

Dated 23 November 2021

BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY

and

THE LAW DEBENTURE TRUST CORPORATION p.l.c.

as Trustee

and

CITIBANK, N.A., LONDON BRANCH

as Principal Paying Agent, Calculation Agent and
Registrar

AGENCY AGREEMENT

relating to

U.S.\$500,000,000 4.250 per cent. NC5.25 Capital Securities due 2081

Linklaters

Ref: L-315088

Linklaters LLP

This Agreement is made on 23 November 2021 **between:**

- (1) **BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY** of 81 Newgate Street, London EC1A 7AJ (the “**Issuer**”);
- (2) **CITIBANK, N.A., LONDON BRANCH** as principal paying agent (the “**Principal Paying Agent**”), calculation agent (the “**Calculation Agent**”) and registrar (the “**Registrar**”) (which expressions shall, where the context so admits, include any successor principal paying agent, calculation agent or registrar for the time being appointed); and
- (3) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.** as trustee (the “**Trustee**”, which expression includes any other trustee for the time being of the Trust Deed referred to below).

Whereas:

- (A) The Issuer proposes to issue U.S.\$500,000,000 4.250 per cent. NC5.25 Capital Securities due 2081 (the “**Securities**”, which expression shall include, unless the context requires otherwise, any further Securities issued pursuant to Condition 20 (*Further Issues*)).
- (B) The Securities are issued in the denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The Securities are represented by registered security certificates issued by the Issuer in accordance with the provisions of this Agreement and the Conditions in exchange for a Global Certificate (“**Certificates**”), such Certificate being in or substantially in the form set out in Schedule 1 to the Trust Deed.
- (C) The Securities will be represented by one or more Restricted Global Certificates and an Unrestricted Global Certificate (each a “**Global Certificate**”) in or substantially in the form set out in Part 1 and Part 2 of Schedule 2 to the Trust Deed.
- (D) The Securities will be constituted by a Trust Deed (the “**Trust Deed**”) dated the date of this Agreement between, among others, the Issuer and the Trustee.
- (E) This is the Paying Agency Agreement defined in the Trust Deed.

Now it is hereby agreed as follows:

1 Interpretation

1.1 Definitions

Terms defined in the Trust Deed (including the Conditions) have the same meanings in this Agreement except where otherwise defined in this Agreement. In addition:

“**Agents**” means the Principal Paying Agent, the Registrar, the Calculation Agent and the other agents for the time being.

“**Applicable Law**” means any law or regulation.

“**Authority**” means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction.

“**Client Assets Sourcebook**” means the CASS sourcebook as set out in the FCA Rules.

“**Client Money Rules**” means the client money rules set out in Chapter 7 of the Client Assets Sourcebook of the FCA Rules.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**Distribution Compliance Period**” means the period that ends 40 days after the completion of the distribution of the Securities.

“**DTC**” means The Depository Trust Company.

“**FATCA**” means sections 1471 through 1474 of the Code, together with any regulations or agreements thereunder, any official interpretations thereof, and any law implementing an intergovernmental approach thereto, and “**FATCA Withholding**” means any withholding or deduction required or imposed thereunder.

“**FCA**” means the United Kingdom Financial Conduct Authority (and any successor regulatory authority).

“**FCA Rules**” means the rules promulgated by the FCA under FSMA as amended or replaced from time to time.

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

“**Holder**” means any holder of Securities.

“**Losses**” means any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses paid or incurred in disputing or defending any Losses) together, in each case, with any applicable value added tax charged to or payable in respect thereof.

“**QIB**” means a “qualified institutional buyer” within the meaning of Rule 144A.

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

“**Restricted Global Certificate**” means the restricted Global Certificate in or substantially in the form set out in Part 1 of Schedule 2 to the Trust Deed.

“**Restricted Securities**” means those Securities (whether represented by a Restricted Global Certificate or any Certificates issued in exchange or substitution therefor) which are offered and sold within the United States in reliance on Rule 144A only to persons that are QIBs, acting for their own account or for the account of one or more QIBs.

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

“**Rule 144A Legend**” means the legend setting forth restrictions on transfer of the Securities offered and sold in the United States or to U.S. Persons pursuant to Rule 144 A.

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

“**Tax**” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax.

“**Unrestricted Global Certificate**” means the unrestricted Global Certificate in or substantially in the form set out in Part 2 of Schedule 2 to the Trust Deed.

“**Unrestricted Securities**” means those Securities (whether represented by an Unrestricted Global Certificate or any Certificates issued in exchange or substitution therefor) which are offered and sold outside the United States in reliance on Regulation S.

“**US person**” has the meaning given to that term in Regulation S.

1.2 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement except and to the extent (if any) that this Agreement expressly provides for such Act to apply to any of its terms. The consent of any person who is not a party to this Agreement is not required to rescind or vary this Agreement at any time.

1.3 Construction of Certain References

References in this Agreement to:

- 1.3.1 principal and interest shall be construed in accordance with Condition 13 (*Taxation*);
- 1.3.2 costs, charges, remuneration or expenses include any value added, turnover or similar tax charged in respect thereof, provided that, where such tax is chargeable in respect of a supply to a person other than the Issuer, only so much of such tax as is irrecoverable shall be included; and
- 1.3.3 DTC shall, wherever the context so admits, be deemed to include references to any additional or alternative clearing system in which the relevant Securities are from time to time accepted for clearance.

1.4 Headings

Headings shall be ignored in construing this Agreement.

1.5 Contracts

References in this Agreement to this Agreement or any other document are to this Agreement or those documents as amended, supplemented or replaced from time to time and include any document which amends, supplements or replaces them.

1.6 Schedules

The Schedules are part of this Agreement and have effect accordingly.

2 Appointment

- 2.1 The Issuer appoints the Agents as its agents in respect of the Securities in accordance with the Conditions at their respective specified offices referred to in the Securities. Except in Clause 17, references to the Agents are to them acting solely through such specified offices. Each Agent shall perform the duties required of it by the Conditions. The obligations of the Agents are several and not joint.

3 Issue of Securities

3.1 Issue of Certificates

Immediately before issue, the Issuer shall deliver to the Registrar a duly executed Unrestricted Global Certificate representing Securities sold in transactions outside the United States in reliance on, and in compliance with, Regulation S under the Securities Act and a duly executed Restricted Global Certificate representing Securities resold within the United States pursuant to, and in reliance on, Rule 144A under the Securities Act which shall bear the legend as set out in Schedule 2 Part 2 and Schedule 2 Part 1 to the Trust Deed, respectively. The Registrar (or its agent on its behalf) shall, after checking the Global Certificates, certify the Register correctly, authenticate them and deliver them to a custodian for DTC to the order of the Issuer.

3.2 Delivery of Certificates

The Issuer authorises and instructs the Registrar (or its agent on its behalf) to authenticate the Unrestricted Global Certificate and each Restricted Global Certificate. Following receipt of any Global Certificate, the Principal Paying Agent shall (in the case of any unauthenticated Certificate, after authentication by or on behalf of the Registrar) deliver it to the custodian for DTC to be held in safe custody for the account the DTC participants entitled thereto in accordance with the instructions of the Issuer.

The Principal Paying Agent shall promptly notify the Registrar if for any reason a Certificate is not delivered in accordance with the Issuer's instructions. Failing any such notification, the Registrar shall cause an appropriate entry to be made in the relevant Register to reflect the issue of the Securities to the person(s) whose name and address appears on each such Certificate on the Issue Date (if any).

3.3 Transfer or exchange of interests in the Restricted Global Certificate for interests in the Unrestricted Global Certificate

If the holder of a Security represented by the Restricted Global Certificate deposited with DTC wishes at any time to transfer such Security to a person who wishes to have such Security thereafter represented by the Unrestricted Global Certificate, such holder may, subject to the rules and procedures of DTC, so transfer or cause the transfer of such Security provided, however, that the transferee shall deliver a duly completed certificate in the form provided for in Schedule 3. Following receipt by DTC or its custodian from the transferor participant two business days prior to the relevant settlement date or such lesser period as shall be acceptable to DTC and the Agents, of a free of payment instruction (such instruction to contain participant's account with DTC to be debited with such Security and information regarding the details of the receiving accountholder at DTC), on the settlement date, DTC or its custodian will debit the account of the transferor participant and credit the relevant account of the transferee participant, in accordance with such instruction. In addition, on the settlement date, DTC or its custodian will instruct the Registrar to reduce the amount of the Securities registered as being represented by the Restricted Global Certificate by the aggregate principal amount of the Securities to be so transferred and, concurrently with such reduction, to increase the amount of the Securities registered as being represented by the Unrestricted Global Certificate by the aggregate principal amount of such Securities to be so transferred. DTC shall procure the endorsement of the Global Certificates accordingly.

3.4 Transfer or exchange of interests in the Unrestricted Global Certificate for interests in the Restricted Global Certificate

If the holder of a Security represented by the Unrestricted Global Certificate deposited with DTC wishes at any time to transfer such Security to a person who wishes to have such Security thereafter represented by the Restricted Global Certificate, such holder may, subject to the rules and procedures of DTC, so transfer or cause such transfer of such Security provided, however, that the transferee shall deliver a duly completed certificate in the form provided for in Schedule 2. Following receipt by DTC, or its custodian, from the transferor participant two Business Days prior to the relevant settlement date or such lesser period as shall be acceptable to DTC and the Agents, of a free of payment instruction (such instruction to contain information regarding the participant's account with DTC to be debited with such Security and information regarding the details of the receiving accountholder at DTC) on the settlement date, DTC, or its custodian, will debit the account of the transferor participant and credit the relevant account of the transferee participant in accordance with such instruction. In addition, on the settlement date, DTC or its

custodian, will instruct the Registrar to reduce the amount of the Securities registered as being represented by the Unrestricted Global Certificate by the aggregate principal amount of the Securities to be so transferred, and concurrently with such reduction, to increase the amount of the Securities registered as being represented by the Restricted Global Certificate by the aggregate principal amount of such Securities to be so transferred. DTC shall procure the endorsement of the Global Certificates accordingly.

3.5 Transfer or exchange of interests in a Global Certificate for or in the form of interests in the same Global Certificate

Any transfer of an interest in the Restricted Global Certificate shall be subject to the restrictions and limitations set out in the legend thereon. No other restrictions and no certification requirements shall apply with respect to the transfer or exchange of (1) an interest in the Securities represented by the Restricted Global Certificate for or in the form of an interest in the Securities represented by the Restricted Global Certificate or (2) an interest in the Securities represented by the Unrestricted Global Certificate for or in the form of an interest in the Securities represented by the Unrestricted Global Certificate. Such transfer or exchange shall be effected in accordance with the rules and procedures of DTC (or a successor depositary), as applicable.

3.6 No other transfers

Subject to sub-Clauses 3.3 to 3.5 above and sub-Clause 3.7 below, transfers of Securities represented by a Global Certificate shall be limited to transfers of all but not some of such Securities to nominees of DTC, to a successor of DTC, such successor's nominee, or such depositary other than DTC (or a nominee thereof) as the Issuer may designate.

3.7 Exchange of interests in the Global Certificates for individual definitive Certificates:

3.7.1 Only in the event that (i) DTC notifies the Issuer that it has ceased to be a clearing agency registered under the Exchange Act, or that it is no longer willing or able to discharge its responsibilities as depositary or has ceased to be a "Clearing Agency" registered under the Exchange Act, and the Issuer is unable to locate a qualified successor within 90 days of such notice, (ii) if instructions have been given for the transfer of an interest in the Securities represented by one Global Certificate to a person who would otherwise take delivery thereof in the form of an interest in the Securities represented by the other Global Certificate where such other Global Certificate has been exchanged for definitive Certificates, (iii) if principal in respect of the Securities is not paid when due or (iv) the Issuer provides its consent, the Issuer will cause sufficient individual definitive Securities to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Holder(s) in accordance with the Conditions.

3.7.2 Upon one of the events set forth in Clause 3.7.1 occurring, a holder of Securities represented by a Global Certificate will provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates; and
- (ii) either (a) a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its Security at the time of such exchange or, (b) in the case of a simultaneous transfer, a duly completed certificate substantially in the form provided for in Schedule 2 hereto with respect to the

Restricted Global Certificate or Schedule 3 hereto with respect to the Unrestricted Global Certificate.

3.7.3 Upon receipt of the documents referred to in Clause 3.7.1 and, if required, Clause 3.7.2, the Registrar shall arrange for the execution and delivery to or upon the order of the person named in such order of an individual definitive Certificate representing Securities registered in the name or names requested by such person or persons and the Registrar shall alter the entries in the Register in respect of the Securities accordingly.

3.7.4 Except for exchanges made in connection with a transfer of Securities in accordance with Regulation S pursuant to Clause 3.7.2(ii)(b), individual definitive Certificates issued in exchange for interests in the Restricted Global Certificate shall bear the appropriate Securities Act legend.

3.8 Transfer or Exchange of Individual Definitive Securities

Subject to the provisions of this Clause 3 and Schedule 1, the holder of Securities represented by individual definitive Certificates may transfer or exchange such Securities. The Registrar shall register the transfer of such Securities, subject to the same restrictions and certifications applicable to a transfer of interests in a Security evidenced by the Restricted Global Certificate and the Unrestricted Global Certificate, respectively.

3.9 Signing of Certificates

The Certificates shall be signed manually, electronically or in facsimile on behalf of the Issuer by a duly authorised signatory of the Issuer. The Issuer may however adopt and use the signature of any person who at the date of signing a Certificate is a duly authorised signatory of the Issuer even if, before the Certificate is issued, he ceases for whatever reason to hold such office and the Certificates issued in such circumstances shall nevertheless represent valid and binding obligations of the Issuer. Certificates shall be printed, in accordance with all applicable stock exchange requirements.

3.10 Clearing Systems

In delivering any Global Certificate in accordance with Clause 3.2.1, the Principal Paying Agent shall give instructions to the relevant clearing system to hold the Securities represented by it to the order of the Principal Paying Agent pending transfer to the securities account(s) referred to in Clause 3.2.1. Upon payment for any such Securities being made to the Principal Paying Agent, it shall transfer such payment to the account of the Issuer notified to it by the Issuer. For so long as any such Security continues to be held to the order of the Principal Paying Agent, the Principal Paying Agent shall hold such Security to the order of the Issuer.

3.11 Details of Certificates Delivered

As soon as practicable after delivering any Certificate, the Principal Paying Agent or the Registrar, as the case may be, shall upon receipt of a written request supply to the Issuer and the other Agents all relevant details of the Certificates delivered, in such format as it shall from time to time agree with the Issuer.

3.12 Outstanding Amount

The Principal Paying Agent shall, upon written request from the Issuer, inform such person of the aggregate principal amount of Securities then outstanding at the time of such request.

4 The Trustee

4.1 Agents to act for Trustee: The Agents shall, on demand in writing by the Trustee made at any time after an Event of Default or a Potential Event of Default has occurred and until notified in writing by the Trustee to the contrary, so far as permitted by applicable law:

4.1.1 act as Agents of the Trustee under the Trust Deed and the Securities on the terms of this Agreement (with consequential amendments as necessary and except that the Trustee's liability under this Agreement for the indemnification, remuneration and expenses of the Agents will be limited to the amounts for the time being held by the Trustee in respect of the Securities on the terms of the Trust Deed and available for such purpose) and thereafter to hold all Securities and all moneys, documents and records held by them in respect of Securities to the order of the Trustee; or

4.1.2 deliver all Securities and all moneys, documents and records held by them in respect of the Securities to the Trustee or as the Trustee directs in such demand.

4.2 Notices of change of the Trustee: The Issuer shall forthwith notify the Principal Paying Agent of any change in the person or persons comprising the Trustee.

5 Payment

5.1 Payment to Principal Paying Agent: The Issuer will, prior to 10.00 a.m. London time, on each date on which any payment in respect of the Securities becomes due, transfer or procure that there is transferred to the Principal Paying Agent such amount as may be required for the purposes of such payment. The Issuer will procure that the bank through which such payment is to be made will supply to the Principal Paying Agent, on or before 10.00 a.m. London time on the second Business Day before the due date for any such payment an irrevocable confirmation (by authenticated SWIFT message or facsimile transmission) of its intention to make such payment. In this Clause 5, the date on which a payment in respect of the Securities becomes due means the first date on which the holder of a Security could claim the relevant payment by transfer to an account under the Conditions.

5.2 Condition to payment by Agents: The Principal Paying Agent will promptly notify each of the other Agents, the Trustee and the Issuer if it has not by the time specified for its receipt received the amount referred to in sub-Clause 5.1.

5.3 Payment by Agents: Unless they receive a notification from the Principal Paying Agent under sub-Clause 5.2 the Agents will, subject to and in accordance with the Conditions, pay or cause to be paid on behalf of the Issuer on and after each due date therefor the amounts due in respect of the Securities and will be entitled to claim any amounts so paid from the Principal Paying Agent. If any payment provided for in sub-Clause 5.1 is made late but otherwise in accordance with this Agreement, the Agents will nevertheless make such payments in respect of the Securities. However, unless and until the full amount of any such payment has been made to the Principal Paying Agent, none of the Agents will be bound to make such payments.

5.4 Reimbursement of Agents: The Principal Paying Agent will on demand promptly reimburse each Agent for payments in respect of the Securities properly made by it in accordance with the Conditions and this Agreement.

5.5 Late Payment: If the Principal Paying Agent has not by the due date for any payment in respect of the Securities received the full amount payable on such date but receives it later, it will

promptly give notice to the other Agents, the Trustee and, if requested by the Trustee, the Holders that it has received such full amount.

- 5.6 Method of payment to Principal Paying Agent:** The Issuer will, before 10.00 a.m. (London Time), on each date on which any payment in respect of the Securities becomes due, transfer or procure that there is transferred such amount in U.S. dollars as shall be sufficient for the purposes of such payment to such account with such bank as the Principal Paying Agent may from time to time notify in writing to the Issuer. The Principal Paying Agent shall provide to the Issuer details of the relevant payment and its specified bank with sufficient time in order for the Issuer to satisfy its obligations under this sub-Clause 5.6.
- 5.7 Moneys held by Principal Paying Agent:** Each Agent shall be entitled to deal with money paid to it by the Issuer for the purposes of this Agreement in the same manner as other money paid to a banker by its customers except that no Agent shall exercise any lien, right of set-off or similar claim against the Issuer or any person to whom it makes any payment under Clause 5.3 in respect thereof, nor shall any commission or expense be charged by such Agent in respect thereof. The Agent shall not be liable to anyone for interest on any sums held by it under this agreement and such moneys shall not be subject to the UK Financial Conduct Authority (the "FCA") Client Money Rules (as defined in the rules promulgated by the FCA) and need not be segregated from other moneys, save as otherwise required by applicable law.
- 5.8 Partial Payments:** If on surrender of a Certificate only part of the amount payable in respect of it is paid (except as a result of a deduction of tax permitted by the Conditions), the Agent to whom it is surrendered (where such surrender is required) shall procure that it is enfaced with a memorandum of the amount paid and the date of payment. Upon making payment of only part of the amount payable in respect of any Security, the Registrar shall make a note of the details of such payment in the Register.
- 5.9 Interest:** If the Principal Paying Agent pays out any amount due in respect of the Securities in accordance with the Conditions or due in accordance with Clause 5.4 before receipt of the amount due under Clause 5.1, the Issuer shall on demand reimburse the Principal Paying Agent for the relevant amount and pay interest to the Principal Paying Agent on such amount that is outstanding from the date on which it is paid out to the date of reimbursement at the rate per annum equal to the cost to the Principal Paying Agent of funding the amount paid out (if any), as certified by the Principal Paying Agent, or, if there is no cost of funding, at a rate which represents the Principal Paying Agent's cost of funding such payment, as certified by the Principal Paying Agent (together with such supporting evidence as the Issuer may require). Such interest shall be compounded daily.
- 5.10 Void Global Certificate:** If any Security represented by a Global Certificate becomes void in accordance with its terms after the occurrence of an Event of Default, the Principal Paying Agent shall promptly notify the Agents and, after such notice has been given, no payment shall be made by them in respect of that Security to the extent that the Global Certificate representing such Security has become void.
- 5.11 Notice of Possible Withholding under FATCA:** If the Issuer is, in respect of any payment, compelled to withhold or deduct any amount for or on account of taxes, duties, assessments or governmental charges as specifically contemplated under the Conditions (including any FATCA Withholding), it shall give notice of that fact to the Trustee and each Agent promptly upon becoming aware of the requirement to make the withholding or deduction and shall give to the Trustee and each Agent such information as it may require to enable it to comply with the requirement.

- 5.12 Agent Right to Withhold:** Notwithstanding any other provision of this Agreement, each Agent shall be entitled to make a deduction or withholding from any payment which it makes under any Securities for or on account of any Tax, if and only to the extent so required by Applicable Law, in which event the relevant Agent shall (i) make such payment after such deduction or withholding has been made and shall account to the relevant Authority within the time allowed for the amount so deducted or withheld, *provided that* it shall have advised the Issuer of such requirement as soon as it becomes aware thereof, so as to allow the Issuer to redirect such payment in accordance with the provisions of Clause 5.13 and (ii) notify the Issuer of any amount so paid by it. The Agents shall not be obliged to pay any additional amounts as shall be necessary in order that the net amounts paid after such deduction or withholding shall equal the amount which would have been receivable in the absence of such deduction or withholding. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this Clause 5.12.
- 5.13 Issuer Right to Redirect:** If the Issuer determines in its sole discretion that any deduction or withholding for or on account of any Tax will be required by Applicable Law in connection with any payment due to any of the Agents on any Securities, then the Issuer will be entitled to redirect or reorganise any such payment in any way that it sees fit in order that the payment may be made without such deduction or withholding provided that, any such redirected or reorganised payment is made through a recognised institution of international standing and otherwise made in accordance with this Agreement and the Trust Deed. The Issuer will promptly notify the Agents and the Trustee of any such redirection or reorganisation. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this Clause 5.13.
- 5.14 Deferral of Interest and Arrears of Interest:** Notwithstanding Clauses 5.1 to 5.13, if the Issuer elects to (i) defer all or part of any Interest Payment pursuant to Condition 6(a) (*Optional Interest Deferral – Deferral of Interest Payments*) or (ii) pay any Deferred Interest pursuant to Condition 6(b) (*Optional Interest Deferral – Optional payment of Deferred Interest*), it shall, at least 5 Business Days' before giving notice to Holders, give notice of its election to the Principal Paying Agent. In the absence of receipt of any such notice, the Principal Paying Agent shall be entitled to assume that no amounts are to be deferred. Where the Principal Paying Agent or any other Agent has paid out, or has procured to be paid out, any such amounts (or any relevant part thereof) due in accordance with the Conditions prior to its receipt of notice of deferral in accordance with Clause 14 and subject to the Principal Paying Agent having first used reasonable efforts to recover such payment from the relevant clearing systems prior to onward payment of such amounts to the Holders, the Issuer shall on demand reimburse the Principal Paying Agent.
- 5.15 Mutual Undertaking Regarding Information Reporting and Collection Obligations:** Each party to this Agreement (other than the Trustee) shall, within 10 business days of a written request by another party to this Agreement, supply to that other party such forms, documentation and other information relating to it, its operations, or any Securities as that other party to this Agreement reasonably requests for the purposes of that other party's compliance with Applicable Law (including any reporting obligations under FATCA) or for the purpose of obtaining an exemption from, or reduction in the rate of, deduction or withholding of any Taxes) and shall notify the relevant other party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such party is (or becomes) inaccurate in any material respect; provided, however, that no party to this Agreement shall be required to provide any forms, documentation or other information pursuant to this Clause 5.15 to the extent that: (i) any such form, documentation or other information (or the information

required to be provided on such form or documentation) is not reasonably available to such party and cannot be obtained by such party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such party constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality. For purposes of this Clause 5.15, “**Applicable Law**” shall be deemed to include (i) any rule or practice of any Authority by which any party is bound or with which it is accustomed to comply; (ii) any agreement between any Authorities; and (iii) any agreement between any Authority and any party that is customarily entered into by institutions of a similar nature.

6 Determination and Notification of Reset Interest Rates

6.1 Determination of Reset Interest Rates and Calculation of Interest Amounts: The Calculation Agent will, as soon as practicable after 11.00 a.m. (Central European time) on each Reset Interest Determination Date, determine the Reset Interest Rate in respect of the relevant Reset Period and calculate the Interest Amount payable subject to, and in accordance with, the Conditions.

6.2 Failure to determine Reset Interest Rate: If the Calculation Agent does not at any time for any reason so determine the Reset Interest Rate or calculate the related Interest Amount, it shall forthwith notify the Issuer, the Trustee, the Principal Paying Agent and the other Agents of such fact.

6.3 Determinations of Calculation Agent Binding: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 5 (*Interest Payments*) by the Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Trustee and the Agents and all Holders and (in the absence of aforesaid) no liability to the Holders, the Issuer or any other person shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

6.4 Publication of Reset Interest Rates: Unless the Securities are to be redeemed on or prior to the next following Reset Date, the Issuer shall cause notice of each Reset Interest Rate and the related Interest Amount to be given to the Trustee, the Agents, any stock exchange on which the Securities are for the time being listed or admitted to trading and, in accordance with Condition 19 (*Notices*), the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

7 Repayment

If claims in respect of any Security become void or prescribed under the Conditions, the Principal Paying Agent shall (subject to Clause 4.1) promptly repay to the Issuer the amount which would have been due if it or the relative Certificate had been surrendered for the payment before such claims became void or prescribed. The Principal Paying Agent shall not however be otherwise required or entitled to repay any sums received by it under this Agreement.

8 Early Redemption, Variation and Substitution

8.1 Redemption Notice: The Principal Paying Agent shall publish the notice required in connection with such redemption, substitution or variation. Such notice shall specify the date fixed for redemption, or the date fixed for any substitution or variation, the redemption price and the manner in which such redemption, substitution or variation will be effected. In addition, the Principal Paying Agent shall send to each holder of Securities in respect of which any option is

to be exercised, or substitution or variation is to take place, at its address shown in the Register, a copy of such notice together with details of such holder's Securities called for redemption or subject to any substitution or variation and the extent of such redemption or the terms of the substitution or variation.

- 8.2 Clearing System Records:** The Principal Paying Agent shall instruct DTC to make appropriate entries in their records in respect of all Securities redeemed, substituted or, as the case may be, varied by the Issuer to reflect such redemptions, substitution or, as the case may be, variation.

9 Cancellation, Destruction and Records

- 9.1 Cancellation:** All Certificates representing Securities which are redeemed pursuant to Condition 7(b) (*Redemption – Issuer's Call Option*), 7(c) (*Redemption – Make-whole Redemption by the Issuer*), 7(d) (*Redemption – Redemption for Certain Taxation Reasons*), 7(e) (*Redemption – Redemption following a Rating Capital Event*), 7(f) (*Redemption – Redemption following an Accounting Event*) or 7(g) (*Redemption – Redemption following a Change of Control Event*), or substituted for Qualifying Securities pursuant to Condition 8 (*Substitution or Variation*) (as the case may be), shall be forthwith cancelled promptly by the Registrar to which the Certificates are surrendered for redemption or substitution of the Securities.

- 9.2 Cancellation by Issuer:** If the Issuer, BT Group plc or any of their respective Subsidiaries purchases any Securities that are to be cancelled in accordance with the Conditions, the Issuer shall immediately notify the Registrar of the principal amount of those Securities which have been purchased and shall promptly cancel them or procure their cancellation and send them (if in definitive form) to the Principal Paying Agent.

- 9.3 Certificate of Registrar:** The Registrar shall as soon as practicable upon written request after the date of any redemption, payment or purchase, send the Issuer and the Trustee a certificate stating (1) the aggregate principal amount of Securities that have been redeemed and cancelled, and (2) the certificate numbers of the Certificates representing them.

- 9.4 Destruction:** Unless otherwise instructed by the Issuer or unless, in the case of the Global Certificate, it is to be returned to its holder in accordance with its terms, the Registrar (or its designated agent) shall destroy the cancelled Certificates in its possession and send the Issuer and the Trustee a certificate giving the certificate numbers of such Certificates in numerical sequence.

- 9.5 Records:** The Registrar shall keep a record of the payment, redemption, replacement, cancellation and destruction of all Securities. It shall make such record available at all reasonable times to the Issuer and the Trustee.

- 9.6 Information from Issuer:** The Registrar shall only be required to comply with its obligations under this Clause 9 in respect of Securities surrendered for cancellation following a purchase of the same by the Issuer or any of its Subsidiaries to the extent that it has been informed by the Issuer of such purchases in accordance with Clause 9.2 above.

10 Replacement Certificates

- 10.1 Replacement:** The Registrar or such Agent as may from time to time be designated by the Issuer for the purpose (in such capacity, the "**Replacement Agent**") shall issue replacement Certificates in accordance with the Conditions. Upon replacement of Certificates bearing the Rule 144A Legend, the Replacement Agent shall deliver only replacement Certificates that bear the Rule 144A Legend unless the conditions for removal of such legend set forth in Schedule 2

Part 1 and Schedule 2 Part 2 of the Trust Deed have been satisfied. Upon replacement of Certificates not bearing the Rule 144A Legend, the Replacement Agent shall deliver replacement Certificates that do not bear the Rule 144A Legend.

- 10.2 Cancellation:** The Replacement Agent shall cancel and, unless otherwise instructed by the Issuer, destroy any mutilated or defaced Certificates replaced by it and shall send the Issuer, the Principal Paying Agent and the Trustee a certificate giving the information specified in Clause 9.4.
- 10.3 Notification:** The Replacement Agent shall, on issuing a replacement Certificate, promptly inform the other Agents of its certificate number and of the one that it replaces.
- 10.4 Surrender after Replacement:** If a Certificate that has been replaced is surrendered to the Registrar for payment, the Registrar shall promptly inform the Issuer.

11 Additional Duties of the Registrar

- 11.1** The Registrar shall maintain at its specified office (which shall be an office outside of the United Kingdom) a separate register (each a “**Register**” and together the “**Registers**”) of the holders of each of the Unrestricted Securities and the Restricted Securities in accordance with the Conditions and the Regulations (as defined below). In each case, the Register shall show the number of issued Certificates, their principal amount, their date of issue and their certificate number (which shall be unique for each Certificate) and shall identify each Security, record the name and address of its initial subscriber, all subsequent transfers, exercises of options and changes of ownership in respect of it, the names and addresses of its subsequent holders and the Certificate from time to time representing it. The Registrar shall during office hours make the Registers available to the Issuer, the Principal Paying Agent and the Trustee or any person authorised by any of them for inspection and for the taking of copies and the Registrar shall deliver to such persons all such lists of holders of Securities, their addresses and holdings as they may request.
- 11.2** Notwithstanding anything else contained in this Agreement, prior to expiry of the Distribution Compliance period, transfers by the holder of, or of a beneficial interest in, the Unrestricted Global Certificate to a transferee in the United States or who is a US person will only be made:
- 11.2.1** upon receipt by the Registrar of a written certification substantially in the form set out in Schedule 2, amended as appropriate (a “**Transfer Certificate**”), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Security or beneficial interest therein to the effect that such transfer is being made to a person that the transferor reasonably believes is a QIB purchasing for its own account, or the account of one or more QIBs, in a transaction meeting the requirements of Rule 144A; or
- 11.2.2** otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of US counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,
- and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction. After expiry of the applicable Distribution Compliance Period such certification requirements will no longer apply to such transfers.
- 11.3** Notwithstanding anything else contained in this Agreement, transfers of Restricted Securities or beneficial interests therein may be made:

- 11.3.1 to a transferee who takes delivery of such interest through the Unrestricted Global Certificate, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S; or
- 11.3.2 to a transferee who takes delivery of such interest through a Restricted Security where the transferee is a person that the transferor reasonably believes is a QIB purchasing for its own account, or the account of one or more QIBs, in a transaction meeting the requirements of Rule 144A; or
- 11.3.3 otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of US counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,
- 11.3.4 and, in each case, in accordance with any applicable securities laws of any State of the United States and each other applicable jurisdiction.

12 Regulations Concerning the Securities

The Issuer may, subject to the Conditions, from time to time with the approval of the Trustee and the Registrar promulgate regulations concerning the carrying out of transactions relating to the Securities and the forms and evidence to be provided (the “**Regulations**”). All such transactions shall be made subject to the Regulations. The initial Regulations are set out in Schedule 1.

13 Notices

At the written request and expense of the Issuer, the Principal Paying Agent shall arrange for the publication of all notices to Holders. Notices to Holders shall be published in accordance with the Conditions, having previously been approved by the Trustee in accordance with the Trust Deed.

14 Documents and Forms

- 14.1 **Principal Paying Agent:** The Issuer shall provide to the Principal Paying Agent in a sufficient quantity, for distribution among the relevant Agents as required by this Agreement or the Conditions, all documents required under the Securities or by any stock exchange on which the Securities are listed from time to time to be available for issue or inspection during business hours (and the Registrar shall make such documents available for collection or inspection to the Holders that are so entitled and carry out the other functions set out in Schedule 1).
- 14.2 **Certificates held by Agents:** Each Agent (1) acknowledges that all forms of Certificates delivered to and held by it pursuant to this Agreement shall be held by it as custodian only and it shall not be entitled to and shall not claim any lien or other security interest on such forms, (2) shall only use such forms in accordance with this Agreement, (3) shall maintain all such forms in safe custody, (4) shall take such security measures as may reasonably be necessary to prevent their theft, loss or destruction and (5) shall keep an inventory of all such forms and make it available to the Issuer, the Trustee and the other Agents at all reasonable times. For so long as the Securities are represented by a Global Certificate, each Agent shall cause all Global Certificates delivered to and held by it under this Agreement to be maintained in safekeeping and shall ensure that Global Certificates are issued only in accordance with the terms of the Trust Deed, the Conditions and the provisions of this Agreement.

15 Indemnity

- 15.1 By Issuer:** The Issuer will indemnify and keep indemnified each Agent against any losses, liabilities, costs, claims, actions or demands which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and duties under this Agreement except such as may result from its own wilful default, negligence or bad faith or that of its officers or employees or any of them, or material breach by it of the terms of this Agreement, and excluding tax payable in respect of remuneration received by it.
- 15.2 By Agents:** Each of the Agents will severally indemnify the Issuer against any losses, liabilities, costs, claims, actions or demands which the Issuer may incur or which may be made against the Issuer as a result of the wilful default, negligence or bad faith of that Agent or that of its officers or employees or any of them, or material breach by it of the terms of this Agreement.
- 15.3 Consequential loss:** the Agents shall not be liable to the Issuer for any special, punitive, consequential or indirect loss or damage of any kind whatsoever (including, without limitation, loss of profit) whether or not foreseeable, even if advised of the possibility of such loss or damage, or for loss of business, goodwill, opportunity or profit.
- 15.4 Survival:** The above indemnities shall survive the termination of this Agreement.
- 15.5 Taxes:** The Issuer agrees to pay any and all stamp, registration and other documentary taxes, duties, assessments or government charges (including any interest and penalties thereon or in connection therewith) which may be payable in the United Kingdom and United States in connection with the execution, delivery, performance and enforcement of this Agreement by the Agents.

16 General

- 16.1 No agency or trust:** In acting under this Agreement the Agents shall have no obligation towards or relationship of agency or trust with any Holder and need only perform the duties set out specifically in this Agreement and the Conditions and no other duties shall be implied. The Agent shall be entitled not to take any actions under this Agreement, without liability, if conflicting, unclear or equivocal instructions are received from the Issuer, provided that the Agent shall continue to use its reasonable endeavours to contact the Issuer to seek non-conflicting, clear and unequivocal instructions.
- 16.2 Holder to be treated as owner:** Except as otherwise required by law, each Agent will treat the holder of a Security as its absolute owner as provided in the Conditions and will not be liable for doing so.
- 16.3 No lien:** No Agent shall exercise any lien, right of set-off or similar claim against any Holder in respect of moneys payable by it under this Agreement.
- 16.4 Legal or other advice:** Each Agent may, at the cost of the Issuer, consult on any legal or other matter any auditor, lawyer, banker, financial adviser, financial institution, valuer, surveyor, broker, auctioneer, accountant or other expert selected by it (who may be an employee of or adviser to the Issuer) and it shall not be liable in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that expert's opinion. Each Agent may rely without liability to any person on any information, report, confirmation, evaluation, certificate or any advice of any auditors, lawyer, banker, financial adviser, financial institution, valuer, surveyor, broker, auctioneer, accountant or other expert whether or not liability in relation thereto is limited by reference to a monetary cap, methodology or otherwise.

- 16.5 Reliance on documents etc.:** No Agent shall be liable in respect of anything done or suffered by it in reliance on a Security or other document, certificate or instruction reasonably believed by it to be genuine and to have been signed by the proper parties.
- 16.6 Other relationships:** Any Agent and any other person, whether or not acting for itself, may acquire, hold or dispose of any Security or other security (or any interest therein) of the Issuer or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary, trustee or agent for, any committee or body of holders of securities of any such person in each case with the same rights as it would have had if that Agent were not an Agent and need not account for any profit.
- 16.7 Information:** The Issuer shall provide as soon as reasonably practicable on request to any Agent such information as it shall reasonably require for the purpose of the discharge or exercise of its duties herein.
- 16.8 List of Authorised Persons:** The Issuer shall provide the Trustee and the Principal Paying Agent for itself and for delivery to each other Agent with a copy of the certified list of persons authorised to take action on behalf of the Issuer in connection with this Agreement and shall notify the Trustee, the Principal Paying Agent and each other Agent immediately in writing if any of such persons ceases to be so authorised or if any additional person becomes so authorised. Unless and until notified of any such change, each Agent and the Trustee may rely on the certificate(s) most recently delivered to it and all instructions given in accordance with such certificate(s) shall be binding on the Issuer. The Issuer shall provide additional information in relation to, or clarification of, any such instructions upon request from an Agent.
- 16.9 Illegality:** Notwithstanding anything else herein contained, each Agent may refrain without liability from doing anything that would or might in its reasonable opinion be contrary to any law of any state or jurisdiction (including but not limited to the United States of America or any jurisdiction forming a part of it, and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its reasonable opinion, necessary to comply with any such law, directive or regulation. The relevant Agent shall, as soon as reasonably practicable and insofar as permissible, inform the Issuer if, pursuant to this clause, it refrains from acting hereunder.
- 16.10 Monitoring:** No Agent shall be under any obligation to monitor or supervise, enquire about or satisfy itself as to the functions or acts of any of the parties and shall be entitled to assume, in the absence of express notice in writing to the contrary, that each other party is properly performing and complying with its obligations under the documents to which it is party and that no Event of Default, Potential Event of Default or other relevant event has occurred and shall have no liability to any person for any loss arising from any breach by that party or any such event.
- 16.11 Agents' Liability:** Each Agent shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the Issuer or the Trustee, or any Security, notice, resolution, direction, consent, certificate, affidavit, statement, cable or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties and which is not manifestly wrong or upon written instructions from the Issuer or the Trustee.
- 16.12 No duty to expend own funds:** No Agent shall be under any obligation to take any action under this Agreement that it expects will result in any expense to or liability of such Agent, the payment of which is not, in its opinion, assured to it within a reasonable time.

16.13 Know Your Client: If, either (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 in the status of the Issuer or the composition of the shareholders of the Issuer after the date of this Agreement, obliges any Agent to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Issuer shall promptly upon the request of the relevant Agent supply or procure the supply of such documentation and other evidence as is reasonably requested by such Agent in order for it to carry out and be satisfied that it has complied with all necessary “know your customer” or similar checks under all applicable laws and regulations.

17 Changes in Agents

17.1 Appointment and Termination: Subject to the prior written approval of the Trustee, the Issuer may at any time appoint additional or other Agents and/or vary or terminate the appointment of any Agent by giving to the Principal Paying Agent and the Agent concerned at least 60 days’ notice to that effect.

17.2 Resignation: Any Agent may resign its appointment at any time, without giving any reason and without being responsible for any Losses incurred in connection with such resignation, by giving the Issuer (with a copy to the Trustee and, in the case of an Agent other than the Principal Paying Agent or the Registrar, to the Principal Paying Agent and the Registrar) at least 90 days’ notice to that effect, which notice shall expire at least 30 days before or after any due date for payment of any Securities .

17.3 Condition to Resignation or Termination: No resignation or (subject to sub-Clause 17.5) termination of the appointment of any Agent shall take effect unless the Issuer maintains Agents in accordance with the Conditions. The Issuer agrees with the relevant retiring Agent, that if any such successor Agent is required in accordance with this Clause 17.3, and by the day falling ten days before the expiry of any notice under Clause 17.1 or Clause 17.2, the Issuer has not appointed such a successor Agent approved by the Trustee, then the relevant retiring Agent shall be entitled, on behalf of the Issuer and at the expense of the Issuer, to appoint as a successor Agent in its place a reputable independent financial institution of good standing which the Issuer and the Trustee shall approve.

17.4 Change of Office: If an Agent changes the address of its specified office in a city, it shall give the Issuer, the Trustee and the Principal Paying Agent at least 30 days’ notice of the change, giving the new address and the date on which the change takes effect.

17.5 Automatic Termination: The appointment of any Agent shall terminate forthwith if (a) such Agent becomes incapable of acting, (b) a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of such Agent, (c) such Agent admits in writing its insolvency or inability to pay its debts as they fall due, (d) an administrator or liquidator of such Agent or the whole or any part of the undertaking, assets and revenues of such Agent is appointed (or application for any such appointment is made), (e) such Agent takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness, (f) an order is made or an effective resolution is passed for the winding-up of such Agent or (g) any event occurs which has an analogous effect to any of the foregoing. If the appointment of the Registrar or Principal Paying Agent is terminated in accordance with the preceding sentence, the Issuer shall forthwith appoint a successor in accordance with sub-Clause 17.1.

- 17.6 Delivery of records:** If the Principal Paying Agent resigns or its appointment is terminated, it shall on the date the resignation or termination takes effect pay to the new Principal Paying Agent any amount held by it for payment of the Securities and deliver to the new Principal Paying Agent the records kept by it and all Securities held by it pursuant to this Agreement.
- 17.7 Successor Corporations:** Any corporation into which an Agent may be merged or converted, or any corporation with which an Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which an Agent shall be a party, or any corporation to which an Agent shall sell or otherwise transfer all or substantially all of its assets shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become a successor Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties to this Agreement, unless otherwise required by the Issuer, and after the said effective date all references in this Agreement to such Agent shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall promptly be given to the Issuer and the Trustee by such Agent.
- 17.8 Notices:** The Issuer shall give Holders and the Trustee at least 30 days' notice of any proposed appointment, termination, resignation or change under sub-Clauses 17.1 to 17.4 of which it is aware, and, as soon as practicable, notice of any termination or succession under sub-Clauses 17.5 or 17.7 of which it is aware.

18 Commissions, Fees and Expenses

- 18.1 Fees:** The Issuer will pay to the Principal Paying Agent such commissions in respect of the services of the Agents under this Agreement as shall be agreed between the Issuer and the Principal Paying Agent (together with any value added tax in respect thereof for which an Agent or any other member of its value added tax group is required to account to the relevant taxing authority). The Issuer shall not be concerned with the apportionment of payment among the Agents.
- 18.2 Costs:** The Issuer will promptly pay all reasonable expenses of the Agents (including legal, advertising and postage expenses) incurred by the Agents in connection with their services under this Agreement.

19 Communications

- 19.1 Notices:** Any communication shall be by letter, fax or electronic communication:

in the case of the Issuer, to it at:

British Telecommunications public limited company

81 Newgate Street
London EC1A 7AJ
United Kingdom

Effective 1 January 2022

1 Braham Street
London E1 8EE
United Kingdom

Telephone no: +44 331 620 5142

Email: derivatives@bt.com
Attention: Treasury Director

in the case of the Trustee, to it at:

The Law Debenture Trust Corporation p.l.c.

8th Floor
100 Bishopsgate
London EC2N 4AG
United Kingdom

Telephone no.: 0207 606 5451
Fax no.: 0207 606 0643
Email: LegalNotices@lawdeb.com
Attention: Trust Management; Ref: 204287

in the case of the Principal Paying Agent, Calculation Agent and the Registrar, to them at:

Citibank, N.A., London Branch

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

Telephone no.: +353 1 622 2210
Email: ppapayments@citi.com / ppaclaims@citi.com
Attention: Agency and Trust

or any other address of which written notice has been given to the parties in accordance with this Clause 19. Such communications will take effect, in the case of a letter, when delivered, in the case of a fax, when the relevant delivery receipt is received by the sender or, in the case of an electronic communication, when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication; provided that in the case of communications sent by email to the Trustee, such communications will take effect upon written confirmation of receipt from the Trustee (for the avoidance of doubt an automatically generated "received" or "read" receipt will not constitute written confirmation); provided further that any communication which is received (or deemed to take effect in accordance with the foregoing) after 5:00pm on a business day or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Agreement which is to be sent by fax or electronic communication will be written legal evidence.

19.2 Notices through Principal Paying Agent: All communications relating to this Agreement between (1) the Issuer or the Trustee and (2) any of the Agents, or between the Agents themselves, shall be made (except where otherwise expressly provided) through the Principal Paying Agent.

20 Governing Law and Submission

20.1 Governing Law: This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

20.2 Jurisdiction: The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Agents irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This sub-Clause 20.2 is for the benefit of the Agents and the Trustee and shall not limit the right of any of them to take Proceedings 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).

21 Bail-in

21.1 Notwithstanding any other terms of this Agreement or any other agreement, arrangement or understanding between the parties, each counterparty to a BRRD Party acknowledges and accepts that any liability of a BRRD Party to it under or in connection with this Agreement may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

21.1.1 any Bail-In Action in relation to any such liability, including (without limitation):

- (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
- (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
- (iii) a cancellation of any such liability; and

21.1.2 a variation of any terms of this Agreement to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

21.2 For the purposes of this Clause 21:

"Bail-In Action" means the exercise of any Write-down and Conversion Powers.

"Bail-In Legislation" means:

- (i) in relation to Ireland, the European Union (Bank Recovery and Resolution) Regulations 2015 (S.I. No. 289/2015);
- (ii) in relation to Germany, (i) the Recovery and Resolution Act (Sanierungs und Abwicklungsgesetz, "**SAG**") which implements the Directive 2014/59/EU and (ii) the Regulation (EU) No 806/2014; and

- (iii) in relation to the UK or an EEA Member Country (other than Ireland or Germany) which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time.

“**BRRD**” means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

“**BRRD Party**” means an institution or entity referred to in point (b), (c) or (d) of Article 1(1) BRRD.

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway.

“**EU Bail-In Legislation Schedule**” means the document described as such and published and amended by the Loan Market Association (or any successor person) on its website from time to time.

“**Resolution Authority**” means any body which has authority to exercise any Write-down and Conversion Powers.

“**Write-down and Conversion Powers**” means:

- (i) in relation to Ireland, any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any law or regulation in effect in Ireland, relating to the transposition of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, including but not limited to the Bail-In Legislation and Regulation (EU) No 806/2014 and the instruments, rules and standards created thereunder, pursuant to which:
 - (a) any obligation of a bank or investment firm or affiliate of a bank or investment firm can be reduced, cancelled, modified or converted into shares, other securities or other obligations of such entity or any other person (or suspended for a temporary period); and
 - (b) any right in a contract governing an obligation of a bank or investment firm or affiliate of a bank or investment firm may be deemed to have been exercised;
- (ii) in relation to Germany, any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any law or regulation in effect in Germany, relating to the Bail-In Legislation and the instruments, rules and standards created thereunder, pursuant to which:
 - (a) any obligation of a bank or investment firm or affiliate of a bank or investment firm can be reduced, cancelled, modified or converted into shares, other securities or other obligations of such entity or any other person (or suspended for a temporary period); and
 - (b) any right in a contract governing an obligation of a bank or investment firm or affiliate of a bank or investment firm may be deemed to have been exercised; and
 - (c) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time (other than in respect of Ireland or Germany),

the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule.

This Agreement has been entered into on the date stated at the beginning

BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY

By: 

Name: Andrew Binnie

CITIBANK, N.A., LONDON BRANCH

(as Principal Paying Agent, Calculation Agent and Registrar)

By:

Name:

RCClear

Rachel Clear
Vice President

THE LAW DEBENTURE TRUST CORPORATION p.l.c.

(as Trustee)

By: Authorised Signatory

Name: Lily Frost

A handwritten signature in black ink, appearing to read 'L. Frost', written in a cursive style.

Schedule 1
Regulations Concerning the Transfer and Registration of Securities

- 1** Each Certificate shall represent an integral number of Securities.
- 2** Unless otherwise requested by them and agreed by the Issuer and save as provided in the Conditions, each holder of more than one Security shall be entitled to receive only one Certificate in respect of his holding.
- 3** Unless otherwise requested by them and agreed by the Issuer and save as provided in the Conditions, the joint holders of one or more Securities shall be entitled to receive only one Certificate in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint holder whose name appears first in the register of the holders of Securities in respect of the joint holding. All references to “**holder**”, “**transferor**” and “**transferee**” shall include joint holders, transferors and transferees.
- 4** The executors or administrators of a deceased holder of Securities (not being one of several joint holders) and, in the case of the death of one or more of joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Issuer as having any title to such Securities.
- 5** Any person becoming entitled to Securities in consequence of the death or bankruptcy of the holder of such Securities may, upon producing such evidence that they hold the position in respect of which they propose to act under this paragraph or of their title as the Registrar shall require (including legal opinions), be registered themselves as the holder of such Securities or, subject to the preceding paragraphs as to transfer, may transfer such Securities. The Issuer and the Registrar may retain any amount payable upon the Securities to which any person is so entitled until such person shall be so registered or shall duly transfer the Securities.
- 6** Upon the surrender of a Certificate representing any Securities to be transferred or in respect of which an option is to be exercised or any other Holders’ right to be demanded or exercised, the Registrar to whom such Security is surrendered shall request reasonable evidence as to the identity of the person (the “**Surrendering Party**”) who has executed the form of transfer on the Certificate or other accompanying notice or documentation, as the case may be, if such signature does not conform to any list of duly authorised specimen signatures supplied by the registered holder. If the signature corresponds with the name of the registered holder, such evidence may take the form of a certifying signature by a notary public or a recognised bank. If the Surrendering Party is not the registered holder or is not one of the persons included on any list of duly authorised persons supplied by the registered holder, the Registrar shall require reasonable evidence (which may include legal opinions) of the authority of the Surrendering Party to act on behalf of, or in substitution for, the registered holder in relation to such Securities.

Schedule 2
Form of Rule 144 A Transfer Certificate

This certificate is not required for transfers of interests in a Global Certificate to persons who wish to hold the transferred interest in the same Global Certificate

[DATE]

To: Citibank N.A., London Branch (the “**Principal Paying Agent**” and “**Registrar**”)
The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”)

BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY
as Issuer

BT GROUP PLC
as Guarantor

U.S.\$500,000,000 4.250 per cent. NC5.25 Capital Securities due 2081

Reference is made to the terms and conditions of the Securities (the “**Conditions**”) set out in Schedule 3 to the trust deed (the “**Trust Deed**”) dated 23 November 2021, as supplemented, amended, novated or restated from time to time, between the Issuer, the Guarantor and the Trustee relating to the Securities and to the agency agreement (the “**Agency Agreement**”) dated 23 November 2021, as supplemented, amended, novated or restated from time to time, between the Issuer, the Principal Paying Agent, the Registrar, the Trustee and the other agents named therein. Terms defined in the Conditions, the Trust Deed and the Agency Agreement shall have the same meanings when used in this transfer certificate unless otherwise stated.

[NOTE: INSERT [A] FOR TRANSFERS OF INDIVIDUAL SECURITIES NOT BEARING THE SECURITIES ACT LEGEND TO TRANSFEREES THAT TAKE DELIVERY IN INDIVIDUAL DEFINITIVE CERTIFICATES BEARING THE SECURITIES ACT LEGEND PRIOR TO THE RESTRICTED DATE. INSERT [B] FOR TRANSFERS OF INTERESTS IN SECURITIES EVIDENCED BY THE UNRESTRICTED GLOBAL CERTIFICATE TO TRANSFEREES THAT TAKE DELIVERY IN INDIVIDUAL DEFINITIVE CERTIFICATES BEARING THE SECURITIES ACT LEGEND PRIOR TO THE RESTRICTED DATE. INSERT [C] FOR TRANSFERS OF INTERESTS IN SECURITIES EVIDENCED BY THE UNRESTRICTED GLOBAL CERTIFICATE TO TRANSFEREES THAT TAKE DELIVERY IN INTERESTS IN SECURITIES EVIDENCED BY THE RESTRICTED GLOBAL CERTIFICATE PRIOR TO THE RESTRICTED DATE.]

- (A) This letter relates to U.S.\$[●] principal amount of Securities registered in the name of [insert name of transferor] (the “**Transferor**”) and evidenced by individual definitive Certificates. The Transferor has requested a transfer or exchange of such Securities for individual Securities registered in the name of [insert name of transferee] (the “**Transferee**”).
- (B) This letter relates to U.S.\$[●] principal amount of Securities which are held in the form of an interest in the Securities evidenced by the Unrestricted Global Certificate (ISIN No. [●]; CUSIP No. [●]; Common Code No. [●]) with DTC in the name of [insert name of transferor] (the “**Transferor**”). The Transferor has requested a transfer or exchange of such interest for individual Securities registered in the name of [insert name of transferee] (the “**Transferee**”).

(C) This letter relates to U.S.\$[●] principal amount of Securities which are held in the form of an interest in Securities evidenced by the Unrestricted Global Certificate (ISIN No. [●]; CUSIP No. [●]; Common Code No. [●]) with DTC in the name of [insert name of transferor] (the “**Transferor**”). The Transferor has requested a transfer or exchange of such interest for an interest in Securities evidenced by the Restricted Global Certificate (ISIN No. [●]; CUSIP No. [●]; Common Code No. [●]) to be held with DTC in the name of [insert name of transferee] (the “**Transferee**”).

In connection with such request, and in respect of such Securities, we represent that we are purchasing the Securities for our own account or an account with respect to which we exercise sole investment discretion, and we are and, if applicable, each such account is a “qualified institutional buyer” within the meaning of Rule 144 A (“**Rule 144 A**”) under the U.S. Securities Act of 1933, in each case in a transaction meeting the requirements of Rule 144 A and in accordance with (A) the transfer restrictions set forth in the Agency Agreement and the Securities and (B) any applicable securities laws of any State of the United States or any other jurisdiction.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[Name of Transferee]

By:

Authorised Signature

[Date]

Schedule 3
Form of Regulation S Transfer Certificate

This certificate is not required for transfers of interests in a Global Certificate to persons who wish to hold the transferred interest in the same Global Certificate

[DATE]

To: Citibank N.A., London Branch (the “**Principal Paying Agent**” and “**Registrar**”)
The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”)

BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY
as Issuer

BT GROUP PLC
as Guarantor

U.S.\$500,000,000 4.250 per cent. NC5.25 Capital Securities due 2081

Reference is made to the terms and conditions of the Securities (the “**Conditions**”) set out in Schedule 3 to the trust deed (the “**Trust Deed**”) dated 23 November 2021, as supplemented, amended, novated or restated from time to time, between the Issuer, the Guarantor and the Trustee relating to the Securities and to the agency agreement (the “**Agency Agreement**”) dated 23 November 2021, as supplemented, amended, novated or restated from time to time, between the Issuer, the Principal Paying Agent, the Registrar, the Trustee and the other agents named therein. Terms defined in the Conditions, the Trust Deed and the Agency Agreement shall have the same meanings when used in this transfer certificate unless otherwise stated.

[NOTE: INSERT [A] FOR TRANSFERS OF INDIVIDUAL SECURITIES BEARING THE SECURITIES ACT LEGEND TO TRANSFEREES THAT TAKE DELIVERY IN INDIVIDUAL DEFINITIVE CERTIFICATES NOT BEARING THE SECURITIES ACT LEGEND. INSERT [B] FOR TRANSFERS OF INTERESTS IN SECURITIES EVIDENCED BY THE RESTRICTED GLOBAL CERTIFICATE TO TRANSFEREES THAT TAKE DELIVERY IN INDIVIDUAL DEFINITIVE CERTIFICATES NOT BEARING THE SECURITIES ACT LEGEND. INSERT [C] FOR TRANSFERS OF INTERESTS IN SECURITIES EVIDENCED BY THE RESTRICTED GLOBAL CERTIFICATE TO TRANSFEREES THAT TAKE DELIVERY IN INTERESTS IN SECURITIES EVIDENCED BY THE UNRESTRICTED GLOBAL CERTIFICATE.]

- (A) This letter relates to U.S.\$[●] principal amount of Securities registered in the name of [insert name of transferor] (the “**Transferor**”) and evidenced by individual definitive Certificates. The Transferor has requested a transfer or exchange of such Securities for individual Securities registered in the name of [insert name of transferee] (the “**Transferee**”).
- (B) This letter relates to U.S.\$[●] principal amount of Securities which are held in the form of an interest in the Securities evidenced by the Restricted Global Certificate (ISIN No. [●]; CUSIP No. [●]; Common Code [●]) with DTC in the name of [insert name of transferor] (the “**Transferor**”). The Transferor has requested a transfer or exchange of such interest for individual Securities registered in the name of [insert name of transferee] (the “**Transferee**”).
- (C) This letter relates to U.S.\$[●] principal amount of Securities which are held in the form of an interest in Securities evidenced by the Restricted Global Certificate (ISIN No. [●]; CUSIP No. [●];

Common Code [●]) with DTC in the name of [insert name of Transferor] (the “**Transferor**”). The Transferor has requested a transfer or exchange of such interest for an interest in Securities evidenced by the Unrestricted Global Certificate (ISIN No. [●]; CUSIP No. [●]; Common Code [●]) to be held with DTC in the name of [insert name of transferee] (the “**Transferee**”).

In connection with such request, and in respect of such Securities, the Transferor does hereby certify that (i) such transfer has been effected in accordance with the transfer restrictions set forth in the Agency Agreement and the Securities and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) such transfer has been effected pursuant to and in accordance with Regulation S, for the purposes of which the Transferor certifies that:

- 1 the offer of the Securities was not made to a person in the United States;
- 2 [at the time the buy order was originated, the Transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the Transferee was outside the United States;]*
- 3 [the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was pre-arranged with a buyer in the United States;]*
- 4 no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable;
- 5 the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and
- 6 if the undersigned is an officer or director of the Issuer, or a distributor or any affiliate of the Issuer, such sale is made in accordance with the applicable provisions of Rule 904(c)(2) of Regulation S.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[Name of Transferor]

By:

Authorised Signature

[Date]

* Insert one of these two provisions, which are derived from the definition of “offshore transaction” in Regulation S.