Payment Obligation:

- (a) the Supplier to whom the Receivable which the Payment Obligation arose in respect of is payable to;
- (b) following transfer (in accordance with the terms of the Accounts Payable Management Services Agreement) of the Payment Obligation from that Supplier to the Platform Provider, the Platform Provider; or

- (c) following transfer of the Payment Obligation from the Platform Provider to a Transferee (as defined in the Accounts Payable Management Services Agreement) or one Transferee to another Transferee, the Transferee to whom the Payment Obligation has most recently been transferred.

**Requested Purchase Price Amount** means an amount requested by the Platform Provider in an Assignment Notice as consideration for the sale and assignment of the relevant VFZ Account Receivable.

**Retained Amount** means, collectively, Excess Requested Purchase Price Amounts, Retained Collected Amounts and/or, Delayed Aggregate Amounts.

**Retained Amount Interest** means interest to be paid by the Platform Provider to the Lender on any Retained Amounts.

**Retained Collected Amount** means any Collected Amount which has not been paid to the Lender towards satisfaction of the relevant Outstanding Amount and not been used to purchase further VFZ Accounts Receivable.

**SCF Platform** means the online system, managed by the Platform Provider and administered under the terms of the APMSA and the Discounted Payments Purchase Agreements, to facilitate vendor financing provided by the Platform Provider and other participating funding providers, including the Lender, and made available to the Borrower and certain of its subsidiaries (including the Buyer Subsidiary), together with any additional online system approved by the Borrower or a Buyer Subsidiary pursuant to an SCF Platform Addition and any replacement online system approved by the Borrower or a Buyer Subsidiary pursuant to an SCF Platform Replacement.

**SCF Platform Addition** means the addition of another online system established and administered by an additional Platform Provider to facilitate vendor financing made available to the Borrower and certain of its subsidiaries (including the Buyer Subsidiary), as approved or appointed by the Borrower or a Buyer Subsidiary.

**SCF Platform Documents** means the APMSA and the Discounted Payments Purchase Agreements.

**SCF Platform Replacement** means the replacement of the then-current SCF Platform with another online system established and administered by a successor Platform Provider to facilitate vendor financing made available to the Borrower and certain of its subsidiaries (including the Buyer Subsidiary), as approved or appointed by the Borrower or a Buyer Subsidiary.

**SCF Platform Website** means <https://www.ingscfplatform.com/> or such other website address as may be notified by the Platform Provider to the Obligor from time to time.

**SCF Transfer** means, in respect of a Payment Obligation arising in respect of a Receivable that has been given the status “approved” by or on behalf of the relevant Receivables Obligor via the SCF Platform, the transfer of such Payment Obligation to the Platform Provider pursuant to the terms of the APMSA and each relevant Discounted Payments Purchase Agreement.

**Signing Date** means the date of this Agreement.

**Subsidiary** has the meaning given to it in Schedule 7 (*Additional Definitions*).

**Supplier** means:

- (a) each supplier permitted to access the SCF Platform Website pursuant to the terms of a Supplier Access Agreement (which such supplier has entered into) and which is listed in Schedule 2 to the APMSA (as may be updated by the Platform Provider from time to time when any changes to the details set out therein occurs);
- (b) any supplier proposed by the Buyer Parent to the Platform Provider as a supplier and meeting the eligibility criteria set out in Schedule 2 to the APMSA and permitted to access the SCF Platform Website pursuant to the terms of a Supplier Access Agreement (which such supplier has entered into) from time to time; and
- (c) following an SCF Platform Replacement or SCF Platform Addition, any supplier permitted to access such replacement or additional SCF Platform pursuant to the relevant Supplier Access Agreement.

**Supplier Access Agreement** means (i) an electronic agreement entered into by the Platform Provider and each Supplier on substantially similar terms as set out in Schedule 2 to the APMSA; and (ii) following an SCF Platform Replacement or SCF Platform Addition, any agreement entered into by the Platform Provider and each Supplier which governs access to such replacement or additional SCF Platform.



**Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**Tax Event** has the meaning given to it in Condition 1(a).

**Termination Date** means:

- (a) in relation to the Excess Cash Facility, [●] or if earlier, the date of repayment and cancellation in full of the Excess Cash Facility;
- (b) in relation to the Interest Facility, [●] or if earlier, the date of repayment and cancellation in full of the Interest Facility; and
- (c) in relation to the Issue Date Facility, [●] or if earlier, the date of repayment and cancellation in full of the Issue Date Facility.

**Term Excess Arrangement Payment** means, in respect of a Coupon Payment Date (other than the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions), an amount, calculated by the Administrator equal to any balance of the Interest Facility Loans not repaid by the Borrower to the Lender in accordance with paragraph (a) of Clause 6.1 in relation to that Coupon Payment Date.

**Term Shortfall Payment** means, in respect of a Coupon Payment Date (other than the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions), an amount, calculated by the Administrator, equal to the positive difference, if any, between (i) the amount of interest due on the Notes on that Coupon Payment Date, *less* (ii) the aggregate of the amount of (x) Interest Facility Loans to be repaid to the Lender pursuant to paragraph (a) of Clause 6.1 in relation to that Coupon Payment Date and (y) the amount standing to the credit of the Lender Interest Proceeds Account at 10 a.m. one Business Day prior to that Coupon Payment Date.

**Total Commitments** means the aggregate of the Excess Cash Facility Commitments, the Interest Facility Commitments and the Issue Date Facility Commitments, as the same may be increased or reduced in accordance with the terms of this Agreement.

**Transaction Documents** has the meaning given to it in Condition 1(a).

**United States or US** means the United States of America.

**Unpaid Sum** means any sum due and payable by an Obligor under any Finance Document but unpaid.

**Upload** means the upload by a Receivables Obligor of an Electronic Data File containing details of a Receivable on to the SCF Platform.

**Utilisation Date** means the date on which a Loan is (or is requested to be) made.

**VAT** means:

- (a) value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature imposed in compliance with the Council Directive 2006/112/EC on the common system of value added tax as implemented by a member state of the European Union; and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

**Vendor Financing Notes** means the €400,000,000 [●] % vendor financing notes due 2024 issued by the Lender, as issuer, under and in accordance with the Notes Trust Deed.

**VFZ Account Receivable** means, collectively, a Payment Obligation which has been acquired by the Platform Provider and any Receivable relating thereto, solely to the extent that such Receivable has been acquired by the Platform Provider.

**Weekly Excess Cash Repayment Amount** means, on any date, the amount to be paid by the Lender to acquire VFZ Accounts Receivable on that date *less* the amounts expected to be in the Lender Principal Proceeds Account on that date.

## 1.2 Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

- (i) the **Lender**, any **Obligor**, the **Administrator**, any **Finance Party**, any **Party**, or any other person shall be construed so as to include its and any subsequent successors in title, permitted assigns and permitted transferees;

- (ii) a document in **agreed form** is a document which is previously agreed in writing by or on behalf of the Borrower and the Lender or, if not so agreed, is in the form specified by the Lender acting reasonably;
- (iii) **assets** includes present and future properties, revenues and rights of every description;
- (iv) **company** includes any body corporate;
- (v) **determines** or **determined** means, save as otherwise provided herein, a determination made in the absolute discretion of the person making the determination;
- (vi) a **Finance Document**, a **Transaction Document** or any other agreement or instrument is a reference to that Finance Document, Transaction Document or other agreement or instrument as amended, varied, supplemented or novated (however fundamentally) and shall include any confirmation thereof;
- (vii) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (viii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (ix) a **repayment** shall include a **prepayment** and references to **repay** or **prepay** shall be construed accordingly;
- (x) the **administration** of a company shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company is incorporated, established or organised or any jurisdiction in which such company carries on business, including the seeking of liquidation, winding up, reorganisation, dissolution, administration, arrangement, adjustment, protection from creditors or relief of debtors; and
- (xi) a time of day is, unless otherwise specified, a reference to London time.
- (b) Section, Clause and Schedule headings are for ease of reference only.
- (c) Unless expressly provided to the contrary, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (d) Any reference in this Agreement to a law, statute or a statutory provision shall, save where a contrary intention is specified, be construed as a reference to such law, statute or statutory provision as the same shall have been, or may be, amended or re enacted.
- (e) A Default (other than an Event of Default) is **continuing** if it has not been remedied or waived and an Event of Default is **continuing** if it has not been remedied or waived.
- (f) A Drawstop Event is **continuing** if the relevant Drawstop Notice has not been withdrawn or revoked by the Borrower in accordance with Clause 8.5 (*Drawstop Notices*).
- (g) No personal liability shall attach to any director, officer or employee of any member of the Group for any representation or statement made by that member of the Group in a certificate signed by such director, officer or employee.

### 1.3 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

### 1.4 Arm's-length terms

The Lender and the Borrower each confirm that this Agreement has been entered into on arm's-length commercial terms.

## **1.5 Other defined terms**

Any capitalised words and expressions used in this Agreement with respect to capitalised words and expressions used in Schedule 5 (*Covenants*) and Schedule 6 (*Events of Default*) shall bear the meanings ascribed to them in Schedule 7 (*Additional Definitions*) if not otherwise defined in this Clause 1. In the event of any conflict between the provisions of this Clause 1 and Schedule 7 (*Additional Definitions*), this Clause 1 will prevail.

## **2. THE FACILITIES**

### **2.1 The Excess Cash Facility**

Subject to the terms of this Agreement, the Lender makes available to the Borrower a euro denominated revolving credit facility in an aggregate amount equal to the Excess Cash Facility Commitment.

### **2.2 Interest Facility**

Subject to the terms of this Agreement, the Lender makes available to the Borrower a euro denominated revolving credit facility in an aggregate amount equal to the Interest Facility Commitment.

### **2.3 Issue Date Facility**

Subject to the terms of this Agreement, the Lender makes available to the Borrower a euro denominated term credit facility in an aggregate amount equal to the Issue Date Facility Commitment.

### **2.4 Increase**

- (a) At the time of any issuance of Additional Notes, the Lender, the Administrator and the Borrower shall, by executing an Increase Confirmation, increase the Commitments under the Excess Cash Facility, the Interest Facility and the Issue Date Facility by including new Commitments of the Lender as follows:
  - (i) the Interest Facility Commitment shall be increased by an amount to be agreed between the Administrator and the Borrower;
  - (ii) the Excess Cash Facility Commitment shall be increased by an amount, calculated by the Administrator, equal to the aggregate principal amount of the Additional Notes less the increase in the Interest Facility Commitment calculated in accordance with sub-paragraph (i) above; and
  - (iii) the Issue Date Facility Commitment shall be increased by an amount, calculated by the Administrator, equal to [●] of the aggregate principal amount of the Additional Notes.
- (b) An increase in the Commitments relating to a Facility shall take effect on the later of (a) the Additional Notes Issue Date and (b) the execution by the Borrower, the Administrator and the Lender of an Increase Confirmation.
- (c) The Borrower may pay to the Lender a fee in the amount and at the times agreed between the Borrower and the Lender.
- (d) The execution by the Borrower of an Increase Confirmation constitutes confirmation from each Guarantor that its obligations shall continue unaffected except that those obligations shall extend to the Total Commitments as increased by the addition of the new Commitments of the Lender and shall be owed to the Lender.

### **2.5 Obligors' Agent**

- (a) Each Obligor (other than the Borrower) by its execution of this Agreement or an Obligor Accession Agreement irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
  - (i) the Borrower on its behalf to supply all information concerning itself contemplated by this Agreement to the Administrator (on behalf of the Lender) and to give all notices and instructions, to execute on its behalf any Finance Document to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor and to enter into any agreement in connection with a Finance Document, in each case, notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and

- (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Borrower on its behalf,

and in each case the Obligor shall be bound as though the Obligor itself had supplied such information, given the notices and instructions or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication and each Finance Party may rely on any action purported to be taken by the Borrower on behalf of the Obligor.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

### **3. PURPOSE**

#### **3.1 Purpose**

- (a) The Borrower shall apply all amounts borrowed by it under the Excess Cash Facility towards the general corporate and working capital purposes of the Group.
- (b) The Borrower shall apply all amounts borrowed by it under the Interest Facility towards the general corporate and working capital purposes of the Group.
- (c) The Borrower shall apply all amounts borrowed by it under the Issue Date Facility towards the general corporate and working capital purposes of the Group.

#### **3.2 Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

### **4. CONDITIONS OF UTILISATION**

#### **4.1 Initial conditions precedent**

- (a) The Lender will only be obliged to comply with Clause 5 (*Utilisation*) in relation to any Loan if on or before the Utilisation Date for that Loan, the Administrator (on behalf of the Lender) has received (or waived receipt of) all of the documents and other evidence listed in Schedule 2 (*Conditions Precedent*) in a form that appears in the opinion of the Administrator (on behalf of the Lender) acting reasonably to comply with the requirements therein. The Administrator (on behalf of the Lender) shall notify the Borrower promptly upon being so satisfied.
- (b) Other than to the extent that the Lender notifies the Administrator in writing to the contrary before the Administrator gives the notification described in paragraph (a) above, the Lender authorises (but does not require) the Administrator to give that notification. The Administrator shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

#### **4.2 Further conditions precedent**

The Lender will only be obliged to comply with Clause 5 (*Utilisation*) if on the proposed Utilisation Date (i) no Drawstop Event has occurred and is continuing and (ii) no Notes Acceleration Event has occurred.

### **5. UTILISATION**

#### **5.1 Initial utilisations on the Issue Date**

Subject to satisfaction of the conditions set out in Clause 4 (*Conditions of Utilisation*), the Lender shall lend and the Borrower shall borrow, by 4 p.m. on the Issue Date:

- (a) in respect of the Excess Cash Facility, an amount in euro equal to the Initial Excess Cash Facility Amount; and

- (b) in respect of the Issue Date Facility, an amount in euro equal to the Issue Date Facility Commitment (which all the Parties agree and acknowledge shall be made available on a cashless basis in accordance with the terms of the Issue Date Arrangements Agreement).

## 5.2 Further utilisations

Subject to satisfaction of the conditions set out in Clause 4 (*Conditions of Utilisation*), the Lender shall lend and the Borrower shall borrow:

- (a) by 4 p.m. on each Business Day after the Issue Date and during the Availability Period for the relevant Facility:
  - (i) in respect of the Interest Facility, an amount in euro equal to the amount standing to the credit of the Lender Interest Proceeds Account on that Business Day excluding the aggregate amount of any withdrawals required but not yet completed on that Business Day (and, in connection with the redemption of all or part of the Notes, required on the following Business Day) (as calculated by the Administrator in accordance with the Agency and Account Bank Agreement) (A) in connection with the payment of interest on the Notes on the upcoming Coupon Payment Date, (B) in connection with an Approved Exchange Offer on the date specified in the notice delivered by the Administrator in connection with such Approved Exchange Offer or (C) in connection with the relevant date for redemption of the Notes on a date which is not a Coupon Payment Date (provided that such amount is greater than zero); and
  - (ii) in respect of the Excess Cash Facility, an amount in euro equal to the amount standing to the credit of the Lender Principal Proceeds Account on that Business Day excluding the aggregate amount of any withdrawals required but not yet completed on that Business Day (and, in connection with the redemption of all or part of the Notes, required on the following Business Day) (as calculated by the Administrator in accordance with the Agency and Account Bank Agreement) (A) in connection with the purchase of VFZ Accounts Receivable pursuant to the Framework Assignment Agreement on that Business Day, (B) in connection with an Approved Exchange Offer on the date specified in the notice delivered by the Administrator in connection with such Approved Exchange Offer or (C) in connection with the redemption of all or part of the Notes on the Notes Maturity Date or the relevant date of early redemption of the Notes (provided that such amount is greater than zero and other than an amount equal the Initial Requested Purchase Price Amount for the period commencing on the Issue Date and ending on the earlier of the date falling 5 Business Days following the Issue Date and the date on which an amount equal to the Initial Requested Purchase Price Amount is applied to purchase VFZ Accounts Receivable pursuant to the Framework Assignment Agreement); and
- (b) in respect of the Interest Facility, on any Business Day on which any Excess Cash Loans are repaid in accordance with paragraph (a) of Clause 6.2 (*Excess Cash Loans*) during the Availability Period in respect of the Interest Facility, on a cashless basis, an amount in euro equal to the accrued interest deemed paid by the Borrower to the Lender on the amount of such Excess Cash Loans in accordance with paragraph (b) of Clause 8.2 (*Other amounts*); and
- (c) in respect of the Issue Date Facility, on any day on which the Issue Date Facility Commitment is increased in accordance with paragraphs (a)(iii) and (b) of Clause 2.4 (*Increase*) during the Availability Period in respect of the Issue Date Facility (or, if such day is not a Business Day, the immediately following Business Day), an amount in euro, calculated by the Administrator, equal to the aggregate principal amount of the relevant increase in the Issue Date Facility Commitment.

## 5.3 Limitation on utilisations

- (a) In no event shall the aggregate principal amount outstanding under the Interest Facility exceed the Interest Facility Commitment.
- (b) In no event shall the aggregate principal amount outstanding under the Excess Cash Facility exceed the Excess Cash Facility Commitment.
- (c) In no event shall the aggregate principal amount outstanding under the Issue Date Facility exceed the Issue Date Facility Commitment.



## **6. REPAYMENT**

### **6.1 Interest Facility**

The Interest Facility Loans shall be repaid by the Borrower as follows (and the Administrator may apply the proceeds of such repayment to repay any Interest Facility Loan or Interest Facility Loans selected by it in its sole discretion):

- (a) following receipt of notice from the Administrator, by 10 a.m. six Business Days (or such shorter period as the Borrower may agree) prior to a Coupon Payment Date, stating that the amount standing to the credit of the Lender Interest Proceeds Account will be insufficient to pay the interest due and payable by the Lender on the Notes on that Coupon Payment Date, the amount equal to the lesser of (i) the amount specified in such notice as the Interest Payment Shortfall, and (ii) the total amount of Interest Facility Loans outstanding at 10 a.m. one Business Day prior to that Coupon Payment Date (each as calculated by the Administrator in accordance with the terms of the Agency and Account Bank Agreement) shall be repaid to the Lender by 10 a.m. one Business Day before that Coupon Payment Date;
- (b) Interest Facility Loans in an amount equal to the Term Excess Arrangement Payment (provided that such amount is greater than zero) shall be repaid on a cashless basis on each Coupon Payment Date (other than the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions);
- (c) Interest Facility Loans in an amount (as calculated by the Administrator) equal to the amount, if any, by which the amount standing to the credit of the Lender Interest Proceeds Account will be insufficient to pay the interest due and payable by the Lender on the Notes on any date for redemption of the Notes that is not a Coupon Payment Date shall be repaid to the Lender by 10 a.m. one Business Day before that redemption date;
- (d) following receipt of not less than five Business Days (or such shorter period as the Borrower may agree) prior notice from the Administrator stating that the Lender requires cash in connection with an Approved Exchange Offer, the amount specified in such notice for such purpose (as calculated by the Administrator in accordance with Condition 6(k)(ii)(B)) shall be repaid to the Lender by 10 a.m. on the date specified in such notice;
- (e) any outstanding Interest Facility Loans shall be repaid in full to the Lender by 10 a.m. one Business Day before the earlier of (i) the Termination Date in respect of the Interest Facility and (ii) any date for redemption of all of the Notes in full; and
- (f) Interest Facility Loans in a principal amount equal to the lesser of (i) the amount of interest due to be paid on the Notes in connection with any voluntary partial redemption of the Notes *less* the amount standing to the credit of the Lender Interest Proceeds Account at 10 a.m. one Business Day prior to the relevant Notes Partial Redemption Date and (ii) the principal amount of the Interest Facility Loans at 10 a.m. one Business Day prior to the relevant Notes Partial Redemption Date, shall be repaid to the Lender by 10 a.m. one Business Day before the relevant Notes Partial Redemption Date.

### **6.2 Excess Cash Loans**

The Excess Cash Loans shall be repaid by the Borrower as follows (and the Administrator may apply the proceeds of such repayment to repay any Excess Cash Loan or Excess Cash Loans selected by it in its sole discretion):

- (a) following receipt of notice from the Administrator stating that the Lender requires cash from the Borrower in order to purchase VFZ Accounts Receivable pursuant to the Framework Assignment Agreement by 5 p.m. five Business Days prior to the date for purchase of such VFZ Accounts Receivable (or such shorter period as the Borrower may agree), the amount specified in such notice as the Weekly Excess Cash Repayment Amount (as calculated by the Administrator in accordance with the terms of the Agency and Account Bank Agreement) shall be repaid to the Lender by 10 a.m. on the date specified for the purchase of such VFZ Accounts Receivable;
- (b) following receipt of not less than five Business Days (or such shorter period as the Borrower may agree) prior notice from the Administrator stating that the Lender requires cash from the Borrower in order to fund any principal amount required on any date for redemption of all or part of the Notes, the amount specified in such notice for such purposes (as calculated by the Administrator) shall be repaid to the Lender by 10 a.m. one Business Day before the date that such amounts fall due under the Notes;

- (c) following receipt of not less than five Business Days (or such shorter period as the Borrower may agree) prior notice from the Administrator stating that the Lender requires cash in connection with an Approved Exchange Offer, the amount specified in such notice for such purpose (as calculated by the Administrator in accordance with Condition 6(k)(ii)(C)) shall be repaid to the Lender by 10 a.m. on the date specified in such notice;
- (d) any outstanding Excess Cash Loans shall be repaid in full to the Lender by 10 a.m. one Business Day before the earlier of (i) the Termination Date in respect of the Excess Cash Facility and (ii) any date for redemption of all of the Notes in full; and
- (e) Excess Cash Loans in a principal amount equal to the principal amount of any voluntary partial redemption of the Notes shall be repaid to the Lender by 10 a.m. one Business Day before the relevant Notes Partial Redemption Date.

### 6.3 Issue Date Facility

The Borrower shall repay the outstanding Issue Date Facility Loans in full to the Lender on or before the Termination Date in respect of the Issue Date Facility.

## 7. ILLEGALITY, VOLUNTARY PREPAYMENT, CHANGE OF CONTROL PREPAYMENT OFFER AND CANCELLATION

### 7.1 Illegality

If at any time it becomes unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to make, fund, issue or maintain its participation in any Loan:

- (a) upon the Administrator (on behalf of the Lender) promptly notifying the Borrower, the Commitments of the Lender will be immediately cancelled;
- (b) upon the Administrator (on behalf of the Lender) notifying the Borrower, the Borrower shall prepay the Loans (together with accrued interest on and all other amounts owing to the Lender under the Finance Documents) on the last day of the Interest Period for each Loan occurring after the Administrator (on behalf of the Lender) has notified the Borrower or, if earlier, the date specified by the Administrator (on behalf of the Lender) in the notice delivered to the Borrower (being no earlier than the last day of any applicable grace period permitted by law); and
- (c) upon the Administrator (on behalf of the Lender) notifying the Borrower, the Borrower shall procure that any and all Assigned Receivables are repaid or prepaid by the Receivables Obligors on or prior to the date of such prepayment of the Loans, or to the extent any Assigned Receivables will not be repaid or prepaid by the Receivables Obligors prior to the date of such prepayment of the Loans (the **Remaining Assigned Receivables**), the Borrower shall, and shall procure that the relevant Obligors shall, take all actions to assist the Lender in assigning or agreeing to assign its right, title and interest in the Remaining Assigned Receivables (the **Redemption Block Assignment**) to any person (which, for the avoidance of doubt, can be a special purpose vehicle) such that the Lender shall receive payment for the Redemption Block Assignment of the Remaining Assigned Receivables prior to the date of such prepayment of the Loans.

### 7.2 Voluntary prepayment

- (a) Following receipt of notice from the Lender that a Tax Event has occurred or will occur, the Borrower may, if it gives the Administrator (on behalf of the Lender) not less than 3 Business Days' (or such shorter period as the Administrator (on behalf of the Lender) may agree) prior notice, prepay all of the Loans and cancel all of the Commitments of the Lender; *provided that*, the Borrower shall procure that any and all Assigned Receivables are repaid or prepaid by the Receivables Obligors on or prior to the date of such prepayment, or to the extent that there will be any Remaining Assigned Receivables prior to the date of such prepayment, the Borrower shall, and shall procure that the relevant Receivables Obligors shall, take all actions to assist the Lender in completing or agreeing to complete a Redemption Block Assignment to any person (which, for the avoidance of doubt, can be a special purpose vehicle) such that the Lender shall receive payment for the Redemption Block Assignment prior to the date of such prepayment.

- (b) The Borrower may, if it gives the Administrator (on behalf of the Lender) not less than 3 Business Days' (or such shorter period as the Administrator (on behalf of the Lender) may agree) prior notice, prepay all of the Loans and cancel all of the Commitments of the Lender; *provided that*, the Borrower shall procure that any and all Assigned Receivables are repaid or prepaid by the Receivables Obligors on or prior to the date of such prepayment, or to the extent there will be any Remaining Assigned Receivables prior to the date of such prepayment, the Borrower shall and shall procure that the relevant Receivables Obligors shall, take all actions to assist the Lender in completing or agreeing to complete a Redemption Block Assignment to any person (which, for the avoidance of doubt, can be a special purpose vehicle) such that the Lender shall receive payment for the Redemption Block Assignment prior to the date of such prepayment.
- (c) For so long as a Drawstop Event has occurred and is continuing, the Borrower may, if it gives the Administrator (on behalf of the Lender) not less than 3 Business Days' (or such shorter period as the Administrator (on behalf of the Lender) may agree) prior notice (which notice, at the Borrower's option, may be included in the relevant Drawstop Notice), prepay all or part of the Interest Facility Loans and/or Excess Cash Loans; *provided that*, such prepayment shall not result in the cancellation of all or part of the Commitments of the Lender hereunder.
- (d) The Borrower may, if it gives the Administrator (on behalf of the Lender) not more than 3 Business Days' (or such shorter period as the Administrator (on behalf of the Lender) may agree) prior notice, give notice of the date for a voluntary prepayment of all or part of the Excess Cash Loans and cancellation of the Commitments of the Lender in an equal amount of such prepayment in accordance with paragraph (e) of Clause 6.2 (*Excess Cash Loans*) and prepay Interest Facility Loans in accordance with paragraph (f) of Clause 6.1 (*Interest Facility*), in each case, in respect of a partial redemption of Notes on the next Business Day (the "**Notes Partial Redemption Date**").
- (e) If the Borrower determines that the Lender is required to be consolidated into the financial statements of the Reporting Entity, the Borrower may on or prior to 30 days after the Issue Date, if it gives the Administrator (on behalf of the Lender) not less than 3 Business Days' (or such shorter period as the Administrator (on behalf of the Lender) may agree) prior notice, prepay all of the Loans and cancel all of the Commitments of the Lender; *provided that*, the Borrower shall procure that any and all Assigned Receivables are repaid or prepaid by the Receivables Obligors on or prior to the date of such prepayment, or to the extent there will be any Remaining Assigned Receivables prior to the date of such prepayment, the Borrower shall and shall procure that the relevant Receivables Obligors shall, take all actions to assist the Lender in completing or agreeing to complete a Redemption Block Assignment to any person (which, for the avoidance of doubt, can be a special purpose vehicle) such that the Lender shall receive payment for the Redemption Block Assignment prior to the date of such prepayment.

### 7.3 Change of Control Prepayment Offer

- (a) Within 30 days of a Change of Control (or prior to a Change of Control in anticipation thereof), the Borrower shall:
  - (i) promptly notify the Lender that a Change of Control has occurred or will occur; and
  - (ii) offer (a **Change of Control Prepayment Offer**) by notice to the Administrator (on behalf of the Lender) to cancel the Commitments of the Lender and prepay all of the Loans outstanding at par (the **Change of Control Prepayment Loan Amount**), plus accrued and unpaid interest and any additional amounts (if any) thereon. Such Change of Control Prepayment Offer shall specify that the date of prepayment (the **Change of Control Prepayment Date**) shall occur at a fixed number of days (which shall be no less than 30 days and no more than 359 days) following the Lender's notification to the Borrower of a Change of Control Acceptance (as defined below).
- (b) Within 15 days following its receipt of a Change of Control Prepayment Offer, the Lender shall, pursuant to the procedures set forth in the Notes Trust Deed and the Conditions, notify the holders of the Notes of such Change of Control and launch a Maturity Consent Solicitation (as defined in the Notes Trust Deed).
- (c) Within 45 days following its receipt of the Change of Control Prepayment Offer, the Lender shall notify the Borrower of its acceptance (a **Change of Control Acceptance**) or rejection of such Change of Control Prepayment Offer, following direction from the holders of the Notes in accordance with the terms of the Notes Trust Deed and the Conditions.

(d) Following a Change of Control Acceptance:

- (i) on the Change of Control Prepayment Date, the Commitments of the Lender will immediately be cancelled;
- (ii) on the Change of Control Prepayment Date, the Borrower shall repay the Loans (together with accrued and unpaid interest thereon and all other amounts owing to the Lender under the Finance Documents, including additional amounts (if any) and the Change of Control Fee); and
- (iii) the Borrower shall procure that any and all Assigned Receivables are repaid or prepaid by the Receivables Obligor on or prior to the Change of Control Prepayment Date.

#### **7.4 Automatic Cancellation**

The unutilised amount of a Facility shall be automatically cancelled on the earlier of:

- (a) the end of its Availability Period; and
- (b) the redemption of all of the Notes in full.

### **8. RESTRICTIONS**

#### **8.1 Notices of Prepayment**

Any notice of prepayment given by any Party under Clause 7 (*Illegality, Voluntary Prepayment, Change of Control Prepayment Offer and Cancellation*) shall be irrevocable and, unless expressly provided to the contrary in this Agreement, shall specify the date or dates upon which the relevant prepayment is to be made.

#### **8.2 Other amounts**

- (a) Subject to paragraph (b) below, any repayment or prepayment under this Agreement shall be made together with accrued interest on the amount repaid or prepaid and, unless expressly provided for in this Agreement or any Transaction Document, without premium or penalty.
- (b) In respect of any repayment of Excess Cash Loans in accordance with paragraph (a) of Clause 6.2 (*Excess Cash Loans*), the accrued interest on the amount repaid shall be deemed to have been paid to the Lender by the Borrower on a cashless basis on the date of such repayment by way of an Interest Facility Loan in accordance with paragraph (b) of Clause 5.2 (*Further utilisations*).

#### **8.3 Reborrowing of Facilities**

Any voluntary prepayment of a Loan under Clause 7.2 (*Voluntary prepayment*) and any repayment of a Loan under paragraphs (a) or (b) of Clause 6.1 (*Interest Facility*) or paragraph (a) of Clause 6.2 (*Excess Cash Loans*) may be re-borrowed on the terms of this Agreement.

#### **8.4 Prepayment in accordance with Agreement**

The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

#### **8.5 Drawstop Notices**

The Borrower may provide the Administrator (on behalf of the Lender) with a revocable notice (a **Drawstop Notice**) that the Borrower wishes to disapply Clause 5.2 (*Further Utilisations*) with immediate effect from the date of such Drawstop Notice, until such time as the Borrower notifies the Administrator (on behalf of the Lender) that it has withdrawn or revoked such Drawstop Notice.

#### **8.6 No reinstatement of Commitments**

Subject to Clause 2.4 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

## **8.7 Administrator's receipt of notices**

If the Administrator receives a notice under Clause 7 (*Illegality, Voluntary Prepayment, Change of Control Prepayment Offer and Cancellation*) or Clause 8.5 (*Drawstop Notices*), it shall promptly forward a copy of that notice to either the Borrower or the Lender, as appropriate.

## **9. INTEREST**

### **9.1 Calculation of interest**

The rate of interest on each Loan under any Facility for each Interest Period is the Interest Rate applicable to that Facility.

### **9.2 Payment of interest**

The Borrower to which a Loan has been made shall pay accrued interest on that Loan by 10 a.m. one Business Day before the last day of each Interest Period together with the interest that will accrue on that Loan to the last day of that Interest Period.

## **10. INTEREST PERIODS**

### **10.1 Selection of Interest Periods**

- (a) Subject to paragraph (b) below, the initial Interest Period for a Loan shall be the period commencing on the Utilisation Date for that Loan and ending on the next Coupon Payment Date, and each successive Interest Period for that Loan shall commence on a Coupon Payment Date and end on the next successive Coupon Payment Date.
- (b) An Interest Period for a Loan shall not extend beyond the Termination Date.

## **11. FEES**

### **11.1 Administrator fee**

The Borrower shall pay to the Administrator (for its own account) an administrator fee in the amount and at the times agreed in a letter between the Administrator and the Borrower dated on or before the first Utilisation Date.

### **11.2 Facility Fees**

- (a) The Borrower shall pay to the Lender, in accordance with the Agency and Account Bank Agreement and one Business Day before each Coupon Payment Date (other than the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions), the Term Shortfall Payment applicable to that Coupon Payment Date, if any. For the avoidance of doubt, the Borrower shall remain obliged to pay the applicable Term Shortfall Payment notwithstanding the occurrence of a Drawstop Event which is continuing.
- (b) The Lender shall pay to the Borrower, in accordance with the Agency and Account Bank Agreement and one Business Day before each Coupon Payment Date (other than the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions), the Term Excess Arrangement Payment applicable to that Coupon Payment Date, if any, provided that no Notes Acceleration Event has occurred. The Term Excess Arrangement Payment applicable to that Coupon Payment Date, if any, shall constitute a rebate of previously paid interest and/or any Term Shortfall Payment under this Agreement (or to the extent that the Term Excess Arrangement Payment amount exceeds the amount of interest and Term Shortfall Payments previously paid under this Agreement, shall constitute an advance rebate of interest and/or any Term Shortfall Payments to be paid under this Agreement) and be paid by the Lender on a cashless basis following the prepayment of the Interest Facility Loans in accordance with paragraph (b) of Clause 6.1 (*Interest Facility*).
- (c) The Borrower shall pay to the Lender, in accordance with the Agency and Account Bank Agreement and one Business Day before the final Coupon Payment Date, being the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions, the Maturity Shortfall Payment, if any.



- (d) The Lender shall pay to the Borrower, on the final Coupon Payment Date, being the Notes Maturity Date or the date of early redemption of the Notes in accordance with the Conditions, the Maturity Excess Payment (which shall constitute a rebate of previously paid interest and/or any Term Shortfall Payment) under this Agreement), if any, provided that such payment will only be made after all amounts due and payable to noteholders in respect of the Notes have been settled.
- (e) The Borrower shall pay to the Lender, [in accordance with the Agency and Account Bank Agreement] and one Business Day before a Notes Partial Redemption Date, the Notes Partial Redemption Shortfall Payment, if any.

### 11.3 Upfront Fee

The Borrower shall pay to the Lender on the Issue Date a fee (representing (among other things) the aggregate fee payable to the initial purchasers party to the subscription agreement dated [●], 2019 entered into in connection with the issuance of the Notes) (the **Upfront Fee**). The Lender and the Borrower agree that the Borrower's obligation to pay the Upfront Fee to the Lender shall be set off against the Lender's obligation to lend the Initial Excess Cash Facility Amount in accordance with paragraph (b) of Clause 5.1 (*Initial Utilisations on the Issue Date*).

### 11.4 Change of Control Fee

Following a Change of Control Acceptance, the Borrower shall pay to the Lender on the Change of Control Prepayment Date a fee in an amount equal to 1.0 per cent. of the amount equal to the difference between (i) the Change of Control Prepayment Loan Amount, *less* (ii) the Issue Date Facility Loan prepaid pursuant to Clause 7.3 (*Change of Control Prepayment Offer*).

## 12. TAX GROSS UP AND INDEMNITIES

### 12.1 Definitions

In this Agreement:

**Protected Party** means a Lender which is or will be, for or on account of Tax, subject to any liability or required to make any payment in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

**Tax Credit** means a credit against, relief or remission for, or repayment of any Tax.

**Tax Deduction** means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than:

- (a) a FATCA Deduction; or
- (b) a deduction or withholding for or on account of any Bank Levy (or otherwise attributable to, or arising as a consequence of, a Bank Levy).

**Treaty Lender** means the Lender if it is (on the date a payment falls due), entitled to that payment under a double taxation agreement in force on the date (subject to the completion of any necessary procedural formalities) without a Tax Deduction.

**Tax Payment** means an increased payment made by an Obligor to a Finance Party under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.4 (*Tax Indemnity*).

In this Clause 12, a reference to determines or determined means a determination made in the absolute discretion of the person making the determination acting reasonably and in good faith.

### 12.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Administrator (on behalf of the Lender) accordingly.

- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Administrator (on behalf of the relevant Finance Party) evidence reasonably satisfactory to the Administrator (on behalf of the relevant Finance Party) that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (f) A Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate and use its reasonable efforts to complete any procedural formalities and provide any information, in each case on a timely basis, necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction (or with a reduced rate of such Tax Deduction).
- (g) Each party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction. If a FATCA Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.
- (h) If an Obligor is required to make a FATCA Deduction, that Obligor shall make that FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by law.
- (i) Within 30 days of making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Obligor making that FATCA Deduction shall deliver to the Administrator (on behalf of the Lender) evidence reasonably satisfactory to the Administrator (on behalf of the Lender) that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

### 12.3 Lender Tax Status

- (a) Notwithstanding any other provision of this Clause 12 (*Tax Gross-up and Indemnities*):
  - (i) if the Lender is entitled to an exemption from or reduction of withholding tax with respect to payments made by the Borrower under any Finance Document, the Lender shall deliver to the Borrower and the Administrator, at the time or times reasonably requested by the Borrower or the Administrator (and promptly after the occurrence of a change in the Lender's circumstance requiring a change in the most recent documentation previously delivered), such properly completed and executed documentation reasonably requested by the Borrower or the Administrator as will permit such payments to be made without withholding or at a reduced rate of withholding; and
  - (ii) if reasonably requested by the Borrower or the Administrator, the Lender shall deliver such other documentation prescribed by an applicable requirement of law or reasonably requested by the Borrower or the Administrator as will enable the Borrower or the Administrator to determine whether or not the Lender is subject to withholding or information reporting requirements. In the event that the Lender fails to comply with the foregoing requirement, the Borrower shall be permitted to withhold and retain an amount in respect of the applicable withholding tax estimated in good faith by the Borrower to be required to be withheld in respect of interest payable to the Lender. The Borrower is not required to make a Tax Payment to the Lender under this Agreement to the extent such Taxes are attributable to a failure by the Lender to provide the documentation required to be delivered pursuant to the first sentence of this Clause 12.3(a).
- (b) The Lender shall confirm whether it is a FATCA Exempt Party and shall provide any documentation, forms and other information relating to its status under FATCA reasonably requested by the Administrator or the Borrower sufficient for the Administrator or the Borrower to comply with their obligations under FATCA and to determine whether the Lender has complied with such applicable reporting requirements.

## 12.4 Tax indemnity

- (a) Subject to paragraph (b) below, the Borrower shall (within ten Business Days of demand by the Administrator (on behalf of the Lender or itself)) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party reasonably determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party. The Protected Party shall within five Business Days' of request by the Borrower provide to the Borrower reasonable written details explaining the loss, liability or cost and the calculation of the amount claimed by the Protected Party.
- (b) Paragraph (a) above shall not apply with respect to any Tax assessed on the Lender:
  - (i) under the law of the jurisdiction in which the Lender is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Lender is treated as resident for tax purposes; or
  - (ii) under the law of the jurisdiction in which the Lender's Facility Office is located in respect of amounts received or receivable in that jurisdiction,if that Tax is imposed on or calculated by reference to the net income or net profits received or receivable (but not any sum deemed to be received or receivable) by the Lender.
- (c) A Protected Party making, or intending to make a claim pursuant to paragraph (a) above shall promptly notify the Administrator (on behalf of the Lender) of the event which will give, or has given, rise to the claim, including details of the nature of the Tax due or paid by that Protected Party, following which the Administrator (on behalf of the Lender) shall promptly provide such information to the Borrower.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 12.4, notify the Administrator (on behalf of the Lender).

## 12.5 Tax Credit

- (a) If the Borrower makes a Tax Payment and the relevant Finance Party determines that:
  - (i) a Tax Credit is attributable to that Tax Payment; and
  - (ii) that Finance Party has obtained, utilised and retained that Tax Credit,the Finance Party shall pay an amount to the Borrower which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been made by the Borrower.
- (b) No provision of this Agreement shall:
  - (i) interfere with the right of any Finance Party to arrange its tax or any other affairs in whatever manner it thinks fit or oblige any Finance Party to claim any credit, relief, remission or repayment in respect of any payment of Tax in priority to any other credit, relief, remission or repayment available to it, except that the Finance Party's sole reason (acting in good faith) for not claiming or for deferring such credit, relief, remission or repayment shall not be its obligation to make a payment under this Clause 12.5; or
  - (ii) oblige any Finance Party to disclose any information relating to its Tax or other affairs or any computations in respect thereof.

## 12.6 Value added tax

- (a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT and no Party shall exercise any potential option for waiving a VAT exemption. Subject to paragraph (b), if VAT is chargeable on any supply made by a Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT, unless the VAT charge is caused by the Finance Party's option to waive a VAT exemption, and in either case concurrently against the issue of an appropriate invoice.
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**VAT Supplier**") to any other Finance Party (the "**Recipient**") in connection with a Finance Document, and any Party other than the Recipient (the "**Subject Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the VAT Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration), (i) if the VAT Supplier is

required to account to the relevant tax authority for the VAT, the Subject Party must also pay to the VAT Supplier and, (ii) if the Recipient is required to account to the relevant tax authority for the VAT the Subject Party must pay to the Recipient, (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. Where paragraph (i) applies, the Recipient must promptly pay to the Subject Party an amount equal to any credit or repayment obtained by the Recipient from the relevant tax authority which the Recipient reasonably determines is in respect of the VAT chargeable on that supply. Where paragraph (ii) applies, the Subject Party must only pay to the Recipient an amount equal to the amount of such VAT to the extent that the Recipient reasonably determines that it is not entitled to a credit or repayment from the relevant tax authority in respect of that VAT.

- (c) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party for the full amount of such costs and expenses including such costs that represent VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of the VAT.
- (d) Any reference in this Clause 12.6 to any Party shall, at any time when such Party is treated as a member of a group including but not limited to any fiscal unities for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term “representative member” to have the same meaning as in the relevant legislation of any jurisdiction having implemented Council Directive 2006/112/EC on the common system of value added tax).
- (e) If VAT is chargeable on any supply made by a Finance Party to any Party under a Finance Document and if reasonably requested by such Finance Party, that Party must give the Finance Party details of its VAT registration number and any other information as is reasonably requested in connection with the Finance Party’s reporting requirements for the supply and at such time that the Finance Party may reasonably request it.
- (f) Where the Borrower is required to make a payment under paragraph (b) above, such amount shall not become due until the Borrower has received a formal invoice detailing the amount to be paid.

## **13. MITIGATION BY THE LENDER**

### **13.1 Mitigation**

- (a) The Lender shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*) or Clause 12 (*Tax Gross up and Indemnities*).
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

### **13.2 Limitation of liability**

- (a) The Borrower shall indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under Clause 13.1 (*Mitigation*).
- (b) The Lender is not obliged to take any steps under Clause 13.1 (*Mitigation*) if, in the opinion of the Lender (acting reasonably), to do so might be prejudicial to it.

## **14. GUARANTEE AND INDEMNITY**

### **14.1 Guarantee and Indemnity**

With effect from the Signing Date or if later, the date on which it accedes to this Agreement in such capacity, each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to the Lender punctual performance by each Obligor of its payment obligations under the Finance Documents;
- (b) undertakes with the Lender that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall promptly on demand of the Administrator (on behalf of the Lender) pay that amount as if it were the principal obligor provided that before any such demand if made on a Guarantor, demand for payment of the relevant amount shall first have been made on the Borrower; and

- (c) indemnifies the Lender immediately on demand against any cost, loss or liability suffered by the Lender if any obligation of an Obligor guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which the Lender would otherwise have been entitled to recover.

Any demand issued to a Guarantor under this Clause 14.1 shall be copied to the Borrower at the same time as it is issued to the relevant Guarantor, provided that failure to do so shall not affect the validity or effectiveness of the demand or the obligations of the Guarantor under this Clause 14 (*Guarantee and Indemnity*).

#### **14.2 Continuing Guarantee**

Each guarantee pursuant to this Clause 14 (*Guarantee and Indemnity*) is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

#### **14.3 Reinstatement**

If any payment by an Obligor or any discharge given by the Lender (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Lender shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

#### **14.4 Waiver of defences**

The obligations of each Guarantor under this Clause 14 will not be affected by an act, omission, matter or thing which, but for this Clause 14 would reduce, release or prejudice any of its obligations under this Clause 14 (without limitation and whether or not known to it or the Lender) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

#### **14.5 Immediate recourse**

Each Guarantor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 14 provided that no demand for any payment may be made on a Guarantor unless such demand has first been made on the Borrower. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.



## 14.6 Appropriations

Until all amounts then due and payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Lender (or the Administrator or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Lender (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 14 provided that the Lender (or the Administrator or any trustee or agent on its behalf) shall promptly upon receiving moneys sufficient to discharge all amounts then due and payable by the Obligors under the Finance Documents, apply such moneys to so discharge such amounts.

## 14.7 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Borrower under or in connection with the Finance Documents have been irrevocably paid in full and unless the Administrator (on behalf of the Lender) otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 14:

- (a) to claim by way of contribution or indemnity in relation to any of the obligations of the Borrower under any of the Finance Documents;
- (b) to claim or prove as a creditor of the Borrower or any other person or its estate in competition with the Lender of any of them;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under this Clause 14); and/or
- (e) to exercise any right of set-off against any Obligor.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Administrator (on behalf of the Lender) or as the Administrator (on behalf of the Lender) may direct for application in accordance with Clause 19 (*Payment Mechanics*).

## 14.8 Release of Guarantors' right of contribution

If any Guarantor (a **Retiring Guarantor**) ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor or resigns in accordance with Clause 18.5 (*Resignation of a Guarantor*) then on the date such Retiring Guarantor ceases to be a Guarantor:

- (a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
- (b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

#### **14.9 Release of Vodafone Ziggo Group B.V. Guarantee**

Notwithstanding paragraph (a) to (c) of Clause 18.4 (*Resignation of a Guarantor*), if Vodafone Ziggo Group B.V. ceases to be the indirect Parent (as defined in Schedule 7 (*Additional Definitions*)) of the Borrower and VZ Financing II B.V., then on such date:

- (a) Vodafone Ziggo Group B.V. shall be automatically released and discharged from the guarantees granted by it under this Clause 14;
- (b) Vodafone Ziggo Group B.V. shall be automatically released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
- (c) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under any Finance Document.

#### **14.10 Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Lender.

#### **14.11 Guarantor Intent**

Without prejudice to the generality of Clause 14.4 (*Waiver of Defences*), and subject to applicable law restrictions, each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

#### **14.12 Guarantee Limitations**

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of section 2.98c of the Dutch Civil Code or any equivalent and applicable provisions under the laws of the jurisdiction of incorporation of the relevant Guarantor and, with respect to any Acceding Guarantor, is subject to any limitations set out in the Obligor Accession Agreement applicable to such Acceding Guarantor.

### **15. INFORMATION AND OTHER UNDERTAKINGS**

The Borrower shall comply with the information undertakings and covenants set out in Schedule 5 (*Covenants*), and all information to be provided by the Borrower under this Clause shall be supplied to the Administrator (on behalf of the Lender).

#### **15.1 “Know your customer” checks**

- (a) If:
  - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement; or
  - (ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement,

obliges the Administrator or the Lender to comply with “know your customer” or similar reasonable identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Administrator or the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrator

or the Lender in order for the Administrator or the Lender, as applicable, to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to any relevant person pursuant to the transactions contemplated in the Finance Documents.

- (b) The Borrower shall, by not less than ten Business Days’ prior written notice to the Administrator (on behalf of the Lender), notify the Administrator (on behalf of the Lender) of its intention to request that one of its Subsidiaries becomes an Additional Guarantor pursuant to Clause 18 (*Changes to the Obligors*).
- (c) Following the giving of any notice pursuant to paragraph (b) above, if the accession of such Additional Guarantor obliges the Administrator (on behalf of the Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall promptly upon the request of the Administrator (on behalf of the Lender) supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrator (on behalf of the Lender) to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to any relevant person pursuant to the accession of such Subsidiary to this Agreement as an Additional Guarantor.

## **15.2 Notification of default**

The Borrower will deliver to the Administrator (on behalf of the Lender) within 30 days after the occurrence of any Default or Event of Default a certificate signed by one of its directors or senior officers on its behalf specifying such Default or Event of Default, its status and what action, if any, the Borrower is taking or proposes to take with respect thereto.

## **16. EVENTS OF DEFAULT**

### **16.1 Events of default**

Each of the events or circumstances set out in Schedule 6 (*Events of Default*) is an Event of Default.

### **16.2 Acceleration**

On and at any time after the occurrence of an Event of Default where such event is continuing the Lender may by notice to the Borrower:

- (a) cancel the Total Commitments at which time they shall immediately be cancelled;
- (b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (c) declare that all or part of the Loans be payable on demand, at which time they shall immediately become payable on demand by the Lender; and/or
- (d) exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

## **17. CHANGES TO THE LENDER**

- (a) Subject to paragraph (b) below, the Lender may not assign any of its rights or transfer by novation any of its rights and obligations under any Finance Document without the prior written consent of the Borrower.
- (b) The Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create a security interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of the Lender in relation to the Notes except that no such charge, assignment or security interest shall:
  - (i) release the Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or security interest for the Lender as a party to any of the Finance Documents; or
  - (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the Lender under the Finance Documents.

- (c) The Lender hereby gives notice:
  - (i) to the Borrower that it has assigned to BNY Mellon Corporate Trustee Services Limited (the **Security Trustee**) pursuant the Notes Trust Deed all of its rights under (A) this Agreement, (B) the Original Framework Assignment Agreement, (C) the Issue Date Arrangements Agreement and (D) the Expenses Agreement (collectively, the **Relevant Contracts**), including all monies which may be payable in respect of each Relevant Contract, and
  - (ii) to each of the Obligors (other than the Borrower) that it has assigned the Security Trustee pursuant the Notes Trust Deed all of its rights under this Agreement including all monies which may be payable in respect of this Agreement.
- (d) The Lender confirms that :
  - (i) it will remain liable under each Relevant Contract to perform all the obligations assumed by it under that Relevant Contract;
  - (ii) none of the Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to the relevant Obligor under or in respect of any Relevant Contract; and
  - (iii) it will remain entitled to exercise all of its rights, powers and discretions under each Relevant Contract and each Obligor should continue to give notice under each applicable Relevant Contract to the Lender, unless and until such Obligor receives written notice from the Security Trustee to the contrary stating that the security constituted by the Notes Trust Deed has become enforceable, in which case, all of the Lender's rights will be exercisable by, and notices must be given to, the Security Trustee or as it directs.
- (e) Each Obligor is authorised and instructed by the Lender, without requiring further approval from the Lender, to provide the Security Trustee with such information relating each Relevant Contract as it may from time to time request and to send it copies of all notices issued by any Obligor under a Relevant Contract to the Security Trustee as well as to the Lender. Such instructions may not be revoked without the prior written consent of the Security Trustee (acting reasonably).
- (f) Each of the Obligors acknowledges the notice and other provisions in paragraphs (c) to (e) above and confirms that it has not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the applicable Relevant Contract and that it will comply with the terms of the notice. Each of the Obligors confirms that it will pay all sums due, and give notices, under each applicable Relevant Contract in accordance with paragraph (d) above.
- (g) The Security Trustee may rely on paragraphs (c) to (f) above subject to Clause 1.3 (*Third party rights*).

## 18. CHANGES TO THE OBLIGORS

### 18.1 Assignment and transfers by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents other than as permitted under Schedule 5 (*Covenants*).

### 18.2 Permitted Affiliate Designation

The Borrower may provide the Administrator (on behalf of the Lender) with notice that it wishes to include any Affiliate (the "**Permitted Affiliate Parent**") of the Borrower and the Subsidiaries of any such Permitted Affiliate Parent as members of the Group for the purposes of this Agreement. Such Affiliate shall become a Permitted Affiliate Parent for the purposes of this Agreement upon confirmation from the Administrator (on behalf of the Lender) to the Borrower that:

- (a) such Affiliate has complied with the requirements of Clause 18.4 (*Additional Guarantors*) and such Affiliate has acceded to this Agreement as a Guarantor;
- (b) the Borrower has delivered a certificate to the Administrator (on behalf of the Lender) signed by an authorised signatory of the Borrower which certifies that:
  - (i) the designation of such Affiliate as a Permitted Affiliate Parent under this Agreement will not:
    - (A) materially and adversely affect the guarantees provided in relation to the liabilities under this Agreement; or

- (B) result in the Lender becoming structurally subordinated in right of payment to lenders to the Permitted Affiliate Parent and its Subsidiaries; and
- (ii) the Consolidated Net Leverage Ratio (as defined in Schedule 7 (*Additional Definitions*)) calculated on a pro forma basis and giving effect to the designation of such Affiliate as a Permitted Affiliate Parent would not exceed 5.50 to 1.0; and
- (c) the Borrower has given written notice to the Administrator (on behalf of the Lender) identifying a person that is a Holding Company of the Borrower and each Permitted Affiliate Parent as the common Holding Company for the purposes of this Agreement (the **Common Holding Company**).

### 18.3 Affiliate Subsidiary

The Borrower may provide the Administrator (on behalf of the Lender) with notice that it wishes to include any Subsidiary of the Ultimate Parent (as defined in Schedule 7 (*Definitions*)) (other than a Subsidiary of the Borrower, VZ Financing II B.V. or a Permitted Affiliate Parent) (the “**Affiliate Subsidiary**”) as a member of the Group for the purposes of this Agreement. Such Affiliate shall become an Affiliate Subsidiary for the purposes of this Agreement upon confirmation from the Administrator (on behalf of the Lender) to the Borrower that:

- (a) such Affiliate has complied with the requirements of Clause 18.4 (*Additional Guarantors*) and such Affiliate has acceded to this Agreement as a Guarantor; and
- (b) the Borrower has delivered a certificate to the Administrator (on behalf of the Lender) signed by an authorised signatory of the Borrower which certifies that prior to or immediately after giving effect to such accession, no Default or Event of Default shall have occurred and be continuing.

### 18.4 Additional Guarantors

- (a) Subject to compliance with the provisions of paragraph (b) of Clause 15.1 (“*Know your customer*” checks), the Borrower may request that any Permitted Affiliate Parent, Affiliate Subsidiary or member of the Group become a Guarantor.
- (b) The Borrower shall ensure that any person that becomes a Receivables Obligor promptly and in any event within 60 Business Days of the date that person becomes a Receivables Obligor, becomes a Guarantor.
- (c) A Receivables Obligor, the Permitted Affiliate Parent, Affiliate Subsidiary or a member of the Group shall become an Additional Guarantor if:
  - (i) the Borrower and the proposed Additional Guarantor deliver to the Administrator (on behalf of the Lender) a duly completed and executed Obligor Accession Agreement; and
  - (ii) the Administrator (on behalf of the Lender) has received documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor in a form that appears in the opinion of the Administrator (on behalf of the Lender) acting reasonably to comply with the requirements therein.
- (d) The Administrator (on behalf of the Lender) shall notify the Borrower promptly upon being satisfied that it has received (in a form that appears in the opinion of the Administrator (on behalf of the Lender) acting reasonably to comply with the requirements therein) all the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*).

### 18.5 Resignation of a Guarantor

- (a) The Borrower may request that a Guarantor (other than the Borrower) ceases to be a Guarantor by delivering to the Administrator (on behalf of the Lender) a Resignation Letter if:
  - (i) other than in the case of a Guarantor that is a Receivables Obligor unless such Guarantor will cease to be a Receivables Obligor within 30 days of that Resignation Letter, the Borrower or a Permitted Affiliate Parent has ceased to own more than 50.1% of the shares in that Guarantor or will cease to own more than 50.1% of the shares in that Guarantor within 30 days of the date of that Resignation Letter and the Borrower has confirmed this is the case; or
  - (ii) a Guarantor has ceased to be a Receivables Obligor and the Borrower has confirmed by notice to the Administrator (on behalf of the Lender) this is the case;



- (iii) to the extent such resignation is not pursuant to Clause 18.4(a)(i) or (ii) above, the Administrator has consented to the resignation of that Guarantor; *provided that*, the Administrator shall consent to a resignation pursuant to this Clause 18.4(a)(iii) if such Resignation Letter includes an additional confirmation from the Borrower that such proposed resignation of that Guarantor complies with, and will not result in a default under, the terms and conditions of the other applicable Transaction Documents; or
  - (iv) it relates to an Affiliate Subsidiary that the Borrower wishes to designate as no longer being an Affiliate Subsidiary (an **Affiliate Subsidiary Release**) for the purposes of this Agreement, provided that immediately after giving effect to such Affiliate Subsidiary Release, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and either (1) the Borrower, the Affiliate Covenant Parties and the Restricted Subsidiaries could Incur at least \$1.00 of additional Indebtedness pursuant to paragraph (1) of Section 4.09 (*Limitation on Indebtedness*) of Schedule 5 (*Covenants*) or (2) the Consolidated Net Leverage Ratio would be no greater than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such Affiliate Subsidiary Release.
- (b) The Administrator (on behalf of the Lender) shall accept a Resignation Letter and notify the Borrower of its acceptance if:
- (i) the Borrower has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter; and
  - (ii) no payment is due from the Guarantor under Clause 14 (*Guarantee and Indemnity*).
- (c) The resignation of that Guarantor (and if applicable, an Affiliate Subsidiary Release) shall not be effective until the date that the Administrator (on behalf of the Lender) notifies the Borrower that it accepts the Resignation Letter or the date that the Administrator's (on behalf of the Lender) consent is obtained at which time that company shall cease to be a Guarantor (and if applicable, that Affiliate Subsidiary shall cease to be an Affiliate Subsidiary) and shall have no further rights or obligations under the Finance Documents as a Guarantor (and if applicable, an Affiliate Subsidiary).
- (d) Notwithstanding paragraphs (a) to (c) above and subject to paragraph (e) below, the guarantee under this Agreement of a Guarantor (other than the Borrower) shall be automatically released (and the relevant Guarantor shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor at the time of such release as appropriate):
- (i) in the case of a Guarantor that is prohibited or restricted by applicable law from guaranteeing any obligations under the Finance Documents (other than customary legal and contractual limitations on the guarantee of such Guarantor substantially similar to those provided for in this Agreement); *provided that* such guarantee will be released as a whole or in part to the extent it is necessary to achieve compliance with such prohibition or restriction;
  - (ii) other than in the case of a Guarantor which is a Receivables Obligor unless such Guarantor will cease to be a Receivables Obligor at the time of such designation, if such Guarantor is designated as an Unrestricted Subsidiary in compliance with Section 4.07 of Schedule 5 (*Covenants*); or
  - (iii) other than in the case of a Guarantor that is a Receivables Obligor unless such Guarantor will cease to be a Receivables Obligor at the time of the relevant transaction, as a result of a transaction permitted by, and in compliance with Section 5.01 of Schedule 5 (*Covenants*).
- (e) In all circumstances described in paragraph (d) above, a guarantee shall only be released if the Borrower has delivered to the Administrator (on behalf of the Lender), at the cost and expense of the Borrower, an Officer's Certificate and an Opinion of Counsel each stating that all conditions precedent provided for in this Agreement (including Schedule 5 (*Covenants*)) relating to any such transaction listed in paragraph (d) above have been complied with.
- (f) Save where defined in Clause 1.1 (*Definitions*), defined terms used in paragraphs (d) and (e) of this Clause 18.5 shall bear the meaning given to them in Schedule 7 (*Additional Definitions*).
- (g) The provisions of paragraphs (d) and (e) of this Clause 18.5 are to be interpreted in accordance with New York law (without prejudice to the fact that the Finance Documents are to be governed by English law).
- (h) The Lender shall, at the cost of the Borrower, execute such documents as may be required or desirable to effect any such release of guarantee and resignation of the relevant Guarantor under this Clause 18.5.

## **19. PAYMENT MECHANICS**

### **19.1 Payments to the Lender**

- (a) On each date on which an Obligor is required to make a payment under a Finance Document that Obligor shall make the same available to the Lender or the Administrator (as applicable) (unless expressly provided to the contrary in a Finance Document including where a Finance Document states that a payment shall be made on a cashless basis) for value on the due date at the time and in such funds specified by the Administrator (on behalf of the Lender or itself, as applicable) as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in a principal financial centre in a Participating Member State or London with such bank as the Administrator (on behalf of the Lender or itself, as applicable) specifies.

### **19.2 No set-off by Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

### **19.3 Business Days**

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

### **19.4 Currency of account**

- (a) A repayment of a Loan or Unpaid Sum or a part of a Loan or Unpaid Sum shall be made in euro or the currency in which that Loan was made.
- (b) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
- (c) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (d) Any amount expressed to be payable in a currency other than euro shall be paid in that other currency.

## **20. SET-OFF**

Whilst any Event of Default has occurred and is continuing a Finance Party may, at its discretion but not in the ordinary course of arrangements prescribed in the Transaction Documents, set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, that Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

## **21. NOTICES**

### **21.1 Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax, email or letter.

## 21.2 Addresses

The address, email address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of each Obligor, that identified with its signature below or any substitute address, email address, fax number or department or officer as the Obligor's Agent may notify to the Administrator (on behalf of the Lender) by not less than five Business Days' notice;
- (b) in the case of the Administrator, that identified with its signature below or any substitute address, email address, fax number or department or officer as the Administrator may notify to the Obligor's Agent by not less than five Business Days' notice;
- (c) in the case of the Lender, that identified with its signature below or any substitute address, email address, fax number or department or officer as the Lender may notify to the Administrator and the Borrower by not less than five Business Days' notice.

## 21.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
  - (i) if by way of fax, when received in legible form;
  - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
  - (iii) if by way of email, when the email is received,and, if a particular department or officer is specified as part of its address details provided under Clause 21.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Administrator (on behalf of the Lender) will be effective only when actually received by the Administrator and then only if it is expressly marked for the attention of the department or officer identified with the Administrator's signature below (or any substitute department or officer as the Administrator shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Administrator.

## 21.4 Notification of address, email address and fax number

Promptly upon receipt of notification of an address, email address and fax number, or change of address, email address or fax number pursuant to Clause 21.2 (*Addresses*) or changing its own address, email address or fax number, the Administrator shall notify the other Parties.

## 21.5 Use of websites

- (a) An Obligor may satisfy its obligation under any Finance Document to deliver any information by posting such information onto an electronic website designated by the Borrower and the Administrator (on behalf of the Lender) (the **Designated Website**) if:
  - (i) both the Borrower and the Administrator (on behalf of the Lender) are aware of the address of and any relevant password specifications for the Designated Website; and
  - (ii) the information is in a format previously agreed between the Borrower and the Administrator (on behalf of the Lender).In any event the Borrower shall at its own cost supply the Administrator (on behalf of the Lender) with at least one copy in paper form of any information required to be provided by it.
- (b) The Borrower shall promptly upon becoming aware of its occurrence notify the Administrator (on behalf of the Lender) if:
  - (i) the Designated Website cannot be accessed due to technical failure;
  - (ii) the password specifications for the Designated Website change;

- (iii) any new information which is required to be provided under any Finance Document is posted onto the Designated Website;
- (iv) any existing information which has been provided under any Finance Document and posted onto the Designated Website is amended; or
- (v) the Borrower becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Borrower notifies the Administrator (on behalf of the Lender) under paragraph (b)(i) or paragraph (b)(v) above, all information to be provided by the Borrower under this Agreement after the date of that notice shall be supplied in paper form unless and until the Administrator (on behalf of the Lender) is satisfied that the circumstances giving rise to the notification are no longer continuing.

## **21.6 English language**

Each communication and document made or delivered by one party to another pursuant to any Finance Document shall be in the English language or accompanied by a translation of it into English certified (by an officer of the person making or delivering the same) as being a true and accurate translation of it.

## **22. ADMINISTRATOR**

- (a) The Lender has appointed the Administrator to act as its agent pursuant to the terms of the Account Bank and Agency Agreement.
- (b) The Lender and the Borrower acknowledge that the Lender has authorised the Administrator to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Administrator under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions and in so acting, the Administrator shall have the benefit of the rights, powers, protections, authorities and indemnities conferred on it in the Agency and Account Bank Agreement.
- (c) Any calculation by the Administrator of an amount under any Finance Document shall be made in good faith and, in the absence of manifest error, shall be conclusive evidence of the matter to which it relates.

## **23. CALCULATIONS AND CERTIFICATES**

### **23.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

### **23.2 Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, *prima facie* evidence of the matters to which it relates.

### **23.3 Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days comprised of twelve 30 day months.

## **24. PARTIAL INVALIDITY**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, such illegality, invalidity or unenforceability shall not affect:

- (a) the legality, validity or enforceability of the remaining provisions of the Finance Documents; or
- (b) the legality, validity or enforceability of such provision under the law of any other jurisdiction.

## 25. LENDER'S LIMITATIONS

### 25.1 Limited Recourse

- (a) Notwithstanding any other provisions of this Agreement or any other Transaction Document, the obligations of the Lender to pay amounts due and payable by it in respect of the Facilities to the Obligors or the Administrator and otherwise under this Agreement at any time shall be limited to the proceeds available at such time to make such payments from the net proceeds of realisation of the Lender's assets in accordance with the Priorities of Payment and Condition 3, from time to time. Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, if the net proceeds of realisation of the security constituted by the Notes Trust Deed and the other Notes Security Documents (as defined in the Notes Trust Deed) upon enforcement thereof in accordance with the Conditions and the provisions of the Notes Trust Deed and the other Notes Security Documents (as defined in the Notes Trust Deed) or otherwise are less than the aggregate amount payable by the Lender in respect of the Facilities and otherwise under this Agreement (such negative amount being referred to herein as a **shortfall**), the obligations of the Lender in respect of the Facilities and its other obligations in respect of this Agreement in such circumstances will be limited to such net proceeds which, in respect of the proceeds of enforcement of the security constituted by the Notes Trust Deed and the other Notes Security Documents (as defined in Condition 1(a)) shall be applied in accordance with the Priorities of Payment. In such circumstances, any assets of the Lender other than such security (including, without limitation, the Issuer Profit Account and its rights under the Issuer Management Agreement (each as defined in Condition 1(a)) will not be available for payment of such shortfall which shall be borne by the Obligors and the Administrator, as applicable. The rights of the Obligors and the Administrator to receive any further amounts in respect of such obligations shall be extinguished and none of the Obligors or the Administrator may take any further action to recover such amounts.
- (b) In addition, no recourse under any obligation, covenant, or agreement of the Lender contained in this Agreement shall be had by the Obligors or the Administrator against any shareholder, officer, agent, employee or director of the Lender, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under this Agreement are corporate obligations of the Lender. No personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Lender, or any of them, under or by reason of any of the obligations, covenants or agreements of the Lender contained in this Agreement, or implied therefrom, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Lender of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is hereby deemed expressly waived by the other parties to this Agreement.
- (c) The directors of the Lender have no obligation to the Obligors or the Administrator for payment of any amount by the Lender in respect of the Facilities.

### 25.2 Non-Petition

None of the Obligors or the Administrator (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Lender, or join in any institution against the Lender of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding-up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Lender relating to the Facilities, this Agreement or otherwise owed to the Obligors or the Administrator, save for lodging a claim in the liquidation of the Lender which is initiated by another non-affiliated party or taking proceedings to obtain a declaration or judgment as to the obligations of the Lender.

### 25.3 Survival

This Clause 25 (*Lender's Limitations*) shall survive termination of this Agreement.

## 26. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and



remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

## **27. AMENDMENTS AND WAIVERS**

Any term of the Finance Documents may be amended or waived only with the consent of the Lender and the Borrower.

## **28. TERMINATION OF CERTAIN PROVISIONS**

Save as otherwise provided in this Agreement, the obligations of the Obligors under this Agreement shall only terminate on the repayment and cancellation in full of all amounts and Commitments outstanding under the Finance Documents (including, for the avoidance of doubt, any accrued but unpaid fees, costs and expenses).

## **29. COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

## **30. GOVERNING LAW**

This Agreement, including all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English law.

## **31. ENFORCEMENT**

### **31.1 Courts**

Each of the parties to this Agreement irrevocably agrees for the benefit of each of the Finance Parties that the courts of England shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Agreement or any non-contractual obligation arising out of or in connection with this Agreement (respectively “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

### **31.2 Waiver**

Each of the Obligors irrevocably waives any objection which it might now or hereafter have to Proceedings being brought or Disputes settled in the courts of England and agrees not to claim that any such court is an inconvenient or inappropriate forum.

### **31.3 Service of process**

The Lender and each of the Obligors which is not incorporated in England agrees that the process by which any Proceedings are begun may be served on it by being delivered in connection with any Proceedings in England, to Liberty Global Europe Ltd for the time being and Liberty Global Europe Ltd, has agreed to act and accepts its appointment. If the appointment of the person mentioned in this Clause 31.3 (*Service of Process*) ceases to be effective in respect of the Lender or any of the Obligors (as applicable) the Lender or the relevant Obligor (as applicable) shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within 15 days, the Administrator shall be entitled to appoint such person by notice to the Lender or the relevant Obligor (as applicable). Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by law.

### **31.4 Proceedings in Other Jurisdictions**

Nothing in Clause 31.1 (*Courts*) shall (and shall not be construed so as to) limit the right of the Finance Parties or any of them to take Proceedings against any of the Obligors in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

### **31.5 General Consent**

Each of the Obligors consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such proceedings including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such proceedings.

### **31.6 Waiver of Immunity**

To the extent that any Obligor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself, its assets or revenues such immunity (whether or not claimed), such Obligor irrevocably agrees not to claim, and irrevocably waives, such immunity to the full extent permitted by the laws of such jurisdiction.

## **32. COMPLETE AGREEMENT**

The Finance Documents contain the complete agreement between the Parties on the matters to which they relate and supersede all prior commitments, agreements and undertakings, whether written or oral, on those matters.

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

**SCHEDULE 1**  
**THE ORIGINAL GUARANTORS**

<b>Name of Original Guarantor</b>	<b>Jurisdiction of incorporation</b>	<b>Registration number (or equivalent, if any)</b>
VodafoneZiggo Group B.V.	Netherlands	61370991
VZ Financing I B.V.	Netherlands	70536163
VZ Financing II B.V.	Netherlands	70537364

**SCHEDULE 2**  
**CONDITIONS PRECEDENT**

**Part 1: Conditions Precedent to Signing the Agreement**

**1. Corporate Documents**

- (a) A copy of the Constitutional Documents of each Original Obligor.
- (b) A copy of a resolution of the board of directors (or equivalent) of each Original Obligor:
  - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute and, where applicable, deliver and perform the Finance Documents;
  - (ii) authorising a specified person or persons to execute and, where applicable, deliver the Finance Documents to which it is a party on its behalf; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is party; and
  - (iv) in the case of an Obligor other than the Borrower, authorising the Borrower to act as its agent in connection with the Finance Documents.
- (c) A specimen of the signature of each person authorised to execute, on behalf of each Original Obligor, the Finance Documents and related documents to which it is a party and to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with such Finance Documents.
- (d) To the extent legally necessary, a copy of a resolution signed by all of the holders of the Issued Shares in each Original Guarantor, approving the terms of and the transaction contemplated by, the Finance Documents to which the Original Guarantor is a party.
- (e) To the extent legally necessary, a copy of:
  - (i) a request for advice from the works council of each Original Obligor incorporated in The Netherlands in respect of the transactions contemplated by the Finance Documents to which it becomes a party; and
  - (ii) a neutral or positive works council advice of the works council of each Original Obligor incorporated in The Netherlands.
- (f) A certificate of an authorised signatory of the Borrower confirming that borrowing or guaranteeing as appropriate, the Total Commitments will not cause any borrowing, or similar limit binding on any Original Obligor to be exceeded.
- (g) A certificate of an authorised signatory of each Original Obligor certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

**2. Legal opinions**

- (a) A legal opinion of Allen & Overy LLP (acting as legal advisors to the Administrator) as to Dutch law in relation to, among other matters, the capacity and authority of the Obligors to enter into this Agreement addressed to the initial purchasers of the Notes substantially in the form delivered to the initial purchasers of the Notes prior to the date of this Agreement.
- (b) A legal opinion of Allen & Overy LLP as to English law in relation to, among other matters, the enforceability of this Agreement addressed to the initial purchasers of the Notes substantially in the form delivered to the initial purchasers of the Notes prior to the date of this Agreement.

**3. Finance Documents**

A copy of this Agreement executed by the Original Obligors.

## **Part 2: Conditions Precedent Required to be Delivered by an Additional Guarantor**

### **1. Corporate Documents**

- (a) A copy of the Constitutional Documents of the Additional Guarantor.
- (b) A copy of a resolution of the board of directors (or equivalent) of the Additional Guarantor:
  - (i) approving the terms of, and the transactions contemplated by, the Obligor Accession Agreement and the Finance Documents to which it is a party and resolving that it execute and, where applicable, deliver and perform the Obligor Accession Agreement and any other Finance Document (as applicable) to which it is a party;
  - (ii) authorising a specified person or persons to execute and, where applicable, deliver the Obligor Accession Agreement and other Finance Documents (as applicable) on its behalf; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is party; and
  - (iv) authorising the Borrower to act as its agent in connection with the Finance Documents.
- (c) A specimen of the signature of each person authorised to execute, on behalf of the Additional Guarantor, the Obligor Accession Agreement and the Finance Documents and related documents to which it is a party and to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Obligor Accession Agreement and such Finance Documents.
- (d) To the extent legally necessary, a copy of a resolution signed by all of the holders of the issued Shares in the Additional Guarantor, approving the terms of and the transaction contemplated by, the Obligor Accession Agreement and the Finance Documents to which the Additional Guarantor is a party.
- (e) To the extent legally necessary, a copy of:
  - (i) a request for advice from the works council of each Additional Guarantor incorporated in The Netherlands in respect of the transactions contemplated by the Finance Documents to which it becomes a party; and
  - (ii) a neutral or positive works council advice of the works council of each Additional Guarantor incorporated in The Netherlands.
- (f) A certificate of an authorised signatory of the Additional Guarantor confirming that borrowing or guaranteeing, as appropriate, the Total Commitments will not cause any borrowing, or similar limit binding on it to be exceeded.
- (g) A certificate of an authorised signatory of the Additional Guarantor certifying that each copy document relating to it specified in this Part 2 of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Obligor Accession Agreement.

### **2. Legal Opinions**

Such legal opinions as the Administrator (on behalf of the Lender) may reasonably require as to:

- (a) the due incorporation, capacity and authorisation of the relevant Additional Guarantor under the relevant laws of the jurisdiction of organisation or establishment of such Additional Guarantor; and
- (h) the relevant obligations to be assumed by the relevant Additional Guarantor under the Obligor Accession Agreement and this Agreement being legal, valid, binding and enforceable against it under English law.



**SCHEDULE 3**  
**FORM OF OBLIGOR ACCESSION AGREEMENT**

To: [ ] as Lender

From: [Subsidiary], [Borrower]

Dated:

Dear Sirs

**[●] facilities agreement dated [●] 2019 between, among others, VZ Financing I B.V. (as Borrower), VodafoneZiggo Group B.V and VZ Financing II B.V. (as Original Guarantors), and [●] (as Lender) (the Facilities Agreement)**

1. We refer to the Facilities Agreement. This is an Obligor Accession Agreement. Terms defined in the Facilities Agreement have the same meaning in this Obligor Accession Agreement unless given a different meaning in this Obligor Accession Agreement.
2. [●] agrees to become an Additional Guarantor and to be bound by the terms of the Facilities Agreement and the other Finance Documents as an Additional Guarantor pursuant to Clause 18.4 (Additional Guarantors) of the Facilities Agreement. [●] is duly incorporated under the laws of [name of relevant jurisdiction] and is a limited liability company with registered number [ ].
3. [Add any necessary guarantee limitation language in relation to the relevant jurisdiction.]

[●] administrative details are as follows:

Address:

Fax No.:

Attention:

This Obligor Accession Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

[This Obligor Accession Agreement is entered into by deed.]

[Borrower]

[Subsidiary]

**SCHEDULE 4**  
**FORM OF RESIGNATION LETTER**

To: [ ] as Lender

From: [resigning Guarantor] and [Borrower]

Dated:

Dear Sirs

**[●] facilities agreement dated [●] 2019 between, among others, VZ Financing I B.V. (as Borrower), VodafoneZiggo Group B.V and VZ Financing II B.V. (as Original Guarantors), and [●] (as Lender) (the Facilities Agreement)**

1. We refer to the Facilities Agreement. This is a Resignation Letter. Terms defined in the Facilities Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to Clause 18.5 (*Resignation of a Guarantor*), we request that [resigning Guarantor] be released from its obligations as a Guarantor under the Facilities Agreement and the Finance Documents.
3. We confirm that:
  - (a) no Default is continuing or would result from the acceptance of this request; and
  - (b) no payment is due from that [resigning Guarantor] under Clause 14 (*Guarantee and Indemnity*).
4. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

[Borrower]

[resigning Guarantor]

By:

By:

## **SCHEDULE 5 COVENANTS**

Unless otherwise specified herein, (i) references in this Schedule 5 (*Covenants*) to sections of Section 4 or Section 5 are to those sections of this Schedule 5 (*Covenants*); (ii) references in this Schedule 5 (*Covenants*) to sections of Section 6 are to those sections of Schedule 6 (*Events of Default*); and (iii) defined terms used in this Schedule 5 (*Covenants*) shall bear the meanings given to them in Schedule 7 (*Additional Definitions*) or as otherwise given to them in Clause 1.1 (Definitions) of this Agreement. For the avoidance of doubt, the section references in this Schedule 5 (*Covenants*) are deliberately retained for consistency given the equivalent provisions in indentures entered into by Liberty Global and its Subsidiaries for ease of reference. The provisions of this Schedule are to be interpreted in accordance with New York law (without prejudice to the fact that the Finance Documents are to be governed by English law).

### ***Section 4.01 [INTENTIONALLY LEFT BLANK]***

### ***Section 4.02 [INTENTIONALLY LEFT BLANK]***

### ***Section 4.03 Reports***

- (a) The Company, VZ Financing II, or an Affiliate Covenant Party will provide to the Administrator and, in the case of clause (2) of this Section 4.03(a), will post on the Company's, the Reporting Entity's or the Ultimate Parent's website (or make similar disclosure) the following (*provided*, however, that to the extent any reports are filed on the SEC's website or on the Company's, the Reporting Entity's or the Ultimate Parent's website, such reports shall be deemed to be provided to the Administrator (acting on behalf of the Lender)):
- (1) within 150 days after the end of each fiscal year ending subsequent to the Signing Date, an annual report of the Reporting Entity, containing the following information: (a) audited combined or Consolidated balance sheets of the Reporting Entity as of the end of the two most recent fiscal years (or such shorter period as the Reporting Entity has been in existence) and audited combined or Consolidated income statements and statements of cash flow of the Reporting Entity for the two most recent fiscal years (or such shorter period as the Reporting Entity has been in existence), in each case prepared in accordance with GAAP, including appropriate footnotes to such financial statements and a report of the independent public accountants on the financial statements; (b) to the extent relating to such annual periods, an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, liquidity and capital resources and critical accounting policies; and (c) to the extent not included in the audited financial statements or operating and financial review, a description of the business, management and shareholders of the Reporting Entity, and a description of all material debt instruments; *provided*, however, that such reports need not (i) contain any segment data other than as required under GAAP in its financial reports with respect to the period presented, (ii) include any exhibits, or (iii) include separate financial statements for any Affiliates of the Reporting Entity or any acquired businesses;
  - (2) within 60 days after each of the first three fiscal quarters in each fiscal year, a quarterly report of the Reporting Entity containing the following information: (a) unaudited combined or Consolidated income statements of the Reporting Entity for such period, prepared in accordance with GAAP, and (b) a financial review of such period (including a comparison against the prior year's comparable period), consisting of a discussion of (i) the results of operations and financial condition of the Reporting Entity on a Consolidated basis, and material changes between the current period and the prior year's comparable period, (ii) material developments in the business of the Reporting Entity and its Restricted Subsidiaries, (c) financial information and trends in the business in which the Reporting Entity and its Restricted Subsidiaries are engaged and (d) information with respect to any material acquisition or disposal during the period provided, however, that such reports need not (i) contain any segment data other than as required under GAAP in its financial reports with respect to the period presented, (ii) include any exhibits, or (iii) include separate financial statements for any Affiliates of the Reporting Entity or any acquired businesses; and
  - (3) within 10 days after the occurrence of such event, information with respect to (a) any change in the independent public accountants of the Reporting Entity (unless such change is made in conjunction with a change in the auditor of the Ultimate Parent), (b) any material acquisition or disposal, and (c) any material development in the business of the Company, any Affiliate Covenant Party and the Reporting Entity and the Restricted Subsidiaries, taken as a whole.
- (b) If the Company, VZ Financing II or an Affiliate Covenant Party has designated any of its Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries

constitute Significant Subsidiaries of the Reporting Entity, then the annual and quarterly information required by Section 4.03(a)(1) and Section 4.03(a)(2) of the first paragraph of this covenant shall include a reasonably detailed presentation, either on the face of the financial statements, in the footnotes thereto or in a separate report delivered therewith, of the financial condition and results of operations of the Reporting Entity and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries.

- (c) Following any election by the Reporting Entity to change its accounting principles in accordance with the definition of GAAP set forth in Schedule 7 (*Additional Definitions*), the annual and quarterly information required by Section 4.03(a)(1) and Section 4.03(a)(2) of the first paragraph of this covenant shall include any reconciliation presentation required by clause (2)(a) of the definition of GAAP set forth in Schedule 7 (*Additional Definitions*).
- (d) To the extent that material differences exist between the business, assets, results of operations or financial condition of (i) the Reporting Entity and (i) the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries (excluding for the avoidance of doubt, the effect of any intercompany balances between the Reporting Entity and the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries), the annual and quarterly reports shall give a reasonably detailed description of such differences and include an unaudited reconciliation of the Reporting Entity's financial statements to the financial statements of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries.

***Section 4.04 [INTENTIONALLY LEFT BLANK]***

***Section 4.05 [INTENTIONALLY LEFT BLANK]***

***Section 4.06 [INTENTIONALLY LEFT BLANK]***

***Section 4.07 Limitation on Restricted Payments***

- (a) The Company, VZ Financing II and an Affiliate Covenant Party will not, and will not permit any of the Restricted Subsidiaries, directly or indirectly:
  - (1) to declare or pay any dividend or make any distribution on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries) except:
    - (A) dividends or distributions payable in Capital Stock of the Company, VZ Financing II, or an Affiliate Covenant Party (other than Disqualified Stock) or Subordinated Shareholder Loans; and
    - (B) dividends or distributions payable to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (and if such Restricted Subsidiary is not a Wholly Owned Subsidiary of the Company, VZ Financing II, or an Affiliate Covenant Party, as applicable, to its other holders of common Capital Stock on a pro rata basis);
  - (2) to purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company, VZ Financing II, an Affiliate Covenant Party or any Parent of the Company, VZ Financing II, or an Affiliate Covenant Party held by Persons other than the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (other than in exchange for Capital Stock of the Company or VZ Financing II (other than Disqualified Stock) or Subordinated Shareholder Loans);
  - (3) to purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations (other than (x) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement or (y) Indebtedness permitted under Section 4.09(b)(2)); or
  - (4) to make any Restricted Investment in any Person;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) of this Section 4.07(a) is referred to herein as a "Restricted Payment"), if at the time the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary makes such Restricted Payment:

- (A) in the case of a Restricted Payment other than a Restricted Investment, an Event of Default shall have occurred and be continuing (or would result therefrom); or

- (B) except in the case of a Restricted Investment, if such Restricted Payment is made in reliance on clause (C)(i) below, the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries are not able to Incur an additional €1.00 of Indebtedness pursuant to Section 4.09(a), after giving effect, on a pro forma basis, to such Restricted Payment; or
- (C) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made subsequent to May 7, 2010 and not returned or rescinded (excluding all Restricted Payments permitted by Section 4.07(b)) would exceed the sum of:
  - (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the beginning of the first fiscal quarter commencing after May 7, 2010 to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which financial statements are available (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit);
  - (ii) 100% of the aggregate Net Cash Proceeds and the fair market value, as conclusively determined in good faith by the Board of Directors or senior management of the Company, of marketable securities, or other property or assets, received by the Company, VZ Financing II, or an Affiliate Covenant Party from the issue or sale of its Capital Stock (other than Disqualified Stock) or Subordinated Shareholder Loans or other capital contributions subsequent to May 7, 2010 (other than (A) Net Cash Proceeds received from an issuance or sale of such Capital Stock to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary or an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or guaranteed by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination, (B) Excluded Contributions, (C) Net Cash Proceeds and the fair market value of such assets received in connection with the Acquisition) or (D) any property received in connection with Section 4.07(b)(24));
  - (iii) 100% of the aggregate Net Cash Proceeds and the fair market value, as conclusively determined in good faith by the Board of Directors or senior management of the Company, of marketable securities, or other property or assets, received by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary from the issuance or sale (other than to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary) by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary subsequent to May 7, 2010 of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company, VZ Financing II, or an Affiliate Covenant Party (other than Disqualified Stock) or Subordinated Shareholder Loans;
  - (iv) the amount equal to the net reduction in Restricted Investments made by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries resulting from:
    - (A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary; or
    - (B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in such Unrestricted Subsidiary,
 which amount in each case under this clause (iv) was included in the calculation of the amount of Restricted Payments; provided, however, that no amount will be included in Consolidated Net Income for the purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (iv);
  - (v) without duplication of amounts included in clause (iv), the amount by which Indebtedness of the Company, VZ Financing II or an Affiliate Covenant Party is reduced on the Consolidated



balance sheet of the Company, VZ Financing II or an Affiliate Covenant Party upon the conversion or exchange of any Indebtedness of the Company, VZ Financing II or an Affiliate Covenant Party issued after May 7, 2006, which is convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company, VZ Financing II or an Affiliate Covenant Party held by Persons not including the Company, VZ Financing II or an Affiliate Covenant Party or any of their Restricted Subsidiaries, as applicable (less the amount of any cash or the fair market value of other property or assets distributed by the Company, VZ Financing II or an Affiliate Covenant Party upon such conversion or exchange); and

- (vi) 100% of the Net Cash Proceeds and the fair market value (as conclusively determined in accordance with the next succeeding paragraph) of marketable securities, or other property or assets, received by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries in connection with: (A) the sale or other disposition (other than to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company, VZ Financing II, an Affiliate Covenant Party or any Subsidiary of the Company, VZ Financing II, or an Affiliate Covenant Party for the benefit of its employees to the extent funded by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary; and (B) any dividend or distribution made by an Unrestricted Subsidiary to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary; *provided however*, that no amount will be included in Consolidated Net Income for the purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (vi).

The fair market value of property or assets other than cash, for purposes of this Section 4.07(a), shall be the fair market value thereof as conclusively determined in good faith by the Board of Directors or senior management of the Company, VZ Financing II or an Affiliate Covenant Party.

(b) Section 4.07(a) will not prohibit:

- (1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Subordinated Shareholder Loans or Subordinated Obligations of the Company, VZ Financing II, or an Affiliate Covenant Party made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the sale or issuance within 90 days of, Subordinated Shareholder Loans or Capital Stock of the Company, VZ Financing II, or an Affiliate Covenant Party (other than Disqualified Stock or Capital Stock issued or sold to a Subsidiary or an employee stock ownership plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or guaranteed by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination), Subordinated Shareholder Loans or a substantially concurrent capital contribution to the Company, VZ Financing II, or an Affiliate Covenant Party; *provided, however*, that the Net Cash Proceeds from such sale or issuance of Capital Stock or Subordinated Shareholder Loans or from such capital contribution will be excluded from clause (4)(C)(ii) of Section 4.07(a);
- (2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary made by exchange for, or out of the proceeds of the sale or issuance within 90 days of, Subordinated Obligations of the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary that is permitted or otherwise not prohibited to be Incurred pursuant to Section 4.09 and that in each case constitutes Refinancing Indebtedness;
- (3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary made by exchange for, or out of the proceeds of the sale or issuance within 90 days of, Disqualified Stock of the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary, as the case may be, that, in each case, is permitted or otherwise not prohibited to be incurred pursuant to Section 4.09 and that in each case constitutes Refinancing Indebtedness;
- (4) dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this provision;

- (5) the purchase, repurchase, defeasance, redemption or other acquisition, cancellation or retirement for value of Capital Stock, or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary or any parent of the Company, VZ Financing II, or an Affiliate Covenant Party held by any existing or former employees or management of the Company, VZ Financing II, an Affiliate Covenant Party or any Subsidiary of the Company, VZ Financing II, or an Affiliate Covenant Party or their respective assigns, estates or heirs, in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to compensate management employees; *provided* that such redemptions or repurchases pursuant to this clause will not exceed an amount equal to €20.0 million in the aggregate during any calendar year (with any unused amounts in any preceding calendar year being carried over to the succeeding calendar year);
- (6) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of, or otherwise not prohibited to be Incurred pursuant to, Section 4.09;
- (7) purchases, repurchases, redemptions, defeasance or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible securities if such Capital Stock represents a portion of the exercise price thereof;
- (8) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation:
  - (A) at a purchase price not greater than 101% of the principal amount of such Subordinated Obligation in the event of a Change of Control; *provided* that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Company, VZ Financing II or an Affiliate Covenant Party has made (or caused to be made) a Change of Control Prepayment Offer and has completed the prepayment of Change of Control Prepayment Loan Amount, together with all accrued and unpaid interest, any additional amounts, and the Change of Control Fee thereon, in accordance with this Agreement;
  - (B) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions similar to Section 4.10 of the Existing Senior Secured Note Indentures or Section 4.10 hereunder; or
  - (C) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was designated an Affiliate Covenant Party or an Affiliate Subsidiary or was otherwise acquired by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Obligation plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;
- (9) dividends, loans, advances or distributions to any Parent or other payments by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in amounts equal to:
  - (A) the amounts required for any Parent to pay Parent Expenses;
  - (B) the amounts required for any Parent to pay Public Offering Expenses or fees and expenses related to any other equity or debt offering of such Parent that are directly attributable to the operation of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries;
  - (C) the amounts required for any Parent to pay Related Taxes; and
  - (D) amounts constituting payments satisfying the requirements of clauses (11), (12) and (20) of Section 4.11(b);
- (10) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this Section 4.07(b)(10);
- (11) payments by the Company, VZ Financing II, or an Affiliate Covenant Party, or loans, advances, dividends or distributions to any Parent to make payments to holders of Capital Stock of the Company, VZ Financing II, or an Affiliate Covenant Party or any Parent in lieu of the issuance of fractional shares of such Capital Stock;
- (12) Restricted Payments to be applied for the purpose of making corresponding payments on
  - (a) Indebtedness of any Parent to the extent that such Indebtedness is guaranteed by the Company,

VZ Financing II or an Affiliate Covenant Party pursuant to a guarantee otherwise permitted to be Incurred under this Agreement; (b) any other Indebtedness of any Parent or any of such Parent's Subsidiaries; provided that the net proceeds of any such other Indebtedness described in this clause (b) are, or were contributed to, or otherwise loaned or transferred to the Company, VZ Financing II or an Affiliate Covenant Party and (c) any other third-party Indebtedness of a Parent or any of such Parent's Subsidiaries; provided that the net proceeds of any other such Indebtedness described in this clause (c) are, or were contributed to, or otherwise loaned or transferred to the Company, VZ Financing II or an Affiliate Covenant Party or such other Indebtedness is otherwise Incurred for the benefit of the Company, VZ Financing II or an Affiliate Covenant Party and (d) in each case of the foregoing, any Refinancing Indebtedness in respect thereof;

- (13) Restricted Payments in relation to any tax losses received by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary from any Affiliate of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (other than the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary) provided that such payments shall only be made in relation to (i) such tax losses in an amount equal to the amount of tax that would have otherwise been required to be paid by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary if those tax losses were not so received and such payment shall only be made in the tax year in which such losses are utilised by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary or (ii) such tax losses in an amount not exceeding, in any financial year, the greater of €250 million and 2% of Total Assets (with any unused amounts in any financial year being carried over to the next succeeding financial year);
- (14) so long as no Default or Event of Default of the type specified in Section 6.01(a)(1) or Section 6.01(a)(2) has occurred and is continuing, any Restricted Payment to the extent that, after giving pro forma effect to any such Restricted Payment, the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00;
- (15) Restricted Payments in an aggregate amount at any time outstanding, when taken together with all other Restricted Payments made pursuant to this Section 4.07(b)(15), not to exceed the greater of (a) €250.0 million and (b) 5.0% of Total Assets, in the aggregate in any calendar year (with any unused amounts in any preceding calendar year being carried over to the succeeding calendar year);
- (16) the distribution, as a dividend or otherwise, of shares of Capital Stock of or, Indebtedness owed to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary by, Unrestricted Subsidiaries;
- (17) following a Public Offering of the Company, VZ Financing II, an Affiliate Covenant Party or any Parent, the declaration and payment by the Company, VZ Financing II, an Affiliate Covenant Party or such Parent, or the making of any cash payments, advances, loans, dividends or distributions to any Parent to pay, dividends or distributions on the Capital Stock, common stock or common equity interests of the Company, VZ Financing II, an Affiliate Covenant Party or any Parent; *provided that* the aggregate amount of all such dividends or distributions under this Section 4.07(b)(17) shall not exceed in any fiscal year the greater of (a) 6.0% of the Net Cash Proceeds received from such Public Offering or subsequent Equity Offering by the Company, VZ Financing II, or an Affiliate Covenant Party or contributed to the capital of the Company, VZ Financing II, or an Affiliate Covenant Party by any Parent in any form other than Indebtedness or Excluded Contributions and (b) following the Initial Public Offering, an amount equal to the greater of (i) 7.0% of the Market Capitalization and (ii) 7.0% of the IPO Market Capitalization, provided that after giving pro forma effect to the payment of any such dividend or making of any such distribution, the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00;
- (18) after the designation of any Restricted Subsidiary as an Unrestricted Subsidiary, distributions (including by way of dividend) consisting of cash, Capital Stock or property or other assets of such Unrestricted Subsidiary that in each case is held by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary; *provided, however,* that (a) such distribution or disposition shall include the concurrent transfer of all liabilities (contingent or otherwise) attributable to the property or other assets being transferred; (b) any property or other assets received from any Unrestricted Subsidiary (other than Capital Stock issued by any Unrestricted Subsidiary) may be transferred by way of distribution or disposition pursuant to this Section 4.07(b)(18) only if such property or other assets, together with all related liabilities, is so transferred in a transaction that is substantially concurrent with the receipt of the proceeds of such distribution or disposition by the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary; and (c) such

distribution or disposition shall not, after giving effect to any related agreements, result nor be likely to result in any material liability, tax or other adverse consequences to the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries on a Consolidated basis; provided further, however, that proceeds from the disposition of any cash, Capital Stock or property or other assets of an Unrestricted Subsidiary that are so distributed will not increase the amount of Restricted Payments permitted under Section 4.07(a)(4)(C)(iv);

- (19) any Restricted Payments reasonably required to consummate the Post-Closing Reorganizations, any Permitted Tax Reorganization or any Permitted Financing Action;
- (20) Restricted Payments at any time outstanding made with the proceeds of any drawings under a Permitted Credit Facility in an amount not to exceed the Credit Facility Excluded Amount, provided that the amount of any Restricted Payment made pursuant to this Section 4.07(b)(20) shall be deemed to be reduced (but not below zero) by the aggregate principal amount of any prepayment or repayment (including on a cashless basis) of any such drawings under such Permitted Credit Facility;
- (21) Restricted Payments for the purpose of making corresponding payments on any Indebtedness of a Parent, provided that (a) on the date of Incurrence of such Indebtedness by a Parent and after giving effect thereto on a pro forma basis, the Consolidated Net Leverage Ratio, calculated for purposes of this Section 4.07(b)(21) as if such Indebtedness of such Parent were being incurred by the Company, VZ Financing II, or an Affiliate Covenant Party, would not exceed 5.0 to 1.0 or (b) such Indebtedness of a Parent is guaranteed pursuant to clause (13) of Section 4.09(b) and, with respect to clause (a) and (b) of this clause (21), any Refinancing Indebtedness in respect thereof;
- (22) distributions (including by way of dividend) to a Parent consisting of cash, Capital Stock or property or other assets of a Restricted Subsidiary that is in each case held by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary for sole purpose of transferring such cash, Capital Stock or property or other assets to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary;
- (23) distributions or payments of Receivables Fees and purchases of Receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Transaction;
- (24) Restricted Payments to finance Investments or other acquisitions by a Parent or any Affiliate (other than the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary) which would otherwise be permitted under this Section 4.07 if made by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary; *provided that* (i) such Restricted Payment shall be made within 120 days of the closing of such Investment or other acquisition, (ii) such Parent or Affiliate shall, prior to or promptly following the date such Restricted Payment is made, cause (1) all property acquired (whether assets or Capital Stock) to be contributed to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary or (2) the merger, amalgamation, consolidation or sale of the Person formed or acquired into the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary (in a manner not prohibited by Section 5.01) in order to consummate such Investment or other acquisition, (iii) such Parent or Affiliate receives no consideration or other payment in connection with such transaction except to the extent that the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary could have given such consideration or made such payment in compliance with this Section 4.07 and (iv) any property received in connection with such transaction shall not constitute an Excluded Contribution up to the amount of such Restricted Payment made under this clause (24);
- (25) any prepayment, repayment, repurchase, redemption, retirement, defeasance or other acquisition for value of the Existing Senior Notes and other Indebtedness of Ziggo Bond Company B.V., Vodafone Nederland Holding I B.V. or any other Parent that is guaranteed by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries pursuant to Section 4.09(b)(15), in an amount not exceeding in any financial year of the Company ten per cent in aggregate principal amount of such Indebtedness or any Restricted Payment to facilitate such transaction; provided that in the event that any such amount available for the prepayment, repayment, repurchase, redemption, retirement, defeasance or other acquisition for value of such Indebtedness in any financial year of the Company is not utilized in full, then the maximum amount available for such purposes in the following financial years of the Company shall be increased by such unutilized amount; and
- (26) any Business Division Transaction, provided, that after giving *pro forma* effect thereto, the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries could Incur at least €1.00 of additional Indebtedness under Section 4.09(a).



- (c) For purposes of determining compliance with this Section 4.07, in the event that a Restricted Payment meets the criteria of more than one of the categories described in Section 4.07(b), or is permitted pursuant to Section 4.09(a) or the definition of “Permitted Investments”, the Company, VZ Financing II or an Affiliate Covenant Party will be entitled to classify such Restricted Payment (or portion thereof) on the date of its payment or later reclassify such Restricted Payment (or portion thereof) in any manner that complies with this Section 4.07 or the definition of “Permitted Investments”.
- (d) The amount of all Restricted Payments (other than cash) shall be the fair market value (as determined, conclusively, in good faith by the Board of Directors or senior management of the Company, VZ Financing II or an Affiliate Covenant Party) on the date of such Restricted Payment of, or at the option of the Company, VZ Financing II or an Affiliate Covenant Party, at the time of contractually agreeing to such the asset(s) or securities proposed to be paid, transferred or issued by the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount and any non-cash Restricted Payment shall be determined in good faith by the Board of Directors or senior management of the Company.

***Section 4.08 Limitation on Restrictions on Distributions from Restricted Subsidiaries***

- (a) The Company, VZ Financing II and an Affiliate Covenant Party will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:
  - (1) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary;
  - (2) make any loans or advances to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary; or
  - (3) transfer any of its property or assets to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary;

*provided* that (a) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock and (b) the subordination of (including but not limited to, the application of any standstill requirements to) loans or advances made to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary to other Indebtedness Incurred by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, shall not be deemed to constitute such an encumbrance or restriction.

- (b) Section 4.08(a) will not prohibit:
  - (1) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Signing Date, including, without limitation, this Agreement, the Existing Credit Agreement, the Existing Senior Secured Notes, the Intercreditor Agreement, the Security Documents and any related documentation, in each case, as in effect on the Signing Date;
  - (2) any encumbrance or restriction pursuant to an agreement or instrument of a Person relating to any Capital Stock or Indebtedness of a Person, Incurred on or before the date on which such Person was acquired by or merged or consolidated with or into the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, or on which such agreement or instrument is assumed by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company, VZ Financing II or an Affiliate Covenant Party or was merged or consolidated with or into the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary or in contemplation of such transaction) and outstanding on such date, provided, that any such encumbrance or restriction shall not extend to any assets or property of the Company, VZ Financing II, an Affiliate Covenant Party or any other Restricted Subsidiary other than the assets and property so acquired and provided, further, that for the purposes of this Section 4.08(b)(2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary when such Person becomes the Successor Company;



- (3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refunding, replacement or refinancing of Indebtedness Incurred pursuant to, or that otherwise extends, renews, refunds, refinances or replaces, an agreement referred to in Section 4.08(b)(1) or Section 4.08(b)(2) or this Section 4.08(b)(3) or contained in any amendment, supplement, restatement or other modification to an agreement referred to in Section 4.08(b)(1) or Section 4.08(b)(2) or this Section 4.08(b)(3); *provided, however*, that the encumbrances and restrictions, taken as a whole, with respect to such Restricted Subsidiary contained in any such agreement are no less favorable in any material respect to the Lenders than the encumbrances and restrictions contained in such agreements referred to in clauses Section 4.08(b)(1) or Section 4.08(b)(2) (as conclusively determined in good faith by the Board of Directors or senior management of the Company, VZ Financing II, an Affiliate Covenant Party);
- (4) in the case of 4.08(a)(3), any encumbrance or restriction:
  - (A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any such lease, license or other contract;
  - (B) contained in Liens permitted under this Agreement securing Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements;
  - (C) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary; or
  - (D) contained in operating leases for real property and restricting only the transfer of such real property upon the occurrence and during the continuance of a default in the payment of rent.
- (5) any encumbrance or restriction pursuant to (a) Purchase Money Obligations for property acquired in the ordinary course of business and (b) Capitalized Lease Obligations permitted under this Agreement, in each case, that either impose encumbrances or restrictions of the nature described in Section 4.08(a)(3) on the property so acquired or (c) are customary in connection with Purchase Money Obligations, Capitalized Lease Obligations and mortgage financings for property acquired in the ordinary course of business;
- (6) any encumbrance or restriction arising in connection with, or any contractual requirement incurred with respect to, any Purchase Money Note or other Indebtedness or a Qualified Receivables Transaction relating exclusively to a Receivables Entity that, as determined, conclusively, in good faith by the Board of Directors or senior management of the Company, are necessary to effect such Qualified Receivables Transaction;
- (7) any encumbrance or restriction (A) with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement (or option to enter into such contract) entered into for the direct or indirect sale or disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition or (B) arising by reason of contracts for the sale of assets, including customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale and disposition of all or substantially all assets of such Subsidiary or conditions imposed by governmental authorities or otherwise resulting from dispositions required by governmental authorities;
- (8) (A) customary provisions in leases, asset sale agreements, joint venture agreements and other agreements and instruments entered into by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in the ordinary course of business or (B) in the case of a Subsidiary that is not a Wholly-Owned Subsidiary, encumbrances, restrictions and conditions imposed by its organizational documents or any related shareholders, joint venture or other agreements (including restrictions on the payment of dividends or other distributions);
- (9) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation, governmental license, order, concession, franchise, or permit or required by any regulatory authority;
- (10) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

- (11) any encumbrance or restriction pursuant to Currency Agreements, Commodity Agreements or Interest Rate Agreements;
- (12) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Signing Date pursuant to the provisions of Section 4.09 if (a) the encumbrances and restrictions taken as a whole are not materially less favorable to the Finance Parties than the encumbrances and restrictions contained in this Agreement, the Existing Credit Agreement, the Existing Senior Secured Notes, the Intercreditor Agreement, the Security Documents and any related documentation, in each case, as in effect on the Signing Date (as determined in good faith by the Board of Directors or senior management of the Company, VZ Financing II, or an Affiliate Covenant Party) or (b) such encumbrances and restrictions taken as a whole are not materially more disadvantageous to the Finance Parties than is customary in comparable financings (as determined in good faith by the Board of Directors or senior management of the Company, VZ Financing II, or an Affiliate Covenant Party) and, in each case, either (i) the Company, VZ Financing II, or an Affiliate Covenant Party reasonably believes that such encumbrances and restrictions will not materially affect the Company's ability to make principal or interest payments on the Facilities as and when they come due or (ii) such encumbrances and restrictions apply only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness; and
- (13) any encumbrance or restriction arising by reason of customary non-assignment provisions in agreements.

#### **Section 4.09 Limitation on Indebtedness**

- (a) The Company, VZ Financing II and an Affiliate Covenant Party will not, and will not permit any of the Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however, that:*
  - (1) any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if on the date of such Incurrence and after giving effect thereto on a pro forma basis (a) the Consolidated Net Leverage Ratio (excluding for the purposes of this clause (1)(a) only, outstanding Indebtedness of the Company, VZ Financing II and any Affiliate Covenant Party as set forth in the definition of Consolidated Net Leverage Ratio) would not exceed 5.00 to 1.00 and (b) the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00; and
  - (2) the Company, VZ Financing II and/or, an Affiliate Covenant Party may Incur Indebtedness (including Acquired Indebtedness) if on the date of such Incurrence and after giving effect thereto on a pro forma basis the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00.
- (b) Section 4.09(a) will not prohibit the Incurrence of the following Indebtedness:
  - (1) Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries under Credit Facilities, and any Refinancing Indebtedness in respect thereof, in the aggregate principal amount at any one time outstanding not to exceed (a) an amount equal to the greater of (i) (A) €6,000 million plus (B) the amount of any Credit Facilities incurred under Section 4.09(a) or any other provision of Section 4.09(b) to acquire any property, other assets or Capital Stock of a Person and (ii) 5.0% of Total Assets, plus (b) any accrual or accretion of interest that increases the principal amount of Indebtedness under Credit Facilities plus (c) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;
  - (2) Indebtedness of the Company, VZ Financing II, or an Affiliate Covenant Party owing to and held by any Restricted Subsidiary (other than a Receivables Entity) or Indebtedness of a Restricted Subsidiary owing to and held by the Company, VZ Financing II, an Affiliate Covenant Party or any other Restricted Subsidiary (other than a Receivables Entity); *provided, however, that:*
    - (a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (other than a Receivables Entity); and
    - (b) any sale or other transfer of any such Indebtedness to a Person other than the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (other than a Receivables Entity),

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary, as the case may be, not permitted by this clause (2);

- (3) Indebtedness under this Agreement;
- (4) any Indebtedness (other than the Indebtedness described in Section 4.09(b)(1), Section 4.09(b)(2) and Section 4.09(b)(3)) outstanding on the Signing Date;
- (5) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in Section 4.09(b)(3), Section 4.09(b)(4), this Section 4.09(b)(5), Section 4.09(b)(6), Section 4.09(b)(8), Section 4.09(b)(13), Section 4.09(b)(15), Section 4.09(b)(17), Section 4.09(b)(19) or Section 4.09(b)(21) or Incurred pursuant to Section 4.09(a);
- (6) Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary Incurred after the Signing Date (a) Incurred and outstanding on the date on which such Restricted Subsidiary was acquired by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary or was designated an Affiliate Covenant Party in accordance with this Agreement, (b) Incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was designated an Affiliate Covenant Party or was otherwise acquired by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary or (c) Incurred and outstanding on the date on which such Restricted Subsidiary was acquired by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary (other than Indebtedness Incurred in contemplation of the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary); *provided, however*, that with respect to (a) and (b) of this Section 4.09(b)(6) only, immediately following the consummation of the acquisition of such Restricted Subsidiary by the Company, VZ Financing II, an Affiliate Covenant Party or by a Restricted Subsidiary or such other transaction, (i) the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries would have been able to Incur €1.00 of additional Indebtedness pursuant to Section 4.09(a) after giving pro forma effect to the relevant acquisition or other transaction and the Incurrence of such Indebtedness pursuant to this Section 4.09(b)(6) or (ii) the Consolidated Net Leverage Ratio would not be greater than immediately prior to such acquisition or such other transaction;
- (7) [Reserved];
- (8) Indebtedness consisting of (a) mortgage financings, asset backed financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement (including, without limitation, in respect of tenant improvement) of property (real or personal), plant, equipment or other assets (including, without limitation, network assets) used or useful in the business of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary or (b) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, development, construction, installation or improvement of property (including, without limitation, in respect of tenant improvement) (real or personal), plant, equipment or other assets (including, without limitation, network assets) used or useful in the business of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Refinancing Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (8) will not exceed the greater of (i) €250.0 million and (ii) 5.0% of Total Assets at any time outstanding so long as such Indebtedness exists on the date of, or commissioning of, or contracting for, such purchase, design, development, construction, installation or improvement, or is created within 270 days thereafter;
- (9) Indebtedness in respect of (a) workers' compensation claims, casualty or liability insurance, self-insurance obligations, performance (including insurance policies) bid, indemnity, surety,

judgment, appeal, completion, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or consistent with past practice or industry practice or in respect of any government requirement, including but not limited to, those Incurred to secure health, safety and environmental obligations or rental obligations, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business (or consistent with past practice or industry practice) or in respect of any government requirement, including, but not limited to letters of credit or similar instruments in respect of casualty or liability insurance, self-insurance, unemployment insurance, worker's compensation obligations, health disability or other benefits, pensions-related obligations and other social security laws, (c) the financing of insurance premiums or take-or-pay obligations contained in supply agreements in each case, in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

- (10) Indebtedness arising from agreements of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary providing for indemnification, guarantees or obligations in respect of earn-outs or adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary, provided that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds (including the fair market value of non-cash proceeds) actually received (in the case of dispositions) or paid (in the case of acquisitions) by the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries in connection with such disposition or acquisition, as applicable;
- (11) Indebtedness arising from (i) Bank Products and (ii) the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, *provided, however*, that in the case of this Section 4.09(b)(11)(ii), such Indebtedness is extinguished within thirty Business Days of Incurrence;
- (12) guarantees by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary of Indebtedness or any other obligation or liability of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary (other than of any Indebtedness Incurred in violation of this Section 4.09);
- (13) Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party, or any Restricted Subsidiary Incurred pursuant to any guarantees of Indebtedness of any Parent, *provided that*, for purposes of this Section 4.09(b)(13), (i) on the date of such Incurrence and after giving effect thereto on a pro forma basis, the Consolidated Net Leverage Ratio, including for purposes of such calculation, any Indebtedness represented by guarantees by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries of Indebtedness of any Parent, would not exceed 5.00 to 1.00, and (ii) such guarantees shall be subordinated to the Facilities and the guarantees hereunder;
- (14) Subordinated Shareholder Loans Incurred by the Company, VZ Financing II or an Affiliate Covenant Party;
- (15) Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or the Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this Section 4.09(b)(15) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company, VZ Financing II, or an Affiliate Covenant Party from the issuance or sale (other than to the Company, VZ Financing II, or an Affiliate Covenant Party or a Restricted Subsidiary) of its Subordinated Shareholder Loans or Capital Stock or otherwise contributed to the equity of the Company, VZ Financing II, or an Affiliate Covenant Party in each case, subsequent to May 7, 2010 (and in each case, other than through the issuance of Disqualified Stock, Preferred Stock or an Excluded Contribution); *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under Section 4.07(a)(C)(ii), Section 4.07(a)(C)(iii) and



Section 4.07(b)(1) to the extent the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary Incurs Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this Section 4.09(b)(15) to the extent the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary makes a Restricted Payment under Section 4.07(a)(C)(ii), Section 4.07(a)(C)(iii) and Section 4.07(b)(1) in reliance thereon;

- (16) (i) Indebtedness with Affiliates reasonably required to effect or consummate the Post-Closing Reorganizations and/or Permitted Tax Reorganization, and (ii) Indebtedness pursuant to any Permitted Financing Action and any Refinancing Indebtedness thereof;
  - (17) Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary under borrowing facilities provided by a special purpose vehicle notes issuer to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in connection with the issuance of notes or other similar debt securities intended to be supported primarily by the payment obligations of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in connection with any vendor financing platform otherwise permitted or not prohibited by this Agreement;
  - (18) Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary arising under (a) any arrangements to fund a production where such funding is only repayable from the distribution revenues of that production (and any related Refinancing Indebtedness) or (b) Production Facilities *provided* that the aggregate amount of Indebtedness under all Production Facilities incurred pursuant to this clause (b) does not exceed the greater of (i) €250 million and (ii) 1.0% of Total Assets at any time outstanding;
  - (19) [Reserved];
  - (20) Indebtedness Incurred constituting reimbursement obligations with respect to letters of credit issued and bank guarantees in the ordinary course of business provided to lessors of real property or otherwise in connection with the leasing of real property and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses in respect of any government requirement, or other Indebtedness with respect to reimbursement type obligations regarding the foregoing; *provided, however*, that upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or Incurrence; and
  - (21) in addition to the items referred to in clauses (1) through (20) of this Section 4.09(b), Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this Section 4.09(b)(21) and then outstanding, will not exceed the greater of (i) €250.0 million and (ii) 5.0% of Total Assets at any time outstanding.
- (d) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:
- (1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in Section 4.09(a) and Section 4.09(b), the Company, in its sole discretion, will classify such item of Indebtedness on the date of its Incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses of Section 4.09(a) or in Section 4.09(b) and will be permitted on the date of such Incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in Section 4.09(a) or in Section 4.09(b), and, from time to time, may reclassify all or a portion of such Indebtedness, in any manner that complies with this Section 4.09;
  - (2) guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
  - (3) if obligations in respect of letters of credit are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to Section 4.09(b)(1), 4.09(b)(15), 4.09(b)(18), 4.09(b)(19), 4.09(b)(21) and the letters of credit relate to other Indebtedness, then such other Indebtedness shall not be included;
  - (4) the principal amount of any Disqualified Stock of the Company, VZ Financing II or an Affiliate Covenant Party, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the



maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

- (5) Indebtedness permitted by this Section 4.09 need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section 4.09 permitting such Indebtedness;
  - (6) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP;
  - (7) in the event that the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary enters into or increases commitments under a revolving credit facility, enters into any commitment to Incur or issue Indebtedness or commits to Incur any Lien pursuant to clause (37) of the definition of “Permitted Liens”, the Incurrence or issuance thereof for all purposes under this Section 4.09, including without limitation for purposes of calculating the Consolidated Net Leverage Ratio or usage of clauses (1) through (21) under Section 4.09(b) (if any) for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers’ acceptances thereunder) will, at the Company’s option, either (a) be determined on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof has been borrowed as of such date) or other Indebtedness, and, if such Consolidated Net Leverage Ratio test or other provision of this Section 4.09 is satisfied with respect thereto at such time, any borrowing or re-borrowing thereunder (and the issuance and creation of letters of credit and bankers’ acceptances thereunder) will be permitted under this covenant irrespective of the Consolidated Net Leverage Ratio test or other provision of this this Section 4.09 at the time of any borrowing or re-borrowing (or issuance or creation of letters of credit or bankers’ acceptances thereunder) (the committed amount permitted to be borrowed or re-borrowed (and the issuance and creation of letters of credit and bankers’ acceptances) on a date pursuant to the operation of this sub-clause (a) shall be the **“Reserved Indebtedness Amount”** as of such date for purposes of the Consolidated Net Leverage Ratio and, to the extent of the usage of clauses (1) through (21) under Section 4.09(b) (if any), shall be deemed to be Incurred and outstanding under such clauses) or (b) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment, and in the case of subclause (a) of this Section 4.09(d)(7), the Company may revoke any such determination at any time and from time to time; and
  - (8) with respect to Indebtedness Incurred under a Credit Facility, re-borrowings of amounts previously repaid pursuant to “cash sweep” or “clean down” provisions or any similar provisions under a Credit Facility that provide that Indebtedness is deemed to be repaid periodically shall only be deemed for the purposes of this covenant to have been Incurred on the date such Indebtedness was first Incurred and not on the date of any subsequent re-borrowing thereof.
- (e) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest or dividends in the form of additional Indebtedness, Preferred Stock or Disqualified Stock and increases in the amount of Indebtedness due to a change in accounting principles will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 4.09. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.
  - (f) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date.
  - (g) For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent principal amount of Indebtedness denominated in a foreign currency shall be (1) calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower Euro Equivalent), in the case of revolving credit Indebtedness; provided that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable euro-dominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-dominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; and (2) if and for so long as any such Indebtedness

is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the swapped rate of such Indebtedness as of the date of the applicable swap. Notwithstanding any other provision of this Section 4.09, the maximum amount of Indebtedness that the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries may Incur pursuant to this Section 4.09 shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

- (h) The Company, VZ Financing II and any Affiliate Covenant Party will not Incur, and will not permit any Guarantor to Incur, any Indebtedness that is contractually subordinated in right of payment to any other Indebtedness of the Company, VZ Financing II, any Affiliate Covenant Party or any Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Facilities and, if applicable, the guarantee of the Facilities by the person Incurring such Indebtedness, on substantially identical terms (as conclusively determined in good faith by the Board of Directors or senior management of the Company, VZ Financing II or the Affiliate Covenant Party); *provided, however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company, VZ Financing II, any Affiliate Covenant Party, any Guarantor or any other Restricted Subsidiary solely by virtue of being unsecured or secured on a junior Lien basis or by virtue of not being guaranteed or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.
- (i) For purposes of determining compliance with (1) Section 4.09(a) and (2) any other provision of the Finance Documents which requires the calculation of any financial ratio or test, including the Consolidated Net Leverage Ratio, the Euro Equivalent principal amount of Indebtedness denominated in a foreign currency (if such Indebtedness has not been swapped into euros, or if such Indebtedness has been swapped into a currency other than euros) shall be calculated by the Company using the same weighted average exchange rates for the relevant period used in the consolidated financial statements of the Reporting Entity for calculating the Euro Equivalent of Consolidated EBITDA denominated in the same currency as the currency in which such Indebtedness is denominated or into which it has been swapped.

#### ***Section 4.10 Limitation on Sales of Assets and Subsidiary Stock***

- (a) The Company, VZ Financing II and an Affiliate Covenant Party will not, and will not permit any of the Restricted Subsidiaries to, make any Asset Disposition unless:
  - (1) the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as conclusively determined in good faith by the Board of Directors or senior management of the Company, VZ Financing II or an Affiliate Covenant Party (including as to the value of all non-cash consideration), of the shares and assets subject to such Asset Disposition;
  - (2) unless the Asset Disposition is a Permitted Asset Swap, at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; and
  - (3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary, as the case may be:
    - (A) to the extent the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness), to prepay, repay or purchase Senior Indebtedness of the Company (including the Facilities), VZ Financing II, an Affiliate Covenant Party or any Guarantor, or Indebtedness of a Restricted Subsidiary that is not an Obligor (in each case other than Indebtedness owed to the Company, VZ Financing II, an Affiliate Covenant Party or an Affiliate of the Company) within 365 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; *provided, however*, that,

in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (A), the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of any revolving Indebtedness) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or

- (B) to the extent the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary elects to invest in or commit to invest in Additional Assets within 365 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; *provided, however*, that any such reinvestment in Additional Assets made pursuant to a definitive agreement or a commitment approved by the Board of Directors or senior management of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 6 months of such 365th day;

*provided* that pending the final application of any such Net Available Cash in accordance with clause (A) or clause (B) of this Section 4.10(a)(3), the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by this Agreement.

- (b) Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied as provided in Section 4.10(a)(3) will be deemed to constitute “**Excess Proceeds**”. Notwithstanding Section 4.10(a), to the extent that the Company, VZ Financing II, an Affiliate Covenant Party or the Restricted Subsidiaries comply with the requirements of the Existing Senior Secured Notes Indentures (or any similar terms in an instrument or agreement governing Senior Indebtedness) with respect to the requirement to make an Asset Disposition Offer (as defined in the Existing Senior Secured Notes Indentures) with Excess Proceeds, then the Company, VZ Financing II, any Affiliate Covenant Party and the Restricted Subsidiaries shall be deemed to be in compliance with this Section 4.10.
- (c) For the purposes of this Section 4.10, the following will be deemed to be cash:
- (1) the assumption by the transferee (or extinguishment of debt or liabilities in connection with the transactions relating to such Asset Dispositions) of Indebtedness and any other liabilities (as recorded on the balance sheet of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary or in the footnotes thereto, or if Incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on such balance sheet or in the footnotes thereof if such Incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined conclusively in good faith by the Company, VZ Financing II, an Affiliate Covenant Party) (other than Subordinated Obligations of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary that is Guarantor) of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition (in which case the Company will, without further action, be deemed to have applied such deemed cash to Indebtedness in accordance with Section 4.10(a)(3)(A));
  - (2) securities, notes or other obligations received by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary from the transferee that are convertible by the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;
  - (3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company, VZ Financing II, an Affiliate Covenant Party and each other Restricted Subsidiary are released from any guarantee of payment of the principal amount of such Indebtedness in connection with such Asset Disposition;
  - (4) consideration consisting of Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary;
  - (5) any Designated Non-Cash Consideration received by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value not to exceed 25.0% of the consideration from such Asset Disposition (excluding any consideration received from such Asset Disposition in accordance with clauses (1) to (4) of this Section 4.10(f)) (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received or, at the option of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, at the time of contractually agreeing to such Asset Disposition, and without giving effect to subsequent changes in value);

- (6) in addition to any Designated Non-Cash Consideration received pursuant to Section 4.10(c)(5), Designated Non-Cash Consideration received by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (6) that is at that time outstanding, not to exceed the greater of (i) €250.0 million and (ii) 5.0% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received, or at the option of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, at the time of contractually agreeing to such Asset Disposition and without giving effect to subsequent changes in value); and
- (7) any Capital Stock or assets of the kind referred to in the definition of “Additional Assets”.

#### ***Section 4.11 Limitation on Affiliate Transactions***

- (a) The Company, VZ Financing II and an Affiliate Covenant Party will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company, VZ Financing II, or an Affiliate Covenant Party (an “**Affiliate Transaction**”) involving aggregate value in excess of €50.0 million for such Affiliate Transactions, unless:
  - (1) the terms of such Affiliate Transaction are not materially less favorable, taken as a whole, to the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction in arm’s-length dealings with a Person who is not such an Affiliate (or, in the event that there are no comparable transactions involving Persons who are not Affiliates of the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary to apply for comparative purposes, is otherwise on terms that, taken as a whole, the Company, VZ Financing II, such Affiliate Covenant Party or such Restricted Subsidiary has conclusively determined in good faith to be fair to the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary); and
  - (2) in the event such Affiliate Transaction involves an aggregate consideration in excess of €100.0 million, the terms of such transaction have been approved by either (i) a majority of the members of the Board of Directors or (ii) the senior management of the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary, as applicable.
- (b) Section 4.11(a) will not apply to:
  - (1) any Restricted Payment permitted to be made pursuant to Section 4.07 or any Permitted Investment;
  - (2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, VZ Financing II, an Affiliate Covenant Party, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultant plans (including, without limitation, valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) and/or indemnities provided on behalf of officers, employees or directors or consultants, in each case in the ordinary course of business;
  - (3) loans or advances to employees, officers or directors (or guarantees in favour of third parties loans and advances) in the ordinary course of business of the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries but in any event not to exceed €15.0 million in the aggregate outstanding at any one time with respect to all loans or advances made since the Signing Date;
  - (4) (a) any transaction between or among the Company, VZ Financing II, an Affiliate Covenant Party and a Restricted Subsidiary (or an entity that becomes a Restricted Subsidiary in connection with such transaction) or between or among Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary in connection with such transaction) and (b) any guarantees issued by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary for the benefit of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (or an entity that becomes a Restricted Subsidiary in connection with such transaction), as the case may be, in accordance with Section 4.09;



- (5) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Agreement, which, taken as a whole, are fair to the Company, VZ Financing II, an Affiliate Covenant Party or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Company, VZ Financing II, or an Affiliate Covenant Party or the senior management of the Company, VZ Financing II, an Affiliate Covenant Party or the relevant Restricted Subsidiary, as applicable, or are on terms not materially less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;
- (6) loans or advances to any Affiliate of the Company, VZ Financing II, or an Affiliate Covenant Party by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, provided that the terms of such loan or advance are fair to the Company, VZ Financing II, an Affiliate Covenant Party or the relevant Restricted Subsidiary, as the case may be, or are on terms not materially less favorable than those that could reasonably have been obtained from an unaffiliated party;
- (7) the payment of reasonable and customary fees paid to, and indemnity provided on behalf of, directors, executives or officers of any Parent, of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary;
- (8) the performance of obligations of the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries under (a) the terms of any agreement to which the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries is a party as of or on the Signing Date, or (b) any agreement entered into after the Signing Date on substantially similar terms to an agreement under Section 4.11(b)(8)(a), in each case, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided*, however, that any such agreement or amendment, modification, supplement, extension or renewal to such agreement, in each case, entered into after the Signing Date will be permitted to the extent that its terms are not materially more disadvantageous to the Lender than the terms of the agreements in effect on the Signing Date;
- (9) any transaction with (i) a Receivables Entity effected as part of a Qualified Receivables Transaction, acquisitions of Permitted Investments in connection with a Qualified Receivables Transaction, and other Investments in Receivables Entities consisting of cash or Securitization Obligations or (ii) an Affiliate in respect of Non-Recourse Indebtedness;
- (10) the issuance of Capital Stock or any options, warrants or other rights to acquire Capital Stock (other than Disqualified Stock) of the Company, VZ Financing II, or an Affiliate Covenant Party to any Affiliate;
- (11) the payment to any Permitted Holder of all reasonable expenses Incurred by any Permitted Holder in connection with its direct or indirect investment in the Company, VZ Financing II, an Affiliate Covenant Party and their Subsidiaries and unpaid amounts accrued for prior periods;
- (12) the payment to any Parent or Permitted Holder (1) of Management Fees (a) on a bona fide arm's-length basis in the ordinary course of business, or (b) of up to the greater of €15.0 million and 0.5% of Total Assets in any calendar year, (2) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including without limitation in connection with loans, capital market transactions, hedging and other derivative transactions, acquisitions or divestitures, or (3) of Parent Expenses;
- (13) guarantees of indebtedness, hedging and other derivative transactions and other obligations otherwise permitted or not prohibited under this Agreement;
- (14) if not otherwise prohibited under this Agreement, the issuance of Capital Stock (other than Disqualified Stock) or Subordinated Shareholder Loans (including the payment of cash interest thereon; *provided* that, after giving *pro forma* effect to any such cash interest payment, the Consolidated Net Leverage Ratio for the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries would not exceed 5.00 to 1.00) of the Company, VZ Financing II or an Affiliate Covenant Party to any direct Parent of the Company, VZ Financing II, or an Affiliate Covenant Party or any Permitted Holder;
- (15) arrangements with customers, clients, suppliers, contractors, lessors or sellers of goods or services that are negotiated with an Affiliate, in each case, which are otherwise in compliance with the terms of this Agreement; *provided* that the terms and conditions of any such transaction or agreement as applicable to the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries, taken as a whole are fair to the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted



Subsidiaries and are on terms not materially less favorable to the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries than those that could have reasonably been obtained in respect of an analogous transaction or agreement that would not constitute an Affiliate Transaction; (or, in the event that there are no comparable transactions involving Persons who are not Affiliates of the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary to apply for comparative purposes, is otherwise on terms that, taken as a whole, the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary has determined conclusively in good faith to be fair to the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary);

- (16) (a) transactions with Affiliates in their capacity as holders of indebtedness or Capital Stock of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, so long as such Affiliates are not treated materially more favorably than holders of such indebtedness or Capital Stock generally, and (b) transactions with Affiliates in their capacity as borrowers of indebtedness from the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, so long as such Affiliates are not treated materially more favorably than holders of such indebtedness generally;
- (17) any tax sharing agreement or arrangement and payments pursuant thereto between or among the Ultimate Parent, the Company, VZ Financing II, an Affiliate Covenant Party or any other Person or a Restricted Subsidiary not otherwise prohibited by this Agreement and any payments or other transactions pursuant to a tax sharing agreement between the Company, VZ Financing II or an Affiliate Covenant Party and any other Person or a Restricted Subsidiary and any other Person with which the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries files a consolidated tax return or with which the Company, VZ Financing II or an Affiliate Covenant Party or any of the Restricted Subsidiaries is part of a group for tax purposes (including a fiscal unity) or any tax advantageous group contribution made pursuant to applicable legislation, provided that any such tax sharing agreement does not permit or require payments in excess of the amounts of tax that would be payable by the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries on a stand-alone basis;
- (18) transactions relating to the provision of Intra-Group Services in the ordinary course of business;
- (19) any transaction in the ordinary course of business between or among the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary and any Affiliate of the Company, VZ Financing II or an Affiliate Covenant Party that is an Unrestricted Subsidiary or a joint venture or similar entity that would constitute an Affiliate Transaction solely because the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary owns an equity interest in or otherwise controls such Unrestricted Subsidiary, joint venture or similar entity;
- (20) commercial contracts entered into in the ordinary course of business between an Affiliate of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary and the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary that are on arm's-length terms or on a basis that senior management of the Company, VZ Financing II, or an Affiliate Covenant Party reasonably believes allocates costs fairly;
- (21) any transactions between the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary and VodafoneZiggo Group Holding B.V. or any of its Subsidiaries to effect or facilitate the transfer of any property or asset from the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary and VodafoneZiggo Group Holding B.V. or any of its Subsidiaries;
- (22) (i) any Permitted Financing Action and (ii) any transaction reasonably necessary to effect the Post-Closing Reorganizations, a Permitted Tax Reorganization and/or a Spin-Off.

#### ***Section 4.12 Limitation on Liens***

- (a) The Company, VZ Financing II and an Affiliate Covenant Party will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, Incur, assume or otherwise cause or suffer to exist any Lien of any kind securing Indebtedness upon any of their respective property or assets (including Capital Stock of Restricted Subsidiaries), whether owned on the Signing Date or acquired after that date, except (1) in the case of any property or asset that does not constitute Collateral, (x) Permitted Liens and (y) that the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary may create, Incur, or suffer to exist, a Lien upon any property or asset that does not constitute Collateral (such Lien, the “**Initial Lien**”) if, contemporaneously with the Incurrence of such Initial Lien, effective provision is made

to secure the Indebtedness due under this Agreement or, in respect of Liens on an Affiliate Covenant Party's property or asset that does not constitute Collateral, such Affiliate Covenant Party's Guarantee, equally and ratably with (or prior to, in the case of Liens with respect to Subordinated Obligations of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary, as the case may be) the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured.

- (b) Any Lien created pursuant to the proviso described in Section 4.12(a)(1) of the preceding paragraph in favour of the Facilities will be automatically and unconditionally released and discharged upon (1) the release and discharge of the Initial Lien to which it relates or (2) any sale, exchange or transfer to any Person other than the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary of the property or assets secured by such Initial Lien or (3) the full and final payment of all amounts payable by the Borrower under the Finance Documents.
- (c) For purposes of determining compliance with this Section 4.12, (i) a Lien need not be Incurred solely by reference to one category of Permitted Liens or Permitted Collateral Liens, as applicable, but may be Incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (ii) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens or Permitted Collateral Liens, as applicable, the Company, VZ Financing II or an Affiliate Covenant Party shall, in its sole discretion, divide, classify or may subsequently reclassify at any time such Lien (or any portion thereof) in any manner that complies with this Section 4.12 and the definition of "Permitted Liens" or "Permitted Collateral Liens", as applicable.
- (e) With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "Increased Amount" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms or in the form of common stock, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, accretion of original issue discount or liquidation preference, any fees, underwriting discounts, accrued and unpaid interest, premiums and other costs and expenses incurred in connection therewith and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

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*Section 4.25 Suspension of Covenants on Achievement of Investment Grade Status*

If, during any period after the Signing Date, the Facilities or the corporate rating of the VodafoneZiggo Group have achieved and continue to maintain Investment Grade Status and no Event of Default has occurred and is continuing (such period hereinafter referred to as an "**Investment Grade Status Period**"), then the Company, VZ Financing II, or an Affiliate Covenant Party will notify the Administrator of this fact and beginning on the date such status was achieved, the covenants in this Agreement described under Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11 and Section 5.01(a)(3) and any related default provisions of this Agreement will be suspended and will not, during such Investment Grade Status Period, be applicable to the

Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries (or, with respect to Clause 14.1 (*Change of Control*), the Company, VZ Financing II, and an Affiliate Covenant Party). No action taken during an Investment Grade Status Period or prior to an Investment Grade Status Period in compliance with the covenants then applicable will require reversal or constitute a Default under this Agreement in the event that suspended covenants are subsequently reinstated or suspended, as the case may be. An Investment Grade Status Period will terminate immediately upon the failure of the Facilities or the corporate rating of the VodafoneZiggo Group, as the case may be, to maintain Investment Grade Status (the “**Reinstatement Date**”). The Company, VZ Financing II, an Affiliate Covenant Party will promptly notify the Administrator in writing of any failure of the Facilities to maintain Investment Grade Status and the Reinstatement Date.

#### ***Section 4.26 Limited Condition Transaction***

- (a) In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of this Agreement which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Company, VZ Financing II or an Affiliate Covenant Party, be deemed satisfied, so long as no Default or Event of Default, as applicable, exists on the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into. For the avoidance of doubt, if the Company, VZ Financing II or an Affiliate Covenant Party has exercised its option under the first sentence of this Section 4.26(a), and any Default or Event of Default occurs following the date such definitive agreement for a Limited Condition Transaction is entered into and prior to the consummation of such Limited Condition Transaction, any such Default or Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted hereunder.
- (b) In connection with any action being taken in connection with a Limited Condition Transaction for purposes of:
  - (1) determining compliance with any provision of this Agreement which requires the calculation of any financial ratio or test, including the Consolidated Net Leverage Ratio; or
  - (2) testing baskets set forth in this Agreement (including baskets measured as a percentage or multiple, as applicable, of Total Assets or Pro forma EBITDA);

in each case, at the option of the Company, VZ Financing II or an Affiliate Covenant Party (the Company’s, VZ Financing II’s or an Affiliate Covenant Party’s election to exercise such option in connection with any Limited Condition Transaction, an “LCT Election”), the date of determination of whether any such action is permitted hereunder, shall be deemed to be the date the definitive agreement (or other relevant definitive documentation) for such Limited Condition Transaction is entered into (the “LCT Test Date”); provided, however, that the Company, VZ Financing II or an Affiliate Covenant Party shall be entitled to subsequently elect, in its sole discretion, the date of consummation of such Limited Condition Transaction instead of the LCT Test Date as the applicable date of determination, and if, after giving pro forma effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof), as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of “Pro forma EBITDA” and “Consolidated Net Leverage Ratio”, the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary could have taken such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with.

- (c) If the Company, VZ Financing II or an Affiliate Covenant Party has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Pro forma EBITDA or Total Assets, of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries or the Person or assets subject to the Limited Condition Transaction (as at each reference to the “Company”, “VZ Financing II”, or “Affiliate Covenant Party”, as applicable), in such definition was to such Person or assets) at or prior to the consummation of the relevant transaction or action, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Company, VZ Financing II or an Affiliate Covenant Party has made an LCT Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any ratio, test or basket availability under the Indenture (including with respect to the Incurrence of Indebtedness or Liens, or the making of Asset Dispositions, acquisitions, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of the Company, VZ Financing II, an Affiliate Covenant Party, or any Restricted Subsidiary or the

designation of an Unrestricted Subsidiary) on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be calculated on a pro forma basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) have been consummated.

#### ***Section 5.01 Merger and Consolidation***

- (a) The Borrower will not consolidate with, or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any Person, unless:
- (1) the resulting, surviving or transferee Person (the “Successor Company”) will be a corporation, partnership, trust or limited liability company organized and existing under the laws of any member of the state of the European Union that is a member of the European Union on the Signing Date, Bermuda, the Cayman Islands, or the United States of America, any State of the United States or the District of Columbia and the Successor Company (if not the Borrower) will expressly assume, by executing and delivering an accession agreement to this Agreement, to the Administrator (acting on behalf of the Lender), in form satisfactory to the Administrator (acting on behalf of the Lender) acting reasonably, all the obligations of the Borrower under the Finance Documents to which it is a party;
  - (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;
  - (3) either (A) immediately after giving effect to such transaction, the Company, VZ Financing II and an Affiliate Covenant Party, or such Successor Company, would be able to Incur at least an additional €1.00 of Indebtedness pursuant to Section 4.09(a) or (B) the Consolidated Net Leverage Ratio of the Company, VZ Financing II and any Affiliate Covenant Party, or such Successor Company, would be no greater than that of the Company, VZ Financing II and any Affiliate Covenant Party immediately prior to giving effect to such transaction; and
  - (4) the Company shall have delivered to the Administrator (acting on behalf of the Lender) an Officers’ Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer complies with this Agreement; *provided* that in giving such opinion, such counsel may rely on an Officers’ Certificate as to compliance with Section 5.01(a)(2) and Section 5.01(a)(3) above and as to any matters of fact.
- (b) A Guarantor will not consolidate with, or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any Person, other than the Company, VZ Financing II, any Affiliate Covenant Party or another Guarantor (other than in connection with a transaction that does not constitute an Asset Disposition or a transaction that is permitted under Section 4.10), unless:
- (1) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and
  - (2) either:
    - (A) the Successor Company assumes all the obligations of that Guarantor under the Finance Documents to which such Guarantor is a party pursuant to agreements reasonably satisfactory to the Administrator (acting on behalf of the Lender); or
    - (B) the Net Cash Proceeds of such transaction are applied in accordance with the applicable provisions of this Agreement.
- (c) For purposes of this Section 5.01, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, one or more Subsidiaries of VZ Financing II, or one or more Subsidiaries of any Affiliate Covenant Party (as applicable), which properties and assets, if held by the Company, VZ Financing II, or an Affiliate Covenant Party (as applicable) instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company, VZ Financing II, or an Affiliate Covenant Party (as applicable) on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company, VZ Financing II, or an Affiliate Covenant Party (as applicable).

- (d) The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Borrower or the relevant Guarantor, as the case may be, under the Finance Documents, and upon such substitution, the predecessor to the Successor Company will be released from its obligations under the Finance Documents, but, in the case of a lease of all or substantially all its assets, the predecessor to the Successor Company will not be released from the obligation to pay the principal of and interest on the Facilities.
- (e) The provisions set forth in this Section 5.01 shall not restrict (and shall not apply to): (i) any Restricted Subsidiary that is not a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Company, VZ Financing II or an Affiliate Covenant Party, a Guarantor or any other Restricted Subsidiary that is not a Guarantor, (ii) any Guarantor from merging or liquidating or transferring all or part of its properties and assets to the Company, VZ Financing II or an Affiliate Covenant Party or another Guarantor, (iii) any consolidation or merger of the Company into any Guarantor; provided that, for the purpose of this clause (iii), if the Company is not the surviving entity of such merger or consolidation, the relevant Guarantor will assume the obligations of the Company under this Agreement and the Finance Documents and Section 5.01(b)(1) and Section 5.01(b)(2) shall apply to such transaction; (iv) any consolidation, merger or transfer of assets effected as part of a Permitted Tax Reorganization; (e) any Solvent Liquidation; and (f) the Borrower or any Guarantor consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity, provided that, for the purposes of this clause (iv), Section 5.01(a)(1), Section 5.01(a)(2), Section 5.04(a)(4), Section 5.01(b)(1) and Section 5.01(b)(2) shall apply to any such transaction.



## SCHEDULE 6 EVENTS OF DEFAULT

Unless otherwise specified herein, (i) references in this Schedule 6 (*Events of Default*) to sections of Section 4 or Section 5 are to those sections of Schedule 5 (*Covenants*) and (ii) defined terms used in this Schedule 6 (*Events of Default*) shall bear the meanings given to them in Schedule 7 (*Additional Definitions*) or as otherwise given to them in Clause 1.1 (*Definitions*) of this Agreement. The provisions of this Schedule are to be interpreted in accordance with New York law (without prejudice to the fact that the Finance Documents are to be governed by English law).

### Section 6.01 *Events of Default*

(a) Each of the following is an “Event of Default”:

- (1) default in any payment of interest on any Loan when due, which has continued for 30 days;
- (2) default in the payment of principal of or premium, if any, on any Loan when due at its Termination Date, upon mandatory prepayment, or otherwise;
- (3) failure by any Obligor to comply for 60 days after notice specified in this Agreement with its other agreements contained in the Finance Documents; *provided, however*, that the Company, VZ Financing II or an Affiliate Covenant Party shall have 90 days after receipt of such notice to remedy, or receive a waiver for, any failure to comply with the obligations to file annual, quarterly and current reports in accordance with Section 4.03 so long as the Company, VZ Financing II or an Affiliate Covenant Party is, as applicable, attempting to cure such failure as promptly as reasonably practicable;
- (4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries (or the payment of which is guaranteed by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries), other than Indebtedness owed to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists, or is created after the Signing Date, which default:
  - (A) is caused by a failure to pay principal of such Indebtedness at its Stated Maturity after giving effect to any applicable grace period provided in such Indebtedness (“payment default”); or
  - (B) results in the acceleration of such Indebtedness prior to its maturity (the “**cross acceleration provision**”);

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €100.0 million or more and is not covered by a letter of credit, bank guarantee, indemnity or other documentary credit under an existing facility;

- (5) (A) a proceeding is commenced seeking a decree or order for (i) relief in respect of the Company, VZ Financing II, any Affiliate Covenant Party, a Significant Subsidiary, or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements delivered pursuant to Section 4.03), would constitute a Significant Subsidiary, in an involuntary case under any applicable Bankruptcy Law, (ii) appointment of a receiver, liquidator, assignee, custodian, trustee, examiner, administrator, sequestrator or similar official of the Company, VZ Financing II, any Affiliate Covenant Party, a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements delivered pursuant to Section 4.03), would constitute a Significant Subsidiary, or for all or substantially all of the property and assets of the Company, VZ Financing II, any Affiliate Covenant Party, a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements delivered pursuant to Section 4.03), would constitute a Significant Subsidiary, or (iii) the winding up or liquidation of the affairs of the Company, VZ Financing II, any Affiliate Covenant Party, a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements delivered pursuant to Section 4.03), would constitute a Significant Subsidiary (other than a solvent winding up or liquidation in connection with a transfer of assets among the Company, VZ Financing II, any Affiliate Covenant Party and the Restricted Subsidiaries) and, in each case, such proceeding shall remain unstayed and in effect for a period of 30 consecutive days; or
- (B) other than in relation to a solvent winding up or liquidation in connection with a transfer of assets among the Company, VZ Financing II, any Affiliate Covenant Party and the Restricted Subsidiaries,

the Company, any Permitted Affiliate Parent, a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements delivered pursuant to Section 4.03), would constitute a Significant Subsidiary (i) commences a voluntary case (including taking any action for the purpose of winding up) under any applicable Bankruptcy Law, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, examiner, administrator, sequestrator or similar official of the Company, VZ Financing II, any Affiliate Covenant Party, a Significant Subsidiary, or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements delivered pursuant to Section 4.03), would constitute a Significant Subsidiary, or for all or substantially all of the property and assets of the Company, VZ Financing II, any Affiliate Covenant Party, a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements delivered pursuant to Section 4.03), would constitute a Significant Subsidiary, or (iii) effects any general assignment for the benefit of creditors;

- (6) failure by the Company, VZ Financing II, any Affiliate Covenant Party or any Significant Subsidiary to pay final judgments aggregating in excess of €100.0 million (net of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days (the “**judgment default provision**”); or
- (7) any guarantee of the Finance Documents (pursuant to Clause 14 of this Agreement) of a Significant Subsidiary ceases to be in full force and effect (except in accordance with the terms of this Agreement) or is declared invalid or unenforceable in a judicial proceeding and such Default continues for 30 days after notice specified in this Agreement.

However, a default under Section 6.01(a)(3) or Section 6.01(7) will not constitute an Event of Default until the Administrator (acting on behalf of the Lender) notifies the Company of the default and the Company does not cure such default within the time specified in Section 6.01(a)(3) or Section 6.01(7) after receipt of such notice.

With respect to any Default or Event of Default, the words “exists”, “is continuing” or similar expressions with respect thereto shall mean that the Default or Event of Default has occurred and has not yet been cured or waived. If any Default or Event of Default occurs due to (a) the failure by any person to take any action by a specified time, such Default or Event of Default shall be deemed to have been cured at the time, if any, that the applicable person takes such action or (b) the taking of any action by any person that is not then permitted by the terms of this Agreement or any other Finance Document, such Default or Event of Default shall be deemed to be cured on the earlier to occur of (i) the date on which such action would be permitted at such time to be taken under this Agreement and the other Finance Documents and (ii) the date on which such action is unwound or otherwise modified to the extent necessary for such revised action to be permitted at such time by this Agreement and the other Finance Documents. If any Default or Event of Default occurs that is subsequently cured (a “**Cured Default**”), any other subsequent Default or Event of Default resulting from the taking or omitting to take any action by any person, which subsequent Default or Event of Default would not have arisen had the Cured Default not occurred, shall be deemed to be cured automatically upon, and simultaneously with, the cure of the Cured Default. Notwithstanding anything to the contrary in this paragraph, a Default or Event of Default (the “**Initial Default**”) may not be cured pursuant to this paragraph, in the case of an Initial Default described in clause (b) of the second sentence of this paragraph, if an Officer of the Company, VZ Financing II, any Affiliate Covenant Party had Knowledge at the time of taking any such action that such Initial Default had occurred and was continuing.

For purposes of the paragraph above, “**Knowledge**” shall mean, with respect to an Officer of the Company, VZ Financing II or any Affiliate Covenant Party, (i) the actual knowledge of such individual or (ii) the knowledge that such individual would have obtained if such individual had acted in good faith to discharge his or her duties with the same level of diligence and care as would reasonably be expected from an officer in a substantially similar position.

Notwithstanding anything to the contrary herein, (i) if a Default occurs for a failure to deliver a required certificate in connection with an Initial Default then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods under Section 4.03, or otherwise to deliver any notice or certificate pursuant to any other provision of this Agreement shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Agreement.

## SCHEDULE 7 ADDITIONAL DEFINITIONS

Unless otherwise specified herein, (i) references in this Schedule 7 (*Additional Definitions*) to sections of Section 4 or Section 5 are to those sections of Schedule 5 (*Covenants*); (ii) references in this Schedule 7 to sections of Section 6 are to those sections of Schedule 6 (*Events of Default*); and (iii) defined terms used in this Schedule 7 (*Additional Definitions*) shall bear the meanings given to them in this Schedule 7 (*Additional Definitions*) or as otherwise given to them in Clause 1.1 (*Definitions*) of this Agreement. The provisions of this Schedule 7 (*Additional Definitions*) are to be interpreted in accordance with New York law (without prejudice to the fact that the Finance Documents are to be governed by English law).

“Acquisition” means the acquisition by LGE Holdco VII B.V. of shares in Ziggo N.V. following a recommended public offer pursuant to a merger protocol agreement dated January 27, 2014.

“Acquired Indebtedness” means Indebtedness (i) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (i) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (ii) of the preceding sentence, on the date of consummation of such acquisition of assets.

“Additional Assets” means:

- (1) any property or assets (other than Indebtedness and Capital Stock) to be used by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary in a Related Business or are otherwise useful in a Related Business (it being understood that capital expenditure on property or assets already used in a Related Business or to replace any property or assets that are the subject of such Asset Disposition or any operating expenses Incurred in the day-to-day operations of a Related Business shall be deemed an Investment in Additional Assets);
- (2) the Capital Stock of a Person that is engaged in a Related Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

“Affiliate” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Affiliate Subsidiaries” refers to any Subsidiary of the Ultimate Parent (other than a Subsidiary of the Company, VZ Financing II or an Affiliate Covenant Party) that provides a guarantee hereunder following the Signing Date.

“Asset Disposition” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases, (other than an operating lease entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares or shares required by applicable law to be held by a Person other than the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary), property or other assets (each referred to for the purposes of this definition as a “disposition”) by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to the Company, VZ Financing II or an Affiliate Covenant Party or by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (other than a Receivables Entity) to a Restricted Subsidiary or by the Company, VZ Financing II or an Affiliate Covenant Party to the Company, VZ Financing II or an Affiliate Covenant Party;

- (2) the sale or disposition of cash, Cash Equivalents or Investment Grade Securities in the ordinary course of business;
- (3) a disposition of inventory, equipment, trading stock, communications capacity or other assets in the ordinary course of business;
- (4) a sale, lease, transfer or other disposition, or a series of related sales, leases, transfers, issuances or dispositions that are part of a common plan, of obsolete, surplus, or worn out equipment or other equipment and assets that are no longer useful in the conduct of the business of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries;
- (5) transactions permitted under Section 5.01 or a transaction that constitutes a Change of Control;
- (6) an issuance of Capital Stock or other securities by a Restricted Subsidiary to the Company, VZ Financing II, or an Affiliate Covenant Party or to another Restricted Subsidiary;
- (7) (a) for purposes of Section 4.10 only, the making of a Permitted Investment or a disposition permitted to be made under Section 4.07 or (b) solely for the purpose of Section 4.10(a)(3), a disposition, the proceeds of which are used to make Restricted Payments permitted to be made under the covenant described under Section 4.07 or Permitted Investments;
- (8) dispositions of assets of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, or the issuance or sale of Capital Stock of any Restricted Subsidiary in a single transaction or series of related transactions with an aggregate fair market value in any calendar year of less than the greater of €50.0 million and 3.0% of Total Assets (with unused amounts in any calendar year being carried over to the next succeeding year subject to a maximum of the greater of €50.0 million and 3.0% of Total Assets of carried over amounts for any calendar year);
- (9) dispositions in connection with Permitted Liens;
- (10) dispositions of receivables or related assets in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (11) the assignment, licensing or sublicensing of intellectual property or other general intangibles and assignments, licenses, sublicenses, leases or subleases of spectrum or other property;
- (12) foreclosure, condemnation or similar action with respect to any property, securities or other assets;
- (13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of receivables arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;
- (14) sales of accounts receivable and related assets or an interest therein of the type specified in the definition of “Qualified Receivables Transaction” to a Receivables Entity and Investments in a Receivables Entity consisting of cash or Securitization Obligations;
- (15) a transfer of Receivables and related assets of the type specified in the definition of “Qualified Receivables Transaction” (or a fractional undivided interest therein) by a Receivables Entity in a Qualified Receivables Transaction;
- (16) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;
- (17) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;
- (18) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (19) (a) disposals of assets, rights or revenue not constituting part of the Distribution Business of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries, and (b) other disposals of non-core assets acquired in connection with any acquisition permitted under this Agreement;

- (20) any disposition or expropriation of assets or Capital Stock which the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary is required by, or made in response to concerns raised by, a regulatory authority or court of competent jurisdiction;
- (21) any disposition of other interests in other entities in an amount not to exceed €10.0 million;
- (22) any disposition of real property; provided that the fair market value of the real property disposed of in any calendar year does not exceed the greater of €50.0 million and 3.0% of Total Assets (with unused amounts in any calendar year being carried over to the next succeeding year subject to a maximum of the greater of €50.0 million and 3.0% of Total Assets of carried over amounts for any calendar year);
- (23) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary to such Person;
- (24) any disposition of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; provided that any cash or Cash Equivalents received in such disposition is applied in accordance with the covenant described under Section 4.10;
- (25) any sale or disposition with respect to property built, repaired, improved, owned or otherwise acquired by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by this Agreement;
- (26) contractual arrangements under long-term contracts with customers entered into by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary in the ordinary course of business which are treated as sales for accounting purposes; provided that there is no transfer of title in connection with such contractual arrangement;
- (27) any sale or disposition of the Towers Assets;
- (28) any dispositions constituting the surrender of tax losses by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (A) to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary; (B) to the Ultimate Parent or any of its Subsidiaries (other than the Company, VZ Financing II, any Affiliate Covenant Party or a Restricted Subsidiary); or (C) in order to eliminate, satisfy or discharge any tax liability of a former member of any Affiliate of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary which has been disposed of pursuant to a disposition which is permitted under this Agreement, to the extent that the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary would have a liability (in the form of an indemnification obligation or otherwise) to one or more persons in relation to such tax liability if not so eliminated, satisfied or discharged; and
- (29) any other disposition of assets comprising in aggregate percentage value of 10% or less of Total Assets.

In the event that a transaction (or any portion thereof) meets the criteria of a disposition permitted under clauses (1) through (29) above and would also be a Restricted Payment permitted to be made under the covenant described under Section 4.07 or a Permitted Investment, the Company, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as a disposition permitted under clauses (1) through (29) above and/or one or more of the types of Restricted Payments permitted to be made under the covenant described under Section 4.07 or Permitted Investments.

“Bank Products” means (i) any facilities or services related to cash management, cash pooling, treasury, depository, overdraft, commodity trading or brokerage accounts, credit or debit card, p-cards (including purchasing cards or commercial cards), electronic funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade financial services or other cash management and cash pooling arrangements and (ii) daylight exposures of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in respect of banking and treasury arrangements entered into in the ordinary course of business.

“Bankruptcy Law” means Title 11, United States Bankruptcy Code of 1978, or any similar United States federal or state law or relevant law in any jurisdiction or organization or similar foreign law (including, without limitation, laws of England and Wales and Scotland, relating to moratorium, bankruptcy, insolvency, receivership, winding up, liquidation, reorganization or relief of debtors) or any amendment to, succession to or change in any such law.



“Board of Directors” means, as to any Person, the board of directors of such Person or any duly authorized committee thereof, or, in the case of the Company, its managing director; provided that if and for so long as the Company, VZ Financing II or an Affiliate Covenant Party is a Subsidiary of the Ultimate Parent, any action required to be taken under this Agreement by the Board of Directors of the Company, VZ Financing II or an Affiliate Covenant Party can, in the alternative, at the option of the Company, VZ Financing II or an Affiliate Covenant Party, be taken by the Board of Directors of Ultimate Parent.

“Business Division Transaction” means any creation or participation in any joint venture with respect to any assets, undertakings and/or businesses of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries which comprise all or part of the Company’s, VZ Financing II’s or an Affiliate Covenant Party’s or any Restricted Subsidiary’s business division (or its predecessor or successors), to or with any other entity or person whether or not the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries, excluding the contribution to (but not the use by) any joint venture of the backbone assets utilized by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries and excluding any Subsidiary included in or owned by the Company, VZ Financing II or an Affiliate Covenant Party or any Restricted Subsidiary’s business division but not engaged in the business of that division.

“Capital Stock” of any Person means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“Capitalized Lease Obligation” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty, provided that, upon a change in generally accepted accounting principles eliminating the difference in treatment of operating leases and capital leases, “capital lease” shall be deemed to be a leasing arrangement where the net present value of the payments (using an interest rate determined with reference to yield to maturity in the trading markets for the issue at the date of the lease of the Ziggo Bond Company B.V.’s senior notes with the longest maturity date at the date of the lease) exceeds 90.0% of the fair value of the asset.

“Cash Equivalents” means:

- (1) securities or obligations issued, insured or unconditionally guaranteed by the United States government, the government of the United Kingdom, the relevant member state of the European Union as of May 1, 2004 (each, a “Qualified Country”) or any agency or instrumentality thereof, in each case having maturities of not more than 24 months from the date of acquisition thereof;
- (2) securities or obligations issued by any Qualified Country, or any political subdivision of any such Qualified Country, or any public instrumentality thereof, having maturities of not more than 24 months from the date of acquisition thereof and, at the time of acquisition, having an investment grade rating generally obtainable from either S&P or Moody’s (or, if at any time neither S&P nor Moody’s shall be rating such obligations, then from another nationally recognized rating service in any Qualified Country);
- (3) commercial paper issued by any lender party to a Credit Facility or any bank holding company owning any lender party to a Credit Facility;
- (4) commercial paper maturing no more than 12 months after the date of acquisition thereof and, at the time of acquisition, having a rating of at least A-2 or P-2 from either S&P or Moody’s (or, if at any time neither S&P nor Moody’s shall be rating such obligations, an equivalent rating from another nationally recognized rating service in any Qualified Country);
- (5) time deposits, eurodollar time deposits, bank deposits, certificates of deposit or bankers’ acceptances maturing no more than two years after the date of acquisition thereof issued by any lender party to a Credit Facility or any other bank or trust company (x) having combined capital and surplus of not less than \$250.0 million in the case of U.S. banks and \$100.0 million (or the U.S. Dollar equivalent thereof) in the case of non-U.S. banks or (y) the long-term debt of which is rated at the time of acquisition thereof at least “A-” or the equivalent thereof by Standard & Poor’s Ratings Services, or “A-” or the equivalent thereof by Moody’s Investors Service, Inc. (or if at the time neither is issuing comparable ratings, then a comparable rating of another nationally recognized rating agency in any Qualified Country);

- (6) auction rate securities rated at least Aa3 by Moody's and AA- by S&P (or, if at any time either S&P or Moody's shall not be rating such obligations, an equivalent rating from another nationally recognized rating service in any Qualified Country);
- (7) repurchase agreements or obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1), (2) and (5) above entered into with any bank meeting the qualifications specified in clause (5) above or securities dealers of recognized national standing;
- (8) marketable short-term money market and similar funds (x) either having assets in excess of \$250.0 million (or U.S. Dollar equivalent thereof) or (y) having a rating of at least A-2 or P-2 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service in any Qualified Country);
- (9) interests in investment companies or money market funds, 95% of the investments of which are one or more of the types of assets or instruments described in clauses (1) through (8) above; and
- (10) in the case of investments by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary organized or located in a jurisdiction other than the United States or a member state of the European Union (or any political subdivision or territory thereof), or in the case of investments made in a country outside the United States, other customarily utilized high-quality investments in the country where such Restricted Subsidiary is organized or located or in which such Investment is made, all as conclusively determined in good faith by the Company, VZ Financing II or an Affiliate Covenant Party; provided that bank deposits and short term investments in local currency of any Restricted Subsidiary shall qualify as Cash Equivalents as long as the aggregate amount thereof does not exceed the amount reasonably estimated by such Restricted Subsidiary as being necessary to finance the operations, including capital expenditures, of such Restricted Subsidiary for the succeeding 90 days.

"Change of Control" means:

- (1) Parent Company (a) ceases to be the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of each of the Company, VZ Financing II and an Affiliate Covenant Party and (b) ceases, by virtue of any powers conferred by the articles of association or other documents regulating the Company, VZ Financing II and an Affiliate Covenant Party to, directly or indirectly, direct or cause the direction of management and policies of the Company, VZ Financing II and an Affiliate Covenant Party;
- (2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries taken as a whole to any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) other than a Permitted Holder; or
- (3) the adoption by the stockholders of the Company, VZ Financing II or an Affiliate Covenant Party of a plan or proposal for the liquidation or dissolution of the Company, VZ Financing II or an Affiliate Covenant Party, other than a transaction complying with the covenant described under Section 5.01;

*provided, however*, that a Change of Control shall not be deemed to have occurred pursuant to clause (1) of this definition upon the consummation of the Post-Closing Reorganization or a Spin-Off.

"Commodity Agreements" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person's common stock whether or not outstanding on the Signing Date, and includes, without limitation, all series and classes of such common stock.

"Company" means VZ Financing I B.V.

"Consolidated EBITDA" means, for any period, operating income (loss) determined on the basis of GAAP of the Company, VZ Financing II or an Affiliate Covenant Party and the Restricted Subsidiaries on Consolidated

basis, plus, at the option of the Company, VZ Financing II or an Affiliate Covenant Party (except with respect to clauses (1) and (2) below) the following (to the extent deducted from operating income (loss)):

- (1) Consolidated depreciation expense;
- (2) Consolidated amortization expense;
- (3) stock based compensation expense;
- (4) other non-cash charges reducing operating income (provided that if any such non-cash charge represents an accrual of or reserve for potential cash charges in any future period, the cash payment in respect thereof in such future period shall reduce operating income to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period) less other non-cash items of income increasing operating income (excluding any such non-cash item of income to the extent it represents (i) a receipt of cash payments in any future period, (ii) the reversal of an accrual or reserve for a potential cash item that reduced operating income in any prior period and (iii) any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase operating income in such prior period);
- (5) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);
- (6) effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) in such Person's Consolidated financial statements pursuant to GAAP (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or acquisition accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortization or write-off or write-down of amounts thereof, net of taxes;
- (7) any net gain (or loss) realized upon the sale, held for sale or other disposition of any asset or disposed operations of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or senior management of the Company);
- (8) the amount of Management Fees and other fees and related expenses (including Intra-Group Services) paid in such period to the Permitted Holders to the extent permitted by the covenant described under Section 4.11 of Schedule 22 (*Post-Fold-In Covenants*);
- (9) any reasonable expenses, charges or other costs related to any Equity Offering, Permitted Investment, acquisition, disposition, recapitalization or the Incurrence of any Indebtedness permitted by this Agreement, in each case, as determined in good faith by an Officer of the Company, VZ Financing II or an Affiliate Covenant Party;
- (10) any adjustments to reduce the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;
- (11) the amount of loss on the sale or transfer of any assets in connection with an asset securitization program, receivables factoring transaction or other receivables transaction (including, without limitation, a Qualified Receivables Transaction);
- (12) Specified Legal Expenses;
- (13) any net earnings or losses attributable to non-controlling interests;
- (14) share of income or loss on equity Investments;
- (15) any realized and unrealized gains or losses due to changes in fair value of equity Investments;
- (16) an amount equal to 100% of the up-front installation fees associated with commercial contract installations completed during the applicable reporting period, less any portion of such fees included in Consolidated Net Income for such period, provided that the amount of such fees, to the extent

amortized over the life of the underlying service contract, shall not be included in Consolidated Net Income in any future period;

- (17) any fees or other amounts charged or credited to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary related to Intra-Group Services may be excluded from the calculation of Consolidated EBITDA;
- (18) any charges or costs in relation to any long-term incentive plan and any interest component of pension or post-retirement benefits schemes;
- (19) Receivables Fees; and
- (20) any gross margin (revenue minus cost of goods sold) recognised by an Affiliate of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiaries in relation to the sale of goods and services in relation to the business of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiaries.

“Consolidated Net Income” means, for any period, the net income (loss) determined on the basis of GAAP of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries on a Consolidated basis; provided, however, that there will not be included in such Consolidated Net Income:

- (1) subject to the limitations contained in clause (2) below, any net income (loss) of any Person (other than the Company, VZ Financing II, or an Affiliate Covenant Party) if such Person is not a Restricted Subsidiary, except that (a) the Company’s, VZ Financing II’s, or an Affiliate Covenant Party’s equity in the net income (loss) of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below) and (b) the Company’s VZ Financing II’s, or an Affiliate Covenant Party’s equity in a net loss of any such Person (other than an Unrestricted Subsidiary) for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary;
- (2) solely for the purpose of determining the amount available for Restricted Payments under Section 4.07(a)(C)(i), any net income (loss) of any Restricted Subsidiary if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company, VZ Financing II, or an Affiliate Covenant Party by operation of the terms of such Restricted Subsidiary’s charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to this Agreement and the other Finance Documents, (c) restrictions in effect on the Signing Date with respect to a Restricted Subsidiary (including pursuant to this Agreement, the other Finance Documents, the Payables Financing Program Documents, the Existing Senior Secured Notes Indentures or the Existing Credit Agreement, and in each case, any related documentation) and other restrictions with respect to any Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Lender than restrictions in effect on the Signing Date and (d) restrictions as in effect on the Signing Date specified in Section 4.08(b)(8), or restrictions specified in Section 4.08(b)(10), except that the net income (loss) of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company, VZ Financing II, an Affiliate Covenant Party or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);
- (3) any net gain (or loss) realized upon the sale, held for sale or other disposition of any asset or disposed operations of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary which is not sold or otherwise disposed of in the ordinary course of business (as conclusively determined in good faith by the Board of Directors or senior management of the Company, VZ Financing II or an Affiliate Covenant Party);
- (4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion

bonuses, transaction costs, acquisition costs, disposition costs, business optimization, information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or postretirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

- (5) at the option of the Company, VZ Financing II or an Affiliate Covenant Party, any adjustments to reduce or eliminate the impact of the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies;
- (6) any stock-based compensation expense;
- (7) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness and any net gain (loss), including financing costs that are expensed as incurred, from any extinguishment, modification, exchange or forgiveness of Indebtedness;
- (8) any unrealized gains or losses in respect of Hedging Obligations;
- (9) any goodwill, other intangible or tangible asset impairment charge or write-off;
- (10) the impact of capitalized interest on Subordinated Shareholder Loans;
- (11) any derivative instruments gains or losses, foreign exchange gains or losses, and gains or losses associated with fair value adjustment on financial instruments;
- (12) at the option of the Company, VZ Financing II, or an Affiliate Covenant Party, effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) pursuant to GAAP (including inventory, property, equipment, software, goodwill, intangible assets, in process research and development, deferred revenue and debt line items) attributable to the application of recapitalization accounting or purchase accounting, as the case may be, in relation to any consummated acquisition or joint venture investment or the amortization or write-off or write-down of amounts thereof, net of taxes;
- (13) accruals and reserves that are established or adjusted within twelve months after the closing date of any acquisition that are so required to be established or adjusted as a result of such acquisition in accordance with GAAP; and
- (14) any expenses, charges or losses to the extent covered by insurance or indemnity and actually reimbursed, or, so long as the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is in fact reimbursed within 365 days of the date of the insurable or indemnifiable event (net of any amount so added back in any prior period to the extent not so reimbursed within the applicable 365-day period).

In addition, to the extent not already included in the Consolidated Net Income, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted under this Agreement.

“Consolidated Net Leverage Ratio”, as of any date of determination, means the ratio of:

- (1) (a) the outstanding Indebtedness of the Company, VZ Financing II, any Affiliate Covenant Party and the Restricted Subsidiaries on a Consolidated basis, and the Reserved Indebtedness Amount (to the extent applicable) as of such date other than:
  - (i) Indebtedness up to a maximum amount equal to the Credit Facility Excluded Amount (or its equivalent in other currencies) at the date of determination Incurred under any Permitted Credit Facility;
  - (ii) Subordinated Shareholder Loans;
  - (iii) any Indebtedness incurred pursuant to Section 4.09(b)(20);
  - (iv) any Indebtedness arising under the Production Facilities to the extent that it is limited recourse to the assets funded by such Production Facilities); and
  - (v) any Indebtedness which is a contingent obligation of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary, provided that (A) for the purpose of calculating the



Consolidated Net Leverage Ratio under Section 4.09(b)(13) and (B) for the purpose of calculating the Consolidated Net Leverage Ratio for the Incurrence of Indebtedness under Section 4.09(a)(1)(b) and Section 4.09(b)(6)(a) and (b) (including, for the avoidance of doubt, the granting of any Lien with respect to such Indebtedness pursuant to clause (41)(b) of the definition of “Permitted Liens”) only (but not for any other purpose under this Agreement), any guarantee by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary of Indebtedness of a Parent shall be included in determining any such outstanding Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries;

*less* (b) the aggregate amount of cash and Cash Equivalents of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries on a Consolidated basis, to

(2) the Pro forma EBITDA for the Test Period;

*provided, however*, that the *pro forma* calculation of the Consolidated Net Leverage Ratio shall not give effect to (a) any Indebtedness Incurred on the date of determination pursuant to Section 4.09(b) or (b) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in Section 4.09(b).

For the avoidance of doubt, in (i) determining Consolidated Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Indebtedness in respect of which the calculation of the Consolidated Net Leverage Ratio is to be made and (ii) in connection with any Limited Condition Transaction, the Consolidated EBITDA and all outstanding Indebtedness of any company or business division or other assets to be acquired or disposed of pursuant to a signed purchase agreement (which may be subject to one or more conditions precedent) may be given pro forma effect for the purpose of Calculating the Consolidated Net Leverage Ratio.

“Consolidation” means the consolidation or combination of the accounts of each of the Company’s Restricted Subsidiaries (excluding the Affiliate Subsidiaries) with those of the Company, each of VZ Financing II’s Restricted Subsidiaries (excluding the Affiliate Subsidiaries) with those of VZ Financing II and each of an Affiliate Covenant Party’s Restricted Subsidiaries (excluding the Affiliate Subsidiaries) with those of such Affiliate Covenant Party, in each case, in accordance with GAAP consistently applied and together with the accounts of the Affiliate Subsidiaries on a combined basis (including eliminations of intercompany transactions and balances, as appropriate); *provided, however*, that “Consolidation” will not include (i) consolidation or combination of the accounts of any Unrestricted Subsidiary, but the interest of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in an Unrestricted Subsidiary will be accounted for as an investment and (ii) at the election of the Company, VZ Financing II or an Affiliate Covenant Party, any Receivables Entity. The term “Consolidated” has a correlative meaning.

“Content” means any rights to broadcast, transmit, distribute or otherwise make available for viewing, exhibition or reception (whether in analogue or digital format and whether as a channel or an internet service, a teletext-type service, an interactive service, or an enhanced television service or any part of any of the foregoing, or on a pay-per-view basis, or near video-on-demand, or video-on-demand basis or otherwise) any one or more of audio and/or visual images, audio content, or interactive content (including hyperlinks, re-purposed web-site content, database content plus associated templates, formatting information and other data including any interactive applications or functionality), text, data, graphics, or other content, by means of any means of distribution, transmission or delivery system or technology (whether now known or hereinafter invented).

“Credit Facility” means, one or more debt facilities or arrangements, instruments, trust deeds, note purchase agreements, indentures, commercial paper facilities or overdraft facilities (including, without limitation, the facilities made available under the Existing Credit Agreement, any Permitted Credit Facility and any Production Facility) with banks or other institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, notes, bonds, debentures or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions or investors and whether provided under this Agreement, any Permitted Credit Facility, the Existing Credit Agreement, a Production Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including but not limited to

any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement or instrument (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

“Credit Facility Excluded Amount” means the greater of (1) €400 million (or its equivalent in other currencies) and (2) 0.25 multiplied by the Pro Forma EBITDA of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries on a Consolidated basis for the Test Period.

“Currency Agreement” means, in respect of a Person, any foreign exchange contract, currency swap agreement, futures contract, option contract, derivative or other similar agreement as to which such Person is a party or a beneficiary.

“Designated Non-Cash Consideration” means the fair market value (as conclusively determined in good faith by the Board of Directors or senior management of the Company, VZ Financing II, or an Affiliate Covenant Party) of non-cash consideration received by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under Section 4.10.

“Disqualified Stock” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary); or
- (3) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the Termination Date of the Facilities, *provided that* only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; provided, further that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company, VZ Financing II, or an Affiliate Covenant Party to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in this Agreement) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) provide that the Company, VZ Financing II and an Affiliate Covenant Party may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by the Company, VZ Financing II, or an Affiliate Covenant Party with Section 4.10 and clause 7.3 of this Agreement, and such repurchase or redemption complies with Section 4.07.

“Distribution Business” means: (1) the business of upgrading, constructing, creating, developing, acquiring, operating, owning, leasing and maintaining cable television networks (including for avoidance of doubt master antenna television, satellite master antenna television, single and multi-channel microwave single or multi-point distribution systems and direct-to-home satellite systems) for the transmission, reception and/or delivery of multi-channel television and radio programming, telephony and internet and/or data services to the residential markets; or (2) any business which is incidental to or related to such business.

“Equity Offering” means (1) the distribution of Capital Stock of the Spin Parent in connection with any Spin-Off, or (2) a sale of (a) Capital Stock of the Company, VZ Financing II, or an Affiliate Covenant Party

(other than Disqualified Stock), or (b) Capital Stock the proceeds of which are contributed as equity share capital to the Company, VZ Financing II, or an Affiliate Covenant Party or as Subordinated Shareholder Loans, or (c) Subordinated Shareholder Loans.

“Escrowed Proceeds” means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term “Escrowed Proceeds” shall include any interest earned on the amounts held in escrow.

“European Union” means the European Union, including member states as of May 1, 2004 but excluding any country which became or becomes a member of the European Union after May 1, 2004.

“Euro Equivalent” means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Company, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in The Financial Times in the “Currency Rates” section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Board of Directors or senior management of the Company, VZ Financing II, or an Affiliate Covenant Party) on the date of such determination.

“European Government Obligations” means any security that is (1) a direct obligation of Ireland, Belgium, the Netherlands, France, The Federal Republic of Germany or any other country that is a member of the European Monetary Union on the Signing Date, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Excluded Contribution” means Net Cash Proceeds or property or assets received by the Company, VZ Financing II, or an Affiliate Covenant Party as capital contributions or Subordinated Shareholder Loans to the Company, VZ Financing II, or an Affiliate Covenant Party after May 7, 2010 or from the issuance or sale (other than to a Restricted Subsidiary) of Capital Stock (other than Disqualified Stock) of the Company, VZ Financing II, or an Affiliate Covenant Party, in each case to the extent designated as an Excluded Contribution pursuant to an Officers’ Certificate of the Company, VZ Financing II or an Affiliate Covenant Party.

“Existing Credit Agreement” refers collectively to the facilities granted from time to time under the senior facilities agreement dated March 5, 2015, between, among others, The Bank of Nova Scotia as facility agent, Ziggo B.V. and Ziggo Financing Partnership as borrowers, certain lenders party thereto and ING Bank N.V. as security agent, as amended or supplemented from time to time.

“Existing Senior Notes” means, collectively, the 7.125% Senior Notes due 2024, originally issued by LGE Holdco VI B.V. and assumed by Ziggo Bond Company B.V., the 4.625% Senior Notes due 2025, originally issued by Ziggo Bond Finance B.V. and assumed by Ziggo Bond Company B.V., the 5.875% Senior Notes due 2025, originally issued by Ziggo Bond Finance B.V. and assumed by Ziggo Bond Company B.V. and the 6% Senior Notes due 2027, originally issued by Ziggo Bond Finance B.V. and assumed by Ziggo Bond Company B.V..

“Existing Senior Secured Notes” means the 3⅝% Senior Secured Notes due 2020 issued by Ziggo B.V., the 3¾% Senior Secured Notes due 2025 originally issued by Ziggo Secured Finance B.V. and assumed by Ziggo B.V., the 4¼% Senior Secured Notes due 2027 originally issued by Ziggo Secured Finance B.V. and assumed by Ziggo B.V. and the 5½% Senior Secured Notes due 2027 originally issued by Ziggo Secured Finance B.V. and assumed by Ziggo B.V..

“Existing Senior Secured Notes Indentures” means the indentures for the Existing Senior Secured Notes.

“fair market value” unless otherwise specified, wherever such term is used in this Agreement (except as otherwise specifically provided in this Agreement), may be conclusively established by means of an Officer’s Certificate of the Company, VZ Financing II, or an Affiliate Covenant Party setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

“GAAP” means generally accepted accounting principles in the United States of America as in effect as of the Signing Date or, for purposes of Section 4.03, as in effect from time to time; provided that at any date after the Signing Date the Company, VZ Financing II, or an Affiliate Covenant Party may make an election to establish that “GAAP” shall mean GAAP as in effect on a date that is on or prior to the date of such election. Except as otherwise expressly provided below or in this Agreement, all ratios and calculations based on GAAP contained in this Agreement shall be computed in conformity with GAAP. At any time after the Signing Date, the Company, VZ Financing II, or an Affiliate Covenant Party may elect to apply for all purposes of this Agreement, in lieu of GAAP, IFRS and, upon such election, references to GAAP herein will be construed to mean IFRS as in effect on the Signing Date; provided that (1) all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of IFRS as in effect from time to time (including that, upon first reporting its fiscal year results under IFRS, the financial statements of the Reporting Entity shall be restated on the basis of IFRS for the year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of IFRS), and (2) from and after such election, all ratios, computations and other determinations based on GAAP contained in this Agreement shall, at the option of the Company, VZ Financing II, or an Affiliate Covenant Party, (a) continue to be computed in conformity with GAAP (provided that, following such election, the annual and quarterly information required by Section 4.03(a)(1) and Section 4.03(a)(2) shall include a reconciliation, either in the footnotes thereto or in a separate report delivered therewith, of such GAAP presentation to the corresponding IFRS presentation of such financial information), or (b) be computed in conformity with IFRS with retroactive effect being given thereto assuming that such election had been made on the Signing Date. Thereafter, the Company, VZ Financing II, or an Affiliate Covenant Party may, at its option, elect to apply GAAP or IFRS and compute all ratios, computations and other determinations based on GAAP or IFRS, as applicable, all on the basis of the foregoing provisions of this definition of GAAP.

“guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term “guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “guarantee” used as a verb has a corresponding meaning.

“guarantor” means the obligor under a guarantee.

“Hedging Obligations” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Commodity Agreement or Currency Agreement.

“Holding Company” means, in relation to a Person, an entity of which that Person is a Subsidiary.

“IFRS” means the accounting standards issued by the International Accounting Standards Board and its predecessors.

“Incur” means issue, create, assume, guarantee, incur or otherwise become liable for; *provided*, however, that any Indebtedness or Capital Stock of a Person existing at the time such person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing; *provided, further*, that any Indebtedness pursuant to any revolving credit or similar facility shall only be “Incurred” at the time any funds are borrowed thereunder, subject to the definition of “Reserved Indebtedness Amount” (as defined in Section 4.09) and related provisions; and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing.

“Indebtedness” means, with respect to any Person (and with respect to the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries, on a consolidated basis) on any date of determination (without duplication):

- (1) money borrowed or raised and debit balances at banks;



- (2) any bond, note, loan stock, debenture or similar debt instrument;
- (3) acceptance or documentary credit facilities; and
- (4) the principal component of Indebtedness of other Persons to the extent guaranteed by such Person to the extent not otherwise included in the Indebtedness of such Person,

*provided* that Indebtedness which has been cash collateralized shall not be included in any calculation of Indebtedness to the extent so cash collateralized.

Notwithstanding the foregoing, “Indebtedness” shall not include (a) any deposits or prepayments received by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary from a customer or subscriber for its service and any other deferred or prepaid revenue, (b) any obligations to make payments in relation to earn-outs, (c) Indebtedness which is in the nature of equity (other than shares redeemable at the option of the holder) or equity derivatives, (d) Capitalized Lease Obligations, (e) receivables sold or discounted, whether recourse or non-recourse, including for the avoidance of doubt any indebtedness in respect of Qualified Receivables Transactions, including without limitation guarantees by a Receivables Entity of the obligations of another Receivables Entity and any indebtedness in respect of Limited Recourse, (f) pension obligations or any obligation under employee plans or employment agreements, (g) any “parallel debt” obligations to the extent such obligations mirror other Indebtedness (h) any payments or liability for assets acquired or services supplied deferred (including Trade Payables) (including, without limitation, any liability under an IRU Contract), (i) other than a transaction specified under (1) to (4) above, any other transaction (including without limitation forward sale or purchase agreements) having the commercial effect of any of (1) to (3) above, (j) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (including, in each case, any accrued dividends), (k) Hedging Obligations and (l) any Non-Recourse Indebtedness. The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

“Independent Financial Advisor” means an accounting, appraisal or investment banking firm of nationally recognized standing that is, in the good faith judgment of the Board of Directors or senior management of the Company, VZ Financing II or an Affiliate Covenant Party, qualified to perform the task for which it has been engaged.

“Initial Public Offering” means an Equity Offering of common stock or other common equity interests of the Company, VZ Financing II, an Affiliate Covenant Party, the Spin Parent or any direct or indirect parent company of the Company, VZ Financing II or an Affiliate Covenant Party (the “IPO Entity”) following which there is a Public Market and, as a result of which, the shares of the common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market (including, for the avoidance of doubt, any such Equity Offering of common stock or other common equity interest of the Spin Parent in connection with any Spin-off).

“Interest Rate Agreement” means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

“Intra-Group Services” means any of the following (provided that the terms of each such transaction are not materially less favorable, taken as a whole, to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction in arm’s length dealings with a Person that is not an Affiliate) (or, in the event that there are no comparable transactions to apply for comparative purposes, is otherwise on terms that, taken as a whole, the Company, VZ Financing II or an Affiliate Covenant Party has conclusively determined in good faith to be fair to the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary):

- (1) the sale of programming or other content by the Ultimate Parent, Liberty Global, the Spin Parent or any of their respective Subsidiaries to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary;
- (2) the lease or sublease of office space, other premises or equipment by the Company, VZ Financing II, an Affiliate Covenant Party or the Restricted Subsidiaries to the Ultimate Parent, Liberty Global, the



Spin Parent or any of their respective Subsidiaries or by the Ultimate Parent, Liberty Global, the Spin Parent or any of their respective Subsidiaries to the Company, VZ Financing II, an Affiliate Covenant Party or the Restricted Subsidiaries; and

- (3) the provision or receipt of other goods, services, facilities or other arrangements (in each case not constituting Indebtedness) in the ordinary course of business, by the Company, VZ Financing II, an Affiliate Covenant Party or the Restricted Subsidiaries to or from the Ultimate Parent, Liberty Global, the Spin Parent or any of their respective Subsidiaries, including, without limitation, (a) the employment of personnel, (b) provision of employee healthcare or other benefits, including stock and other incentive plans, (c) acting as agent to buy or develop equipment, other assets or services or to trade with residential or business customers, and (d) the provision of treasury, audit, accounting, banking, strategy, IT, branding, marketing, network, technology, research and development, telephony, office, administrative, compliance, payroll or other similar services; and
- (4) the extension by or to the Company, VZ Financing II, an Affiliate Covenant Party or the Restricted Subsidiaries to or by the Ultimate Parent, Liberty Global or any of their respective Subsidiaries of trade credit not constituting Indebtedness in relation to the provision or receipt of Intra-Group Services referred to in paragraphs (1), (2) or (3) of this definition of Intra-Group Services.

“Investment” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan (other than advances or extensions of credit to customers in the ordinary course of business) or other extensions of credit (including by way of guarantee or similar arrangement, but excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP; provided that none of the following will be deemed to be an Investment:

- (1) Hedging Obligations entered into in the ordinary course of business;
- (2) endorsements of negotiable instruments and documents in the ordinary course of business; and
- (3) an acquisition of assets, Capital Stock or other securities by the Company, VZ Financing II, an Affiliate Covenant Party or a Subsidiary for consideration to the extent such consideration consists of Common Stock of the Company, VZ Financing II, an Affiliate Covenant Party or a Parent.

For purposes of the definition of “Unrestricted Subsidiary” and Section 4.07:

- (1) “Investment” will include the portion (proportionate to the Company’s, VZ Financing II’s, or an Affiliate Covenant Party’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company, VZ Financing II and an Affiliate Covenant Party at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company, VZ Financing II, or an Affiliate Covenant Party will be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company’s, VZ Financing II’s, or an Affiliate Covenant Party’s “Investment” in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company’s, VZ Financing II’s, or an Affiliate Covenant Party’s equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors or senior management of the Company, VZ Financing II, or an Affiliate Covenant Party in good faith) of such Subsidiary at the time that such Subsidiary is so redesignated a Restricted Subsidiary; and
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer (or if earlier at the time of entering into an agreement to sell such property), in each case as conclusively determined in good faith by the Board of Directors or senior management of the Company, VZ Financing II or an Affiliate Covenant Party.

If the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary transfers, conveys, sells, leases or otherwise disposes of Voting Stock of a Restricted Subsidiary such that such Subsidiary is no longer a Restricted Subsidiary, then the Investment of the Company, VZ Financing II or an Affiliate Covenant Party in such Person shall be deemed to have been made as of the date of such transfer or other disposition in an amount equal to the fair market value (as conclusively determined in good faith by the Board of Directors or

senior management of the Company, VZ Financing II or an Affiliate Covenant Party). The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company, VZ Financing II or an Affiliate Covenant Party's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's, VZ Financing II's or an Affiliate Covenant Party's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"Investment Grade Securities" means:

- (1) securities issued by the U.S. government or by any agency or instrumentality thereof (other than Cash Equivalents) or directly and fully guaranteed or insured by the U.S. government and in each case with maturities not exceeding two years from the date of the acquisition;
- (2) securities issued by or a member of the European Union as of January 1, 2004, or any agency or instrumentality thereof (other than Cash Equivalents) or directly and fully guaranteed or insured by a member of the European Union as of January 1, 2004, and in each case with maturities not exceeding two years from the date of the acquisition;
- (3) debt securities or debt instruments with a rating of A or higher by Standard & Poor's Ratings Services or A-2 or higher by Moody's Investors Service, Inc. or the equivalent of such rating by such rating organization, or if no rating of Standard & Poor's Ratings Services or Moody's Investors Service, Inc. then exists, the equivalent of such rating by any other nationally recognized securities ratings agency, by excluding any debt securities or instruments constituting loans or advances among the Company, VZ Financing II, an Affiliate Covenant Party and their respective Subsidiaries;
- (4) investments in any fund that invests exclusively in investments of the type described in clauses (1) through (3) which fund may also hold immaterial amounts of cash and Cash Equivalents pending investment and/or distribution; and
- (5) corresponding instruments in countries other than those identified in clauses (1) and (2) above customarily utilized for high quality investments and, in each case, with maturities not exceeding two years from the date of the acquisition.

"Investment Grade Status" shall occur when the Facilities or the corporate rating of the VodafoneZiggo Group receive any two of the following:

- (1) a rating of "Baa3" (or the equivalent) or higher from Moody's Investors Service, Inc. or any of its successors or assigns;
- (2) a rating of "BBB-" (or the equivalent) or higher from Standard & Poor's Ratings Services, or any of its successors or assigns; and/or
- (3) a rating of "BBB-" (or the equivalent) or higher from Fitch Ratings Inc. or any of its successors or assigns,

in each case, with a "stable outlook" from such rating agency.

"IPO Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold or distributed in such Initial Public Offering.

"IRU Contract" means a contract entered into by the Company, VZ Financing II, an Affiliate Covenant Party or the Restricted Subsidiaries in the ordinary course of business in relation to the right to use capacity on a telecommunications cable system (including the right to lease such capacity to another person).

"Joint Venture Parent" means the joint venture entity formed in a Parent Joint Venture Transaction.

"Liberty Global" means Liberty Global plc and any and all successors thereto.

"Lien" means any assignment, mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

“Local GAAP” means generally accepted accounting principles of the jurisdiction of the Senior Notes Issuer as in effect from time to time.

“Limited Condition Transaction” means (i) any Investment or acquisition, in each case, by one or more of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries of any assets, business or Person whose consummation of which is not conditioned on the availability of, or on obtaining, third party financing, (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment and (iii) any Restricted Payment.

“Limited Recourse” means a letter of credit, revolving loan commitment, cash collateral account, guarantee or other credit enhancement issued by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary (other than a Receivables Entity) in connection with the incurrence of Indebtedness by a Receivables Entity under a Qualified Receivables Transaction; provided that, the aggregate amount of such letter of credit reimbursement obligations and the aggregate available amount of such revolving loan commitments, cash collateral accounts, guarantees or other such credit enhancements of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries (other than a Receivables Entity) shall not exceed 25% of the principal amount of such Indebtedness at any time.

“Management Fees” means any management, consultancy, stewardship or other similar fees payable by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, including any fees, charges and related expenses incurred by any Parent on behalf of and/or charged to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary.

“Market Capitalization” means an amount equal to (i) the total number of issued and outstanding shares of Capital Stock of the IPO Entity on the date of the declaration of the relevant dividend, multiplied by (ii) the arithmetic mean of the closing prices per share of such Capital Stock for the 30 consecutive trading days immediately preceding the date of the declaration of such dividend.

“Net Available Cash” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or instalment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;
- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary after such Asset Disposition.

“Net Cash Proceeds” means, with respect to any issuance or sale of Capital Stock, Subordinated Shareholder Loans or other capital contributions, the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“New Holdco” means the direct or indirect Subsidiary of the Ultimate Parent following the Post-Closing Reorganizations.

“Non-Recourse Indebtedness” means any indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (and not of any other Person), in respect of which the Person or Persons to whom such indebtedness is or may be owed has or have no recourse whatsoever to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary for any payment or repayment in respect thereof:

- (1) other than recourse to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary which is limited solely to the amount of any recoveries made on the enforcement of any collateral securing such indebtedness or in respect of any other disposition or realization of the assets underlying such indebtedness;
- (2) provided that such Person or Persons are not entitled, pursuant to the terms of any agreement evidencing any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding up, dissolution or administration of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (or proceedings having an equivalent effect) or to appoint or cause the appointment of any receiver, trustee or similar person or officer in respect of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary or any of its assets until after the Notes have been repaid in full; and
- (3) provided further that the principal amount of all indebtedness Incurred and then outstanding pursuant to this definition does not exceed the greater of (i) €250.0 million and (ii) 5.0% of Total Assets.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the Finance Documents.

“Officer” of any Person means the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Deputy Chief Financial Officer, the President, any Vice President, any Managing Director, any Director, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary or any authorized signatory of such Person.

“Officers’ Certificate” means a certificate signed by one or more Officers.

“Opinion of Counsel” means a written opinion from legal counsel who is reasonably acceptable to the Administrator. The counsel may be an employee of or counsel to the Company, VZ Financing II, an Affiliate Covenant Party or the Administrator.

“ordinary course of business” means the ordinary course of business of the VodafoneZiggo Group and/or the Ultimate Parent and its Subsidiaries.

“Parent” means (i) the Ultimate Parent, (ii) any Subsidiary of the Ultimate Parent of which the Company, VZ Financing II or an Affiliate Covenant Party is a Subsidiary on the Signing Date, (iii) any other Person of which the Company, VZ Financing II or an Affiliate Covenant Party at any time is or becomes a Subsidiary after the Signing Date (including, for the avoidance of doubt, the Spin Parent and any Subsidiary of the Spin Parent following any Spin-Off) and (iv) any Joint Venture Parent, any Subsidiary of the Joint Venture Parent and any Parent Joint Venture Holders following any Parent Joint Venture Transaction.

“Parent Company” means VodafoneZiggo Group B.V.; *provided*, however, that (1) upon consummation of the Post-Closing Reorganization, “Parent Company” will mean New Holdco and its successors, and (2) upon consummation of a Spin-Off in which VodafoneZiggo Group B.V. is no longer a Parent of the Company and VZ Finance II (or if a Permitted Affiliate Designation Date has occurred, a common Parent of the Company, VZ Finance II and any Affiliate Covenant Party), “Parent Company” will mean a Parent of the Company and VZ Finance II (or if a Permitted Affiliate Designation Date has occurred, a common Parent of the Company, VZ Finance II and any Affiliate Covenant Party) designated by the Company, VZ Finance II or any Affiliate Covenant Party and any successors of such Parent and (3) following a Permitted Affiliate Group Designation Date, “Parent Company” will mean a common Parent of the Company, VZ Finance II and such Affiliate Covenant Party designated by the Company, VZ Finance II or any Affiliate Covenant Party, and any successors of such Parent; *provided that*, the Company will promptly provide written notice to the Administrator (acting on behalf of the Lender) of any Parent elected pursuant to clauses (2) and (3).

“Parent Expenses” means:

- (1) costs (including all professional fees and expenses) Incurred by any Parent or any Subsidiary of a Parent in connection with reporting obligations under or otherwise Incurred in connection with

compliance with applicable laws, applicable rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Finance Documents or any other agreement or instrument relating to Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary;

- (2) indemnification obligations of any Parent or any Subsidiary of a Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person with respect to its ownership of the Company, VZ Financing II or an Affiliate Covenant Party or the conduct of the business of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries;
- (3) obligations of any Parent or any Subsidiary of a Parent in respect of director and officer insurance (including premiums therefor) with respect to its ownership of the Company, VZ Financing II or an Affiliate Covenant Party or the conduct of the business of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries;
- (4) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Parent or Subsidiary of a Parent related to the ownership, stewardship or operation of the business (including, but not limited to, Intra-Group Services) of the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries, including acquisitions or dispositions or treasury transactions by the Company, VZ Financing II, an Affiliate Covenant Party or the Subsidiaries permitted hereunder (whether or not successful) in each case, to the extent such costs, obligations and/or expenses are not paid by another Subsidiary of such Parent; and
- (5) fees and expenses payable by any Parent in connection with any the Post-Closing Reorganizations.

“Parent Joint Venture Holders” means the holders of the share capital of the Joint Venture Parent.

“Parent Joint Venture Transaction” means a transaction pursuant to which a joint venture is formed by the contribution of some or all of the assets of a Parent or issuance or sale of shares of a Parent to one or more entities which are not Affiliates of the Ultimate Parent.

“Payables Financing Program Documents” means the Framework Assignment Agreement, the Accounts Payable Management Services Agreement, the Discounted Payments Purchase Agreements, and the documents ancillary thereto (including, without limitation, supply contracts), each as may be amended, amended and/or restated, supplemented or otherwise modified from time to time.

“Permitted Asset Swap” means the concurrent purchase and sale or exchange of related business assets (including, without limitation, securities of a Related Business) or a combination of such assets, cash and Cash Equivalents between the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries and another Person.

“Permitted Business” means any business:

- (1) that consists of the upgrade, construction, creation, development, marketing, acquisition (to the extent permitted under this Agreement), operation, utilization and maintenance of networks that use existing or future technology for the transmission, reception and delivery of voice, video and/or other data (including networks that transmit, receive and/or deliver services such as multi channel television and radio, programming, telephony (including for the avoidance of doubt, mobile telephony), Internet services and content, high speed data transmission, video, multi media and related activities);
- (2) engaged in by any Parent, any Subsidiary of any Parent, the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries on the Signing Date;
- (3) or other activities that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses in which any Parent, any Subsidiary of any Parent, the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries are engaged on the Signing Date, including, without limitation, all forms of television, telephony (including for the avoidance of doubt, mobile telephony) and internet services and any services relating to carriers, networks, broadcast or communications services, or Content; or
- (4) that comprises being a Holding Company of one or more Persons engaged in any such business.

“Permitted Credit Facility” means, one or more debt facilities or arrangements (including, without limitation, this Agreement and the Existing Senior Credit Facility) that may be entered into by the Company,



VZ Financing II, an Affiliate Covenant Party or the Restricted Subsidiaries providing for credit loans, letters of credit or other Indebtedness or other advances, in each case, Incurred in compliance with Section 4.09.

“Permitted Financing Action” means, (i) to the extent that any incurrence of Indebtedness or Refinancing Indebtedness is permitted pursuant to Section 4.09, any transaction to facilitate or otherwise in connection with a cashless rollover of one or more lenders’ or investors’ commitments or funded Indebtedness in relation to the incurrence of that Indebtedness or Refinancing Indebtedness and/or (ii) any transaction with the Lender contemplated by or otherwise in connection with the Transaction Documents and the transactions related thereto.

“Permitted Holders” means, collectively, (1) the Ultimate Parent, (2) in the event of a Spin-Off, the Spin Parent and any Subsidiary of the Spin Parent, (3) any Affiliate or Related Person of a Permitted Holder described in clauses (1) or (2) above, and any successor to such Permitted Holder, Affiliate, or Related Person, (4) any Person who is acting as an underwriter in connection with any public or private offering of Capital Stock of the Company, VZ Financing II or an Affiliate Covenant Party, acting in such capacity and (5) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) whose acquisition of “beneficial ownership” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of Voting Stock or of all or substantially all of the assets of the Company and the Restricted Subsidiaries (taken as a whole) constitutes a Change of Control in respect of which a change of Control Prepayment Offer is made in accordance with this Agreement and which the Company, VZ Financing II or any Affiliate Covenant Party complies with the requirements of the Existing Senior Secured Notes Indentures (or any similar terms in an instrument or agreement governing Senior Indebtedness) with respect to the requirement to make a Change of Control Offer (as defined in the Existing Senior Secured Notes Indentures).

“Permitted Investment” means an Investment by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in:

- (1) the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (other than a Receivables Entity) or a Person which will, upon the making of such Investment, become a Restricted Subsidiary or an Affiliate Covenant Party (other than a Receivables Entity);
- (2) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary (other than a Receivables Entity);
- (3) cash and Cash Equivalents or Investment Grade Securities;
- (4) receivables owing to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Company, VZ Financing II, an Affiliate Covenant Party or any such Restricted Subsidiary deems reasonable under the circumstances;
- (5) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) loans or advances to employees made in the ordinary course of business consistent with past practices of the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary;
- (7) Capital Stock, obligations, accounts receivables or securities received in settlement of debts created in the ordinary course of business and owing to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization, workout, recapitalization or similar arrangement including upon the bankruptcy or insolvency of a debtor;
- (8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including without limitation an Asset Disposition, in each case, that was made in compliance with Section 4.01 and other Investments resulting from the disposition of assets in transactions excluded from the definition of “Asset Disposition” pursuant to the exclusions from such definition;
- (9) any Investment existing on the Signing Date or made pursuant to binding commitments in effect on the Signing Date or an Investment consisting of any extension, modification, replacement, renewal or reinvestment of any Investment or binding commitment existing on the Signing Date or made in

compliance with Section 4.07; provided, that the amount of any such Investment or binding commitment may be increased (a) as required by the terms of such Investment or binding commitment as in existence on the Signing Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted under this Agreement;

- (10) Currency Agreements, Commodity Agreements and Interest Rate Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with this Agreement;
- (11) Investments by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries, together with all other Investments pursuant to this clause (11), in an aggregate amount at the time of such Investment not to exceed the greater of €350.0 million and 5.0% of Total Assets at any one time; provided that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under Section 4.07, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause;
- (12) Investments by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary in a Receivables Entity or any Investment by a Receivables Entity in any other Person, in each case, in connection with a Qualified Receivables Transaction, *provided*, however, that any Investment in any such Person is in the form of a Purchase Money Note, or any equity interest or interests in Receivables and related assets generated by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary and transferred to any Person in connection with a Qualified Receivables Transaction or any such Person owning such Receivables;
- (13) guarantees issued in accordance with Section 4.09 and other guarantees (and similar arrangements) of obligations not constituting Indebtedness;
- (14) pledges or deposits (a) with respect to leases or utilities provided to third parties in the ordinary course of business or (b) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under Section 4.12;
- (15) the Existing Senior Secured Notes;
- (16) so long as no Default or Event of Default of the type specified in Section 6.01(a)(1) or Section 6.01(a)(2) has occurred and is continuing, (a) minority Investments in any Person engaged in a Permitted Business and (b) Investments in joint ventures that conduct a Permitted Business to the extent that, after giving pro forma effect to any such Investment, the Consolidated Net Leverage Ratio would not exceed 5.00 to 1.00;
- (17) any Investment to the extent made using as consideration Capital Stock of the Company, VZ Financing II, an Affiliate Covenant Party (other than Disqualified Stock), Subordinated Shareholder Loans or Capital Stock of any Parent;
- (18) Investments acquired after the Signing Date as a result of the acquisition by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary, including by way of merger, amalgamation or consolidation with or into the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in a transaction that is not prohibited by the covenant described above under Section 5.01 after the Signing Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;
- (19) Investments in Securitization Obligations;
- (20) Investments resulting from the disposition of assets in transactions excluded from the definition of “Asset Disposition” pursuant to the exclusions from such definition;
- (21) any Person where such Investment was acquired by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary (a) in exchange for any other Investment or accounts receivable held by the Company, VZ Financing II, an Affiliate Covenant Party or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Company, VZ Financing II, an Affiliate Covenant Party or any such Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; and

- (22) any transaction to the extent constituting an Investment that is permitted and made in accordance with the Section 4.11(b) (except those transactions described in Section 4.11(b)(1), Section 4.11(b)(5), Section 4.11(b)(9) and Section 4.11(b) (19) of that paragraph).
- (23) Investments in or constituting Bank Products;
- (24) Investments consisting of purchases and acquisitions of inventory, supplies, material, services or equipment or purchases of contract rights or licenses or leases of intellectual property;
- (25) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements;
- (26) advances in the form of a prepayment of expenses, so long as such expenses are being paid in accordance with customary trade terms of the Company, VZ Financing II, any Affiliate Covenant Party or its Restricted Subsidiaries;
- (27) Investments by the Company, VZ Financing II, any Affiliate Covenant Party or a Restricted Subsidiary in any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business;
- (28) Investments by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in connection with any start-up financing or seed funding of any Person, provided that, together with all other Investments pursuant to this clause (28) in an aggregate amount at the time of such Investment, the aggregate amount of all such start-up financing or seed funding does not exceed an amount equal to the greater of (i) €25 million and (ii) 1.00% of Total Assets provided further that, if such an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Section 4.07, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause; and
- (29) Permitted Joint Ventures.

“Permitted Joint Ventures” means one or more joint ventures formed (a) by the contribution of some or all of the assets of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary pursuant to a Business Division Transaction to a joint venture formed by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries with one or more joint venture partners and/or (b) for the purposes of network and/or infrastructure sharing with one or more joint venture partners.

“Permitted Liens” means:

- (1) Liens on Receivables and related assets of the type described in the definition of “Qualified Receivables Transaction” Incurred in connection with a Qualified Receivables Transaction, and Liens on Investments in Receivables Entities;
- (2) pledges or deposits by such Person under workmen’s compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;
- (3) Liens imposed by law, including carriers’, warehousemens’, mechanics’, landlords’, materialmens’, repairmens’, construction and other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;
- (4) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings;
- (5) Liens in favor of issuers of surety, bid or performance bonds or with respect to other regulatory requirements or trade or government contracts or to secure leases or permits, licenses, statutory or regulatory obligations, or letters of credit or bankers’ acceptances or similar obligations issued pursuant to the request of and for the account of such Person in the ordinary course of its business;
- (6) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property or assets over which the Company, VZ Financing II, any Affiliate Covenant

Party or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto (including, without limitation, the right reserved to or vested in any governmental authority by the terms of any lease, license, franchise, grant or permit acquired by the Company, VZ Financing II, any Affiliate Covenant Party or any of its Restricted Subsidiaries or by any statutory provision to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof), (b) minor survey exceptions, encumbrances, trackage rights, special assessments,, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries, and (c) any condemnation or eminent domain proceedings affecting any real property;

- (7) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be Incurred under the Finance Documents, secured by a Lien on the same property securing such Hedging Obligation
- (8) leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) which do not materially interfere with the ordinary conduct of the business of the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries;
- (9) Liens arising out of judgments, decrees, orders or awards so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (10) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Obligations, Purchase Money Obligations or other payments Incurred to finance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business (including Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business) provided that such Liens do not encumber any other assets or property of the Company, VZ Financing II, an Affiliate Covenant Party or the Restricted Subsidiaries other than such assets or property and assets affixed or appurtenant thereto.
- (11) Liens (i) arising solely by virtue of any statutory or common law provisions or customary business provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository institution, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, (iii) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to brokerage accounts incurred in the ordinary course of business and not for speculative purposes or (iv) deposits made in the ordinary course of business to secure liability to insurance carriers;
- (12) Liens arising from United States Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries in the ordinary course of business;
- (13) Liens existing on, or provided for under written arrangements existing on, the Signing Date;
- (14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (including Liens created, incurred or assumed in connection with or in contemplation of such acquisition or transaction); provided, however, that any such Lien may not extend to any other property owned by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary; (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition on property of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);
- (15) Liens on property at the time the Company, VZ Financing II, any Affiliate Covenant Party or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into any Restricted Subsidiary (including Liens created, incurred or assumed in connection with or in contemplation of such acquisition or transaction); provided, however, that such

Liens may not extend to any other property owned by the Company, VZ Financing II, any Affiliate Covenant Party or such Restricted Subsidiary (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition on property of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);

- (16) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary;
- (17) Liens to secure (A) Indebtedness that is permitted to be Incurred under Section 4.09(a) or Section 4.09(b)(1), Section 4.09(b)(3), Section 4.09(b)(6), Section 4.09(b)(7), Section 4.09(b)(12), Section 4.09(b)(15), Section 4.09(b)(18) and Section 4.09(b)(20) and guarantees thereof, and (B) Indebtedness that does not constitute Subordinated Obligations that is permitted to be Incurred under Section 4.09(b)(6) and guarantees thereof; provided that, at the time of the acquisition or other transaction pursuant to which such Indebtedness was Incurred and after giving effect to the Incurrence of such Indebtedness on a pro forma basis, (i) the Company, VZ Financing II, any Affiliate Covenant Party and the Restricted Subsidiaries would have been able to Incur £1.00 of additional Indebtedness pursuant to Section 4.09(a) or (ii) the Consolidated Net Leverage Ratio would not be greater than it was immediately prior to giving pro forma effect to such acquisition or other transaction and to the Incurrence of such Indebtedness) and (C) any Refinancing Indebtedness in respect of Indebtedness referred to in the forgoing clauses (A) and (B);
- (18) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien hereunder;
- (19) any interest or title of a lessor under any Capitalized Lease Obligation or operating leases;
- (20) Liens on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;
- (21) Liens in respect of the ownership interests in, or assets owned by, any joint ventures or similar arrangements securing obligations of such joint ventures or similar agreements;
- (22) Liens over rights under loan agreements relating to, or over notes or similar instruments evidencing, the on-loan of proceeds received by a Restricted Subsidiary from the issuance of Indebtedness, which Liens are created to secure payment of such Indebtedness;
- (23) Liens on assets or property of a Restricted Subsidiary that is not a Covenant Party securing Indebtedness of any Restricted Subsidiary that is not a Covenant Party permitted by Section 4.09;
- (24) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers or escrow agent thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose;
- (25) Liens securing Indebtedness Incurred under any Permitted Credit Facility;
- (26) Liens consisting of any right of set-off granted to any financial institution acting as a lockbox bank in connection with a Qualified Receivables Transaction;
- (27) Liens for the purpose of perfecting the ownership interests of a purchaser of Receivables and related assets pursuant to any Qualified Receivables Transaction;
- (28) Liens arising in connection with other sales of Receivables permitted hereunder without recourse to the Company, VZ Financing II or an Affiliate Covenant Party or any of the Restricted Subsidiaries;
- (29) Liens in respect of Bank Products or to implement cash pooling arrangements or arising under the general terms and conditions of banks with whom the Company, VZ Financing II or an Affiliate Covenant Party or any Restricted Subsidiary maintains a banking relationship or to secure cash management and other banking services, netting and set-off arrangements, and encumbrances over credit balances on bank accounts to facilitate operation of such bank accounts on a cash-pooled and net balance basis (including any ancillary facility under any Credit Facility or other accommodation comprising of more than one account) and Liens of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary under the general terms and conditions of banks and financial institutions entered into in the ordinary course of banking or other trading activities;



- (30) any Liens in respect of the ownership interests in, or assets owned by, any joint ventures securing obligations of such joint ventures;
- (31) any encumbrance or restriction (including, but not limited to, put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (32) cash deposits or other Liens for the purpose securing Limited Recourse;
- (33) Liens on equipment of the Company, VZ Financing II, the Affiliate Covenant Party or any Restricted Subsidiary granted in the ordinary course of business to a client of the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary at which such equipment is located;
- (34) subdivision agreements, site plan control agreements, development agreements, servicing agreements, cost sharing, reciprocal and other similar agreements with municipal and other governmental authorities affecting the development, servicing or use of a property; provided the same are complied with in all material respects except as such non-compliance does not interfere in any material respect as determined in good faith by the Issuer with the business of the Company, VZ Financing II, an Affiliate Covenant and its Subsidiaries taken as a whole;
- (35) facility cost sharing, servicing, reciprocal or other similar agreements related to the use and/or operation a property in the ordinary course of business; provided the same are complied with in all material respects;
- (36) deemed trusts created by operation of law in respect of amounts which are (i) not yet due and payable, (ii) immaterial, (iii) being contested in good faith and by appropriate proceedings and for which appropriate reserves have been established in accordance with GAAP or (iv) unpaid due to inadvertence after exercising due diligence;
- (37) Liens on cash or Cash Equivalents, Investments or other property arising in connection with the defeasance, discharge or redemption of Indebtedness provided that such defeasance, discharge or redemption is permitted under this Agreement;
- (38) Liens encumbering deposits made in the ordinary course of business to secure liability to insurance carriers;
- (39) Liens (a) over the segregated trusts accounts set up to fund productions, (b) required to be granted over productions to secure production grants by regional and/or national agencies promoting film production in the relevant regional and/or national jurisdiction and (c) over assets relating to specific productions funded by Production Facilities;
- (40) Liens Incurred with respect to obligations that do not exceed the greater of (a) €250.0 million and (b) 5.0% of Total Assets at any time outstanding; and
- (41) Liens to secure (a) any Indebtedness that is permitted to be Incurred under Section 4.09(a)(2) or Section 4.09(b)(19), (b) any Indebtedness that constitutes Subordinated Obligations that is permitted to be Incurred under Section 4.09(b)(6) and guarantees thereof; provided that, at the time of the acquisition or other transaction pursuant to which such Indebtedness was incurred and after giving effect to the Incurrence of such Indebtedness on a pro forma basis, (i) the Company, any Permitted Affiliate Parent and the Restricted Subsidiaries would have been able to incur £1.00 of additional Indebtedness pursuant to Section 4.09(a) or (ii) the Consolidated Net Leverage Ratio would not be greater than it was immediately prior to giving pro forma effect to such acquisition or other transaction and to the Incurrence of such Indebtedness) and (c) any Refinancing Indebtedness in respect of Indebtedness referred to in the forgoing clauses (a) and (b).

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision hereof or any other entity.

“Post-Closing Reorganizations” means a distribution or other transfer of VodafoneZiggo Group B.V. or the Reporting Entity and their Subsidiaries to the Ultimate Parent or a direct or indirect Subsidiary of the Ultimate Parent through one or more mergers, transfers, consolidations or other similar transactions, and/or (ii) the issuance by VodafoneZiggo Group B.V. or the Reporting Entity of Capital Stock to the Ultimate Parent or a direct or indirect Subsidiary of the Ultimate Parent and, as consideration therefor, the assignment or transfer by the Ultimate Parent or such direct or indirect Subsidiary of the Ultimate Parent of assets to VodafoneZiggo Group B.V. or the Reporting Entity.

“Preferred Stock”, as applied to the Capital Stock of any corporation, partnership, limited liability company or other entity, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such entity, over shares of Capital Stock of any other class of such entity.

“Production Facilities” means any bilateral facilities provided to the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary to finance a production.

“Pro forma EBITDA” means, for any period, the Consolidated EBITDA of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries, provided, however, that for the purposes of calculating Pro forma EBITDA for such period, if, as of such date of determination:

- (1) since the beginning of such period the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary will have made any Asset Disposition or disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a “Sale”) or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is such a Sale, Pro forma EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;
- (2) since the beginning of such period the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise acquires any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “Purchase”) including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and
- (3) since the beginning of such period any Person (that became a Restricted Subsidiary or was merged with or into the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For purposes of this definition and determining compliance with any provision of the Finance Documents that requires the calculation of any financial ratio or test, (a) whenever pro forma effect is to be given to any transaction or calculation, the pro forma calculations will be as determined conclusively in good faith by a responsible financial or accounting officer of the Company (including without limitation in respect of anticipated expense and cost reductions) including, without limitation, as a result of, or that would result from any actions taken, committed to be taken or with respect to which substantial steps have been taken, by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary including, without limitation, in connection with any cost reduction synergies or cost savings plan or program or in connection with any transaction, investment, acquisition, disposition, restructuring, corporate reorganization or otherwise (regardless of whether these cost savings and cost reduction synergies could then be reflected in pro forma financial statements to the extent prepared), (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period and (c) interest on any Indebtedness that bears interest at a floating rate and that is being given pro forma effect shall be calculated as if the rate in effect on the date of calculation had been applicable for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness).

For the avoidance of doubt, in connection with any Limited Condition Transaction, the Consolidated EBITDA and all outstanding Indebtedness of any company or business division or other assets to be acquired or disposed of pursuant to a signed purchase agreement (which may be subject to one or more conditions precedent) may be given *pro forma* effect for the purpose of Calculating the Consolidated Net Leverage Ratio.

“Public Debt” means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act,

whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale. The term “Public Debt”, for the avoidance of doubt, shall not be construed to include any Indebtedness issued to institutional investors in a direct placement of such Indebtedness that is not underwritten by an intermediary (it being understood that, without limiting the foregoing, a financing that is distributed to not more than ten Persons (provided that multiple managed accounts and affiliates of any such Persons shall be treated as one Person for the purposes of this definition) shall be deemed not to be underwritten), or any Indebtedness under, the Existing Credit Agreement, a Permitted Credit Facility, a Production Facility, commercial bank or similar Indebtedness, Capitalized Lease Obligation or recourse transfer of any financial asset or any other type of Indebtedness incurred in a manner not customarily viewed as a “securities offering”.

“Public Market” means any time after an Equity Offering has been consummated, shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €75 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

“Public Offering” means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include any offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

“Public Offering Expenses” means expenses Incurred by any Parent in connection with any public offering of Capital Stock or Indebtedness (whether or not successful):

- (1) where the net proceeds of such offering are intended to be received by or contributed or loaned to the Company, VZ Financing II, an Affiliate Covenant Party or a Restricted Subsidiary; or
- (2) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received, contributed or loaned; or
- (3) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company, VZ Financing II, an Affiliate Covenant Party or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed, in each case, to the extent such expenses are not paid by another Subsidiary of such Parent.

“Purchase Money Note” means a promissory note of a Receivables Entity evidencing the deferred purchase price of Receivables (and related assets) and/or a line of credit, which may be irrevocable, from the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in connection with a Qualified Receivables Transaction with a Receivables Entity, which note is intended to finance that portion of the purchase price that is not paid in cash or a contribution of equity and which (a) is repayable from cash available to the Receivables Entity, other than (i) amounts required to be established as reserves pursuant to agreements, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and (iv) amounts owing to such investors and amounts paid in connection with the purchase of newly generated Receivables and (b) may be subordinated to the payments described in clause (a).

“Purchase Money Obligations” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“Qualified Receivables Transaction” means any transaction or series of transactions that may be entered into by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries pursuant to which the Company, VZ Financing II, an Affiliate Covenant Party or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (1) a Receivables Entity (in the case of a transfer by the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries) and (2) any other Person (in the case of a transfer by a Receivables Entity), or may grant a Lien in, any Receivables (whether now existing or arising in the future) of the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such Receivables and other assets which are customarily transferred, or in respect of which Liens are customarily granted, in connection with asset securitization involving Receivables and any Hedging Obligations entered into by the Company, VZ Financing II, an Affiliate Covenant Party or any such Restricted Subsidiary in connection with such Receivables.

“Receivable” means a right to receive payment arising from a sale or lease of goods or the performance of services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit and shall include, in any event, any items of property that would be classified as an “account”, “chattel paper”, “payment intangible” or “instrument” under the Uniform Commercial Code as in effect in the State of New York and any “supporting obligations” as so defined.

“Receivables Entity” means a Subsidiary of the Company, VZ Financing II, or an Affiliate Covenant Party (or another Person in which the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary makes an Investment or to which the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary transfers Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables and which is designated by the Board of Directors or senior management of the Company (as provided below) as a Receivables Entity:

- (1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which:
  - (a) is guaranteed by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings);
  - (b) is recourse to or obligates the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings;
  - (c) subjects any property or asset of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings; or
  - (d) except, in each such case, Indebtedness or any other obligations (contingent or otherwise) that are Limited Recourse and which constitute a Permitted Liens as defined in clauses (1), (26), (27), (28) and (32) of the definition thereof;
- (2) with which neither the Company, VZ Financing II, an Affiliate Covenant Party nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding (except in connection with a Purchase Money Note or Qualified Receivables Transaction) other than on terms not materially less favorable to the Company, VZ Financing II, an Affiliate Covenant Party or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, VZ Financing II or an Affiliate Covenant Party, other than fees payable in the ordinary course of business in connection with servicing Receivables; and
- (3) to which neither the Company, VZ Financing II, an Affiliate Covenant Party nor any Restricted Subsidiary has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results (other than those related to or incidental to the relevant Qualified Receivables Transaction), except for Limited Recourse and which constitute a Permitted Lien pursuant to clauses (1), (26), (27), (28), (32) and (38) of the definition thereof.

Any such designation by the Board of Directors or senior management of the Company, VZ Financing II or any Affiliate Covenant Party shall be evidenced to the Administrator (acting on behalf of the Lender) by promptly delivering to the Administrator (acting on behalf of the Lender) a certified copy of the resolution of the Board of Directors of the Company, VZ Financing II, or an Affiliate Covenant Party giving effect to such designation and an Officers’ Certificate certifying that such designation complied with the foregoing conditions.

“Receivables Fees” means reasonable distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Receivables Entity in connection with, any Qualified Receivables Transaction.

“Receivables Repurchase Obligation” means any obligation of a seller of Receivables in a Qualified Receivables Transaction to repurchase Receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Refinancing Indebtedness” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) (collectively, “refinance”,

“refinances”, and “refinanced” shall have a correlative meaning) any Indebtedness existing on the Signing Date or Incurred in compliance with this Agreement (including Indebtedness of the Company, VZ Financing II, or an Affiliate Covenant Party that refinances Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary, Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company, VZ Financing II, an Affiliate Covenant Party of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness, including successive refinancings; *provided, however*, that:

- (1) if the Indebtedness being refinanced constitutes Subordinated Obligations, (a) if the Stated Maturity of the Indebtedness being refinanced is earlier than the Termination Date of the Facilities, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being refinanced or (b) if the Stated Maturity of the Indebtedness being refinanced is later than the Termination Date of the Facilities, the Refinancing Indebtedness has a Stated Maturity later than the Termination Date of the Facilities;
- (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced plus an amount to pay any interest, fees and expenses, premiums and defeasance costs, Incurred in connection therewith; and
- (3) if the Indebtedness being refinanced constitutes Subordinated Obligations, such Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms at least as favorable to the Lender as those contained in the documentation governing the Indebtedness being refinanced.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of all or any part of any such Credit Facility or other Indebtedness.

“Related Business” means any business that is the same as or related, ancillary or complementary to any of the businesses of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries on the Signing Date.

“Related Person” with respect to any Permitted Holder, means:

- (1) any controlling equity holder or majority (or more) owned Subsidiary of such Permitted Holder; or
- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or
- (3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein.

“Related Taxes” means:

- (1) any taxes, including but not limited to sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar taxes (other than (x) taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid by any Parent by virtue of its:
  - (a) being organized or incorporated or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than the Company, VZ Financing II, an Affiliate Covenant Party or any of the Company’s, VZ Financing II’s or an Affiliate Covenant Party’s Subsidiaries), or
  - (b) being a holding company parent of the Company, VZ Financing II, an Affiliate Covenant Party or any of the Company’s, VZ Financing II’s or an Affiliate Covenant Party’s Subsidiaries, or
  - (c) receiving dividends from or other distributions in respect of the Capital Stock of the Company, VZ Financing II, an Affiliate Covenant Party, or any of the Company’s, VZ Financing II’s or an Affiliate Covenant Party’s Subsidiaries, or



- (d) having guaranteed any obligations of the Company, VZ Financing II, an Affiliate Covenant Party or any Subsidiary of the Company, VZ Financing II or an Affiliate Covenant Party, or
- (e) having made any payment in respect to any of the items for which the Company, VZ Financing II, or an Affiliate Covenant Party is permitted to make payments to any Parent pursuant to Section 4.07,

in each case, to the extent such taxes are not paid by another Subsidiary or such Parent; and

- (2) any taxes measured by income for which any Parent is liable up to an amount not to exceed with respect to such taxes the amount of any such taxes that the Company, VZ Financing II, an Affiliate Covenant Party and their Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company, VZ Financing II, an Affiliate Covenant Party and their Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company, VZ Financing II, an Affiliate Covenant Party and their Subsidiaries and any taxes imposed by way of withholding on payments made by one Parent to another Parent on any financing that is provided, directly or indirectly in relation to the Company, VZ Financing II, an Affiliate Covenant Party and their Subsidiaries (reduced by any taxes measured by income actually paid by the Company, VZ Financing II, an Affiliate Covenant Party and their Subsidiaries).

“Reporting Entity” refers to (i) VodafoneZiggo Group B.V., or (ii) following the accession of any Affiliate Covenant Party, VodafoneZiggo Group B.V. or a common Parent of the Company, VZ Financing II and that Affiliate Covenant Party.

“Restricted Investment” means any Investment other than a Permitted Investment.

“Restricted Subsidiary” means any Subsidiary of the Company, VZ Financing II, or an Affiliate Covenant Party, together with any Affiliate Subsidiaries, other than an Unrestricted Subsidiary.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Securitization Obligation” means any Indebtedness or other obligation of any Receivables Entity.

“Senior Indebtedness” means, whether outstanding on the Signing Date or thereafter Incurred, all amounts payable by, under or in respect of all other Indebtedness of the Obligor, including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to each Obligor at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; *provided, however*, that Senior Indebtedness will not include:

- (1) any Indebtedness Incurred in violation of this Agreement;
- (2) any obligation of the Company, VZ Financing II, or an Affiliate Covenant Party to any Restricted Subsidiary or any obligation of any Guarantor to the Company, VZ Financing II, or an Affiliate Covenant Party or any Restricted Subsidiary;
- (3) any liability for taxes owed or owing by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary;
- (4) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities);
- (5) any Indebtedness, guarantee or obligation of an Obligor that is expressly subordinate or junior in right of payment to any other Indebtedness, guarantee or obligation of an Obligor, including, without limitation, any Subordinated Obligation; or
- (6) any Capital Stock.

“Significant Subsidiary” means any Restricted Subsidiary which, together with the Restricted Subsidiaries of such Restricted Subsidiary, accounted for more than 10% of Total Assets as of the end of the most recently completed fiscal year.

“Solvent Liquidation” means any voluntary liquidation, winding up or corporate reconstruction involving the business or assets of, or shares of (or other interests in) any Subsidiary of VodafoneZiggo Group B.V.; provided that, to the extent the Subsidiary of VodafoneZiggo Group B.V. involved in such Solvent Liquidation is a Guarantor, the Successor Company assumes all the obligations of that Guarantor under this Agreement, the other Finance Documents and, the Payables Financing Program Documents, to which such Guarantor was a party prior to the Solvent Liquidation unless such Successor Company is an existing Guarantor.

“Specified Legal Expenses” means, to the extent not constituting an extraordinary, non-recurring or unusual loss, charge or expense, all attorneys’ and experts’ fees and expenses and all other costs, liabilities (including all damages, penalties, fines and indemnification and settlement payments) and expenses paid or payable in connection with any threatened, pending, completed or future claim, demand, action, suit, proceeding, inquiry or investigation (whether civil, criminal, administrative, governmental or investigative).

“Spin-Off” means a transaction by which all outstanding ordinary shares and/or equity of the Company, VZ Financing II or an Affiliate Covenant Party or a Parent of the Company, VZ Financing II or an Affiliate Covenant Party, directly or indirectly owned by the Ultimate Parent are distributed to (x) all of the Ultimate Parent’s shareholders, or (y) all of the shareholders comprising one or more group of the Ultimate Parent’s shareholders as provided by the Ultimate Parent’s articles of association, in each case, either directly or indirectly through the distribution of shares in a company holding the Company’s, VZ Financing II’s or an Affiliate Covenant Party’s shares or a Parent’s shares.

“Spin Parent” means the Person the shares of which are distributed to the shareholders of the Ultimate Parent pursuant to the Spin-Off.

“Standard Securitization Undertakings” means representations, warranties, covenants and indemnities entered into by the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary which are reasonably customary in securitization of Receivables transactions, including, without limitation, those relating to the servicing of the assets of a Receivables Entity and Limited Recourse, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Stated Maturity” means, with respect to any advance, loan, security or other evidence of indebtedness, the date specified in such security as the fixed date on which the payment of principal of such advance, loan, security or other evidence of indebtedness is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“Subordinated Obligation” means in the case of the Company, VZ Financing II or any Affiliate Covenant Party, any Indebtedness (including a guarantee of Indebtedness) of the Company, VZ Financing II or any Affiliate Covenant Party, as applicable, (whether outstanding on the Signing Date or thereafter Incurred) which is by its terms subordinate or junior in right of payment to the Obligations pursuant to a written agreement and, in the case of a Guarantor, any Indebtedness (including a guarantee of Indebtedness) of such Guarantor (whether outstanding on the Signing Date or thereafter Incurred) which is by its terms subordinate or junior in right of payment to the Guarantee of such Guarantor pursuant to a written agreement.

“Subordinated Shareholder Loans” means Indebtedness of the Company, VZ Financing II, or an Affiliate Covenant Party (and any security, other than Capital Stock, into which such Indebtedness is convertible or for which it is exchangeable at the option of the holder) issued to and held by any Affiliate (other than the Company, VZ Finance II, an Affiliate Covenant Party or a Restricted Subsidiary) that (either pursuant to its terms or pursuant to an agreement with respect thereto):

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Termination Date of the Facilities (other than through conversion or exchange of such Indebtedness into Capital Stock (other than Disqualified Stock) of the Company, VZ Financing II, or an Affiliate Covenant Party, as applicable, or any Indebtedness meeting the requirements of this definition);
- (2) does not require, prior to the first anniversary of the Termination Date of the Facilities, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions that are effective, and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment prior to the first anniversary of the Termination Date of the Facilities;

- (4) does not provide for or require any Lien or encumbrance over any asset of the Company, VZ Financing II, an Affiliate Covenant Party or any of the Restricted Subsidiaries;
- (5) is subordinated in right of payment to the prior payment in full of the Obligations in the event of (a) a total or partial liquidation, dissolution or winding up of the Company, VZ Financing II, such Affiliate Covenant Party or such Restricted Subsidiary, as applicable, (b) a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or VZ Financing II or their property or any Affiliate Covenant Party and its property or such Restricted Subsidiary and its property, as applicable, (c) an assignment for the benefit of creditors or (d) any marshalling of the assets and liabilities of the Company, VZ Financing II, such Affiliate Covenant Party or such Restricted Subsidiary, as applicable;
- (6) under which the Company, VZ Financing II, or an Affiliate Covenant Party, as applicable, may not make any payment or distribution of any kind or character with respect to any obligations on, or relating to, such Subordinated Shareholder Loans if (a) a payment Default on the Facilities occurs and is continuing or (b) any other Default under this Agreement occurs and is continuing that permits the Lender to accelerate its outstanding Loan and the Company receives notice of such Default from the Administrator (acting on behalf of the Lender), until in each case the earliest of (i) the date on which such Default is cured or waived or (ii) 180 days from the date such Default occurs (and only once such notice may be given during any 360 day period); and
- (7) under which, if the holder of such Subordinated Shareholder Loans receives a payment or distribution with respect to such Subordinated Shareholder Loan (a) other than in accordance with this Agreement or as a result of a mandatory requirement of applicable law or (b) under circumstances described under clauses (5)(a) through (d) above, such holder will forthwith pay all such amounts to the Administrator (acting on behalf of the Lender) to be held in trust for application in accordance with the Finance Documents.

“Subsidiary” of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless as the context may require or as otherwise specified herein, each reference to a Subsidiary will refer to a Subsidiary of the Company, VZ Financing II, or an Affiliate Covenant Party, as applicable.

“Test Period” means the period of the most recent two consecutive fiscal quarters for which, at the option of the Company, VZ Financing II or an Affiliate Covenant Party (i) financial statements have previously been furnished to the Lenders pursuant to Section 4.03 or (ii) internal financial statements of the Reporting Entity are available immediately preceding the date of determination, multiplied by 2.0.

“Total Assets” means the Consolidated total assets of the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries as shown on the most recent balance sheet (excluding the footnotes thereto) of the Reporting Entity (and, in the case of any determination relating to any Incurrence of Indebtedness or any Restricted Payment, on a pro forma basis including any property or assets being acquired in connection therewith).

“Towers Assets” means:

- (1) all present and future wireless and broadcast towers and tower sites that host or assist in the operation of plant and equipment used for transmitting telecommunications signals, being tower and tower sites that are owned by or vested in the Company, VZ Financing II, an Affiliate Covenant Party or any Restricted Subsidiary (whether pursuant to title, rights in rem, leases, rights of use, site sharing rights, concession rights or otherwise) and include, without limitation, any and all towers and tower sites under construction;
- (2) all rights (including, without limitation, rights in rem, leases, rights of use, site sharing rights and concession rights), title, deposits (including, without limitation, deposits placed with landlords, electricity boards and transmission companies) and interest in, or over, the land or property on which such towers and tower sites referred to in clause (1) above have been or will be constructed or erected or installed;

- (3) all current assets relating to the towers or tower sites referred to in paragraph (1) above, whether movable, immovable or incorporeal;
- (4) all plant and equipment customarily treated by telecommunications operators as forming part of the towers or tower sites referred to in paragraph (1) above, including, in particular, but without limitation, the electricity power connections, utilities, diesel generator sets, batteries, power management systems, air conditioners, shelters and all associated civil and electrical works;
- (5) all permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property and powers of every kind, nature and description whatsoever, whether from government bodies or otherwise, pertaining to or relating to paragraphs (1) to (4) above; and
- (6) shares or other interests in Tower Companies.

“Tower Company” means a company or other entity whose principal activity relates to Towers Assets and substantially all of whose assets are Towers Assets.

“Trade Payables” means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

“Ultimate Parent” means (1) Liberty Global plc and any and all successors thereto or (2) upon consummation of a Spin-Off, “Ultimate Parent” will mean the Spin Parent and its successors, and (3) upon consummation of a Parent Joint Venture Transaction, “Ultimate Parent” will mean each of the top tier Parent entities of the Parent Joint Venture Holders and their successors.

“Unrestricted Subsidiary” means:

- (1) any Subsidiary of the Company, VZ Financing II, or an Affiliate Covenant Party that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Company in the manner provided below; and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company, VZ Financing II, or an Affiliate Covenant Party may designate any Subsidiary of the Company, VZ Financing II, or an Affiliate Covenant Party (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger or consolidation or Investment therein) to be an Unrestricted Subsidiary only if:

- (a) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of or have any Investment in, or own or hold any Lien on any property of, any other Subsidiary of the Company, VZ Financing II, or an Affiliate Covenant Party which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and
- (b) such designation and the Investment of the Company, VZ Financing II, or an Affiliate Covenant Party in such Subsidiary complies with Section 4.07.

Any such designation by the Board of Directors of the Company, VZ Financing II, or an Affiliate Covenant Party shall be evidenced to the Administrator (acting on behalf of the Lender) by promptly filing with the Administrator (acting on behalf of the Lender) an Officers’ Certificate certifying that such designation complies with the foregoing conditions. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Agreement and any Indebtedness of such Subsidiary shall be deemed to be Incurred as of such date.

The Board of Directors of the Company, VZ Financing II, or an Affiliate Covenant Party may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and either (1) the Company, VZ Financing II, an Affiliate Covenant Party and the Restricted Subsidiaries could Incur at least €1.00 of additional Indebtedness under Section 4.09(a) or (2) the Consolidated Net Leverage Ratio would be no greater than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation.

“U.S. Government Obligations” means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

“VodafoneZiggo Group” means VodafoneZiggo Group B.V. together with its consolidated subsidiaries.

“Voting Stock” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

“Wholly Owned Subsidiary” means (1) in respect of any Person, a Person, all of the Capital Stock of which (other than (a) directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law, regulation or to ensure limited liability and (b) in the case of a Receivables Entity, shares held by a Person that is not an Affiliate of the Company, VZ Financing II or an Affiliate Covenant Party solely for the purpose of permitting such Person (or such Person’s designee) to vote with respect to customary major events with respect to such Receivables Entity, including without limitation the institution of bankruptcy, insolvency or other similar proceedings, any merger or dissolution, and any change in charter documents or other customary events) is owned by that Person directly or (2) indirectly by a Person that satisfies the requirements of clause (1).



**SCHEDULE 8**  
**FORM OF INCREASE CONFIRMATION**

To: [●], as Administrator  
[●], as Borrower and Guarantor  
[●], as Guarantors  
From: [●], as Lender  
Dated: [●]

**[●] facilities agreement dated [●] 2019 between, among others, VZ Financing I B.V. (as Borrower), VodafoneZiggo Group B.V and VZ Financing II B.V. (as Original Guarantors), and [●] (as Lender) (the Facilities Agreement)**

1. We refer to the Facilities Agreement and the final offering circular dated [●] (the “**Offering Circular**”), related to the Lender’s offer and sale of £[●] million of its [●] (the “**New Notes**”). This agreement (this “**Agreement**”) shall take effect as an Increase Confirmation for the purpose of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 2.4 (*Increase*) of the Facilities Agreement.
3. The Lender agrees to assume and will assume all of the obligations corresponding to the Commitments specified in Schedule A (*Relevant Commitments/rights and obligations to be assumed by the Lender*) (the “**Relevant Commitments**”).
4. The proposed date on which the increase in relation to the Lender and the Relevant Commitments is to take effect (the “**Increase Date**”) is the date of this Agreement.
5.
  - 5.1 The Lender will only be obliged to comply with Clause 6 below if the Administrator (on behalf of the Lender) has received (or waived receipt of) all of the documents and other evidence listed in Schedule B (*Conditions Precedent to Signing this Agreement*) in a form that appears in the opinion of the Administrator (on behalf of the Lender) acting reasonably to comply with the requirements therein. The Administrator (on behalf of the Lender) shall notify the Borrower promptly upon being so satisfied.
  - 5.2 Other than to the extent that the Lender notifies the Administrator in writing to the contrary before the Administrator gives the notification described in Clause 5.1 above, the Lender authorises (but does not require) the Administrator to give that notification. The Administrator shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.
  - 5.3 Furthermore, the Lender will only be obliged to comply with Clause 6 below if on the proposed Utilisation Date (i) no Drawstop Event has occurred and is continuing and (ii) no Notes Acceleration Event has occurred.
6. Subject to Clause 5 above, the Lender shall lend and the Borrower shall borrow by 4 p.m. on the Increase Date:
  - 6.1 in respect of the Interest Facility, an amount in Sterling equal to the increase in the Interest Facility Commitment specified in Schedule A (*Relevant Commitments/rights and obligations to be assumed by the Lender*);
  - 6.2 in respect of the Excess Cash Facility and subject to Clause 8 below, €[●] (the “**New Notes Excess Cash Facility Amount**”); and
  - 6.3 in respect of the Issue Date Facility and pursuant to Clause 5.2(c) of the Facilities Agreement, an amount in Sterling equal to the increase in the Issue Date Facility Commitment specified in Schedule A (*Relevant Commitments/rights and obligations to be assumed by the Lender*) (which all the parties to this Agreement agree and acknowledge shall be made available on a cashless basis in accordance with the terms of the Issue Date Arrangements Agreement (as defined in the Offering Circular)).
7. Each Guarantor, by its execution of this Agreement, accepts this agreement, acknowledges and agrees to the increase in the Total Commitments pursuant to this Agreement and confirms that its obligations under the Facilities Agreement as a Guarantor, including, without limitation, pursuant to Clause 14 (*Guarantee and Indemnity*) of the Facilities Agreement, shall continue unaffected in full force and effect on the terms of the Facilities Agreement, except that those obligations shall extend to the Total Commitments as increased by

the addition of the new Commitments of the Lender pursuant to this Agreement and shall be owed to the Lender, notwithstanding the imposition of any amended, additional or more onerous obligations and, in each case, subject to any limitations set out in Clause 14,12 (*Guarantee Limitations*) of the Facilities Agreement applicable to that Guarantor.

8. [The Borrower shall pay to the Lender on the date hereof a fee (representing (among other things) the aggregate fee payable to the initial purchasers (the “**Initial Purchasers**”) party to the subscription agreement dated [●] entered into in connection with the issuance of the New Notes) (the “**New Notes Upfront Fee**”). The Lender and the Borrower agree that the Borrower’s obligation to pay the New Notes Upfront Fee to the Lender shall be set off against the Lender’s obligation to lend the New Notes Excess Cash Facility Amount in accordance with Clause 6.2 of this Agreement.]
9. The Lender hereby gives notice, and each of the Borrower, the Guarantors and the Administrator hereby acknowledges that they have received notice, of the security granted by the Lender in favour of the Security Trustee for the benefit of the Secured Parties (as defined in the Notes Trust Deed) pursuant to Clause 5.1 (*Charge and Assignment*) of the Notes Trust Deed.
10. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
11. The provisions of Clause 25 (*Lender’s Limitations*) of the Facilities Agreement shall be incorporated into this Agreement *mutatis mutandis* as if set out in full in this Agreement.
12. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law and each of the parties hereto submits to the exclusive jurisdiction of the English courts.
13. This Agreement has been entered into on the date stated at the beginning of this Agreement.

**SCHEDULE A**  
**Relevant Commitments/rights and obligations to be assumed by the Lender**

1. Interest Facility Commitment

The Interest Facility Commitment shall be increased by €[●]

2. Excess Cash Facility Commitment

The Excess Cash Facility Commitment shall be increased by € [●]

3. Issue Date Facility Commitment

The Issue Date Facility Commitment shall be increased by €[●]

This Agreement is accepted as an Increase Confirmation for the purposes of the Facilities Agreement by the Lender, and the Increase Date is confirmed as [●].

**SCHEDULE B**  
**Conditions Precedent to Signing this Agreement**

**1. Corporate Documents**

- (a) A copy of the Constitutional Documents of each Obligor.
- (b) A copy of an extract of a resolution of the board of directors (or equivalent) of each Obligor:
  - (i) approving the terms of, and the transactions contemplated by, this Agreement and resolving that it execute and, where applicable, deliver and perform this Agreement;
  - (ii) authorising a specified person or persons to execute and, where applicable, deliver this Agreement on its behalf;
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with this Agreement; and
  - (iv) in the case of an Obligor other than the Borrower, authorising the Borrower to act as its agent in connection with this Agreement.
- (c) A specimen of the signature of each person authorised to execute, on behalf of each Obligor, this Agreement and related documents to which it is a party and to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with this Agreement.
- (d) To the extent legally necessary, a copy of a resolution signed by all of the holders of the issued shares in each Obligor approving the terms of, and the transaction contemplated by, this Agreement.
- (e) To the extent legally necessary, a copy of:
  - (i) a request for advice from the works council of each Obligor incorporated in The Netherlands in respect of the transactions contemplated by the Finance Documents to which it becomes a party; and
  - (ii) a neutral or positive works council advice of the works council of each Obligor incorporated in The Netherlands.
- (f) A certificate of an authorised signatory of the Borrower confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments, as increased by the addition of the new Commitments of the Lender pursuant to this Agreement, will not cause any borrowing, or similar limit binding on any Obligor to be exceeded.
- (g) A certificate of an authorised signatory of each Obligor certifying that each copy document relating to it specified in this Schedule B (*Conditions Precedent to Signing this Agreement*) is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

**2. Legal opinions**

- (a) A legal opinion of Allen & Overy LLP (acting as legal advisors to the Administrator) as to Dutch law in relation to, among other matters, the capacity and authority of the Obligors to enter into this Agreement addressed to the initial purchasers of the Notes substantially in the form delivered to the initial purchasers of the Notes prior to the date of this Agreement.
- (b) [A legal opinion of Allen & Overy LLP as to English law in relation to, among other matters, the enforceability of this Agreement addressed to the initial purchasers of the Notes substantially in the form delivered to the initial purchasers of the Notes prior to the date of this Agreement.]

**3. This Agreement**

A copy of this Agreement executed by the Obligors.

*(Signature pages to follow)*

**Lender**

By:

**Administrator**

By:

**The Borrower**

By:



## **THE SCHEDULE**

### **Relevant Commitment/rights and obligations to be assumed by the Increase Lender**

*[insert relevant details]*

This Agreement is accepted as an Increase Confirmation for the purposes of the Facilities Agreement by the Lender, and the Increase Date is confirmed as [    ].

Lender

By:

Administrator

By:

The Borrower

By:

## **SIGNATORIES**

**THE BORROWER**

**VZ FINANCING I B.V.**

By:

By:

Address:

Fax:

Email Address:

Attention:

*(Signature page to the Facilities Agreement)*

**THE GUARANTORS**  
**VZ FINANCING I B.V.**

By:

By:

Address:

Fax:

Email Address:

Attention:

*(Signature page to the Facilities Agreement)*

**VODAFONEZIGGO GROUP B.V.**

By:

By:

Address:

Fax:

Email Address:

Attention:

*(Signature page to the Facilities Agreement)*

**VZ FINANCING II B.V.**

By:

By:

Address:

Fax:

Email Address:

Attention:

*(Signature page to the Facilities Agreement)*



**THE LENDER**

**Signed by a duly authorized attorney of**

**[●]**

By:

Name:

Title:     Authorised Attorney

Address:             [●]

Email Address:     [●]

Attention:           The Directors

*(Signature page to the Facilities Agreement)*

**THE ADMINISTRATOR**

**[THE BANK OF NEW YORK MELLON, LONDON BRANCH]**

By:

Address: [One Canada Square, London, E14 5AL, England]

Email Address: [CT.Liberty@bnymellon.com]

Attention: [Keith Locke]

*(Signature page to the Facilities Agreement)*

**REGISTERED OFFICE OF THE ISSUER**

**VZ Vendor Financing B.V.**

Herikerbergweg 238  
Luna ArenA  
1101CM Amsterdam  
The Netherlands

**LEGAL ADVISORS TO THE ISSUER AND VODAFONEZIGGO**

*as to matters of U.S. federal,  
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**Ropes & Gray International LLP**

60 Ludgate Hill  
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United Kingdom

*as to matters of Dutch law*

**Allen & Overy LLP**

Apollolaan 15  
1077 AB Amsterdam  
The Netherlands

**LEGAL ADVISORS TO THE INITIAL PURCHASERS**

*as to matters of U.S. federal,  
New York law and English law*

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*as to matters of Dutch law*

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1186 DS Amstelveen  
The Netherlands

**INDEPENDENT AUDITORS FOR**

**VODAFONEZIGGO**

**KPMG Accountants N.V.**

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The Netherlands

**NOTES TRUSTEE AND SECURITY TRUSTEE**

**BNY Mellon Corporate Trustee Services Limited**

One Canada Square  
London E14 5AL United Kingdom

**LISTING AGENT**

Arthur Cox Listing Services Limited  
Ten Earlsfort Terrace  
Dublin 2, D02 T380

**REGISTRAR**

**The Bank of New York Mellon SA/NV,**

**Luxembourg Branch**

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Grand Duchy of Luxembourg

**MANAGING DIRECTOR**

**TMF Management B.V.**

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**ADMINISTRATOR, ACCOUNT BANK, PAYING  
AGENT AND TRANSFER AGENT**

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United Kingdom

**LEGAL ADVISORS TO THE ADMINISTRATOR, NOTES TRUSTEE AND SECURITY TRUSTEE**

**Allen & Overy LLP**

One Bishops Square  
London E1 6AD  
United Kingdom

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**VZ Vendor Financing B.V.**

**€400,000,000    % Vendor Financing Notes due 2024**

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**Citigroup**

*Joint Active Bookrunners*

**Credit Suisse**

**Crédit Agricole CIB**

*Joint Bookrunners*

**RBC Capital Markets**