

**ANTICIPATED JOINT VENTURE BETWEEN VODAFONE GROUP PLC
AND CK HUTCHISON HOLDINGS LIMITED CONCERNING VODAFONE
LIMITED AND HUTCHISON 3G UK LIMITED**

**Final Undertakings given by Vodafone Group Plc, CK Hutchison Group
Telecom Holdings Limited and Vodafone UK Trading Holdings Limited
to the Competition and Markets Authority pursuant to section 82 of the
Enterprise Act 2002**

Background

- A. On 14 June 2023, Vodafone Group Plc (**Vodafone**) and CK Hutchison Group Telecom Holdings Limited (**CK Hutchison**) entered into an agreement (the **Contribution Agreement**) to establish a joint venture combining their UK telecom businesses, respectively Vodafone Limited (**VUK**) and Hutchison 3G UK Limited (**3UK**). Under the terms of the Contribution Agreement, CK Hutchison Holdings Limited will indirectly hold 49% and Vodafone will indirectly hold 51% of Vodafone UK Trading Holdings Limited (**MergeCo**), the joint venture vehicle and VUK and 3UK will be wholly-owned subsidiaries of this entity (the **Merger**).
- B. For the purposes of these Final Undertakings, Vodafone, CK Hutchison and MergeCo are the **Parties**, each being a **Party**.
- C. On 4 April 2024, the CMA, in accordance with section 33(1) of the Enterprise Act 2002 (the Act), referred the Merger to a group of CMA panel members (the Reference) to determine, pursuant to section 36 of the Act:
- (a) whether a relevant merger situation has been created; and
 - (b) if so, whether the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition (**SLC**) in any market or markets in the United Kingdom (**UK**) for goods or services.
- D. On 5 December 2024, the CMA published a final report pursuant to section 38 of the Act (the **Report**) which concluded that:
- (a) the Merger constitutes arrangements in progress or in contemplation which, if carried into effect, would result in the creation of a relevant merger situation;
 - (b) the creation of that situation may be expected to result in a SLC in two markets in the UK, being the supply of retail mobile telecommunications services to end customers (the **retail market**) and the supply of wholesale mobile telecommunications services (the **wholesale market**); and

- (c) the CMA should take action to remedy the SLC and any adverse effects resulting from it.
- E. The CMA, having regard to its findings in the Report, requires the Parties to give effect to and implement the Network Commitment Package set out in these Final Undertakings. The Network Commitment Package will include (i) the Network Commitment; (ii) the Time Limited Retail Customer Protections; and (iii) the Time Limited Wholesale Access Terms (together, the **Remedy**).
- F. The implementation of the Remedy will be subject to the following safeguards:
 - (a) the Parties will be subject to regular reporting requirements; and
 - (b) the Monitoring Trustee appointed in accordance with paragraph 5 will monitor compliance with these Final Undertakings, including the progress of the implementation of, and compliance with, the Remedy.
- G. These Final Undertakings place a duty on any person to whom these Final Undertakings relate to comply with them and are enforceable pursuant to section 94 of the Act.
- H. Now therefore each of the Parties gives to the CMA on behalf of itself and, where relevant, its Subsidiaries and Affiliates, the following Final Undertakings pursuant to section 82 of the Act for the purpose of remedying, mitigating or preventing the SLC identified in the Report and any adverse effects resulting from it.

1. **Interpretation**

- 1.1 The purpose of these Final Undertakings is to give effect to the Remedy identified in the Report and they shall be construed in accordance with the Report.
- 1.2 Any word or expression used in these Final Undertakings or the recitals to these Final Undertakings shall, unless otherwise defined herein and/or the context otherwise requires, have the same meaning as in the Act or the Report (as appropriate).
- 1.3 The headings used in these Final Undertakings are for convenience and shall have no legal effect.
- 1.4 References to any statute or statutory provision shall be construed as references to that statute or statutory provision as amended, re-enacted or modified whether by statute or otherwise stated.
- 1.5 References to recitals, paragraphs, subparagraphs and annexes are references to the recitals, paragraphs and subparagraphs of, and annexes to, these Final Undertakings unless otherwise stated.
- 1.6 Unless the context requires otherwise, the singular shall include the plural and vice versa and references to persons includes bodies of persons whether

corporate or incorporate. Any reference to person or position includes its or their successor in title.

- 1.7 The Annexes form part of these Final Undertakings.
- 1.8 The Interpretation Act 1978 shall apply to these Final Undertakings as it does to Acts of Parliament.
- 1.9 Further, in these Final Undertakings:

'2G network'	means an electronic communications network that complies with GSM standards, as published by ETSI, in particular EN 301 502, EN 301 511 and EN 301 908-18 (also a GSM System);
'3UK'	means Hutchison 3G UK Limited;
'3UK Network'	means the mobile telecommunications network of 3UK;
'ABTN'	means Annual Best Tariff Notifications;
'the Act'	means the Enterprise Act 2002;
'Adjudication Notice'	has the meaning as set out in paragraph 4.1 of Appendix C.5 to Annex C;
'Adjudication Notice Response'	has the meaning as set out in paragraph 4.5 of Appendix C.5 to Annex C;
'Affiliate'	means a person who is an affiliate of another person if they or their respective enterprises are to be regarded as being under common control for the purposes of section 26 of the Act;
'Alternative Term Determination'	has the meaning as set out in paragraph 3.2.2 of Appendix C.5 to Annex C;
'Annual Progress Report'	means a report provided by MergeCo to the Monitoring Trustee, Ofcom and the CMA in accordance with Annex A, paragraph 3.1;
'ARPU'	means average revenue per user;
'Associated Person'	means a person who is an associated person within the meaning of section 127 of the Act;

'Beacon Network Sharing Agreement'	means the managed network services agreement entered into between Vodafone UK and Telefonica UK Limited dated 17 October 2012 (as most recently amended and restated on 28 November 2024) in relation to their active network sharing arrangements in the UK;
'business'	has the meaning given by section 129(1) and (3) of the Act;
'CK Hutchison'	means CK Hutchison Group Telecom Holdings Limited;
'CMA'	means the Competition and Markets Authority;
'Commencement Date'	means [DATE], the date on which these Final Undertakings are accepted by the CMA in accordance with section 82(2)(a) of the Act;
'Completion Date'	means the date of completion of the Merger;
'Confidential Information'	means business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature;
'Connected Nations'	means Ofcom's Connected Nations dataset;
'Contribution Agreement'	means the contribution agreement entered into (amongst others) by Vodafone and CK Hutchison on 14 June 2023 relating to the establishment of a joint venture. Pursuant to the terms of the Contribution Agreement, on completion, CK Hutchison will indirectly hold 49% and Vodafone will indirectly hold 51% of Vodafone UK Trading Holdings Limited, the joint venture vehicle, and each of VUK and 3UK will be wholly owned subsidiaries of this entity;
'control'	includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of

	any person in carrying on an enterprise, as defined in section 26 of the Act;
'Customer Base'	means the total number of subscribers that have been active over a 90-day period;
'Directions'	means written directions given by the CMA as set out in paragraph 4.1;
'Dispute'	has the meaning as set out in Annex C, paragraph 4.2;
'Dispute Resolution Process'	has the meaning as set out in Annex C, paragraph 4.1;
'Disputed Issues'	has the meaning as set out in paragraph 2.2 of Appendix C.5 to Annex C;
'Disputed Term'	has the meaning as set out in paragraph 3.1 of Appendix C.5 to Annex C;
'Early Years MOCN'	means MOCN that is activated on a 3UK or VUK radio site without the need for the site to be upgraded;
'ECN'	means End-of-Contract Notifications;
'Eligible Request'	has the meaning as set out in Annex C, paragraph 2.3;
'EMF'	means electromagnetic fields;
'Exit Assistance'	has the meaning as set out in paragraph 19(c) of Appendix C.1 to Annex C;
'Exit Period'	has the meaning as set out in paragraph 19(b) of Appendix C.1 to Annex C;
'Exit Plan'	has the meaning as set out in paragraph 19(b) of Appendix C.1 to Annex C;
'Exit Notice'	has the meaning as set out in paragraph 19(a) of Appendix C.1 to Annex C;
'Extended Contract'	has the meaning as set out in Annex C, paragraph 3.1.4;
'Final Undertakings'	means these final undertakings given by each of the Parties and accepted by the CMA, including the Annexes hereto, and

	as may be varied in terms of paragraph 8;
'First Measurement Date'	means the date three years from the Completion Date;
'FPM'	means future pricing mechanism, as defined at paragraph 2(a) of Appendix C.1 to Annex C;
'Full MVNO'	means MVNOs that build their own core network and are responsible for their own SIMs and routing their own network traffic;
'FWA'	means Fixed Wireless Access, a broadband product that uses mobile networks to provide broadband in a fixed location;
'High Configuration Site'	means a radio site that is configured to deploy the frequency bands set out in the row titled High Configuration Site in the Spectrum Configuration Target Table;
'Independent Adjudicator'	has the meaning as set out in Annex C, paragraph 4.3;
'Independent Adjudicator Pool'	has the meaning as set out in Annex C, paragraph 4.3;
'Introductory Pricing'	has the meaning as set out in Annex B, Table B.1;
'IoT'	means Internet of Things;
'IPR'	means intellectual property rights;
'Joint Network Plan'	means the network-specific aspects of MergeCo's Joint Business Plan or JBP, as summarised in Annex VF S109 2-11.0001 (submitted to the CMA on 20 September 2023);
'KYC'	means Know Your Customer;
'Light MVNO'	means MVNOs that use an MNO's core network to manage and route their customers' traffic;

'Limited'	has the meaning as set out in paragraph 4 of Appendix C.1 to Annex C;
'Live Contract'	has the meaning as set out in Annex C, paragraph 3.1;
'Live Contract Expiry Date'	has the meaning as set out in Annex C, paragraph 3.1.2;
'Low Configuration Site'	means a radio site that is configured to deploy the frequency bands set out in the row titled Low Configuration Site in the Spectrum Configuration Target Table;
'Maximum Permitted Roll-over Term'	has the meaning as set out in Annex C, paragraph 3.1.6;
'MergeCo'	means Vodafone UK Trading Holdings Limited;
'MergeCo Network'	means MergeCo's Upgraded Network and those parts of the VUK Network and of the 3UK Network that are not, or not yet, part of MergeCo's Upgraded Network;
'MergeCo's Upgraded Network'	means the mobile telecommunications network of MergeCo, created from the integration of the standalone site grids of VUK and of 3UK into a single radio site grid and which is to be upgraded to the required spectrum configuration over an eight-year period following the Completion Date;
'Merger'	means the anticipated joint venture between the UK telecommunication businesses of Vodafone and CK Hutchison, specifically concerning Vodafone Limited and Hutchison 3G UK Limited;
'Mid Configuration Site'	means a radio site that is configured to deploy the frequency bands set out in the row titled Mid Configuration Site in the Spectrum Configuration Target Table;
'Minor Updates'	has the meaning as set out in Annex A, paragraph 2.7.1;

'MNO'	means Mobile Network Operator;
'MOCN'	means multi-operator core network, a technology that allows two or more core networks to share the same RAN;
'Monitoring Trustee'	means a person appointed or retained in accordance with paragraph 5;
'MRCs' or 'Minimum Revenue Commitments'	means the minimum revenue commitments set out at paragraph 21 of Appendix C.1 to Annex C;
'MVNO'	means Mobile Virtual Network Operator;
'MVNO Agreement'	means an agreement that provides for a Requesting Party to access the MergeCo Network on the basis of the WRO;
'NDA'	means non-disclosure agreement;
'Network Commitment'	means the commitment set out in Annex A;
'Network Commitment Areas'	means Network Commitment Area 1 and Network Commitment Area 2;
'Network Commitment Area 1'	means the areas designated by Ofcom as 'urban' for the purposes of Annex A subject to any minor variations as determined by Ofcom from time to time. This comprises the areas designated as 'Locale Groups A-E' in the 2011 Classification for Output Areas that were used in the UK 2011 census subject to any minor variations as determined by Ofcom from time to time, where Locale Groups A-E are defined in accordance with the methodology set out in the methodology document titled "Locale Classification", produced by Bluewave Geographics (available here), and where the Output Areas of England, Wales and Scotland can be imported as British National Grid (CRS:27700) projections and where Northern Ireland is reprojected from the Irish National Grid (CRS:29902) onto the British National Grid;

'Network Commitment Area 2'	means the areas designated by Ofcom as 'rural' for the purposes of Annex A subject to any minor variations as determined by Ofcom from time to time. This comprises the areas designated as 'Locale Groups F-G' in the 2011 Classification for Output Areas that were used in the UK 2011 census subject to any minor variations as determined by Ofcom from time to time, where Locale Groups F-G are defined in accordance with the methodology set out in the methodology document titled "Locale Classification", produced by Bluewave Geographics (available here), and where the Output Areas of England, Wales and Scotland can be imported as British National Grid (CRS:27700) projections and where Northern Ireland is reprojected from the Irish National Grid (CRS:29902) onto the British National Grid;
'Network Commitment Report'	has the meaning as set out in Annex A, paragraph 3.2;
'Network Commitment Site Targets'	means the respective target numbers of sites set out in the Site Targets Table for each of Year 3, Year 5 and Year 8 and in Annex A, paragraphs 2.3 to 2.5;
'New Technologies'	has the meaning as set out in paragraph 11 of Appendix C.1 to Annex C;
'Ofcom'	means the Office of Communications;
'Onboarding Limit'	has the meaning as set out in Annex C, paragraph 2.7;
'Onboarding Queue'	has the meaning as set out in Annex C, paragraph 2.8;
'Parties'	means Vodafone, CK Hutchison and MergeCo;
'PAYM'	means pay-monthly;
'POCA'	means the Proceeds of Crime Act 2002;

'Pre-existing MVNO'	has the meaning as set out in Annex C, paragraph 3.1;
'Price Comparison Website' or 'PCW'	means a website or app which gathers and presents directly to consumers price and/or non-price information about mobile tariffs from many different providers in order that consumers can compare the price and/or non-price features to determine which would be suitable for their needs, and provides a means for consumers to contact the providers of mobile tariffs via a click-through or link to the service provider tariff in order to conclude a contract. A PCW does not sell mobile tariffs to the consumer;
'Pricing Cap Commitment'	means the commitment to maintain certain tariffs as set out in Annex B, Table B.1;
'Protected Tariffs'	means the tariffs to be included in the Pricing Cap Commitment and the Social Tariffs Commitment, together, as set out in Annex B;
'Related Person'	means any Subsidiary, Affiliate or Associated Person;
'Relevant Markets'	means the retail market and wholesale market;
'Remedy'	means the Network Commitment Package that includes (i) the Network Commitment; (ii) the Time Limited Retail Customer Protections; and (iii) the Time Limited Wholesale Access Terms;
'Renewal Date'	has the meaning as set out in Annex C, paragraph 3.1.5;
'Report'	means the report entitled 'Anticipated joint venture between the UK telecommunication businesses of Vodafone Group Plc and CK Hutchison Holdings Limited, specifically concerning Vodafone Limited and Hutchison 3G UK

	Limited', published by the CMA on 5 December 2024;
'Reporting Year'	means the period of one year from the Completion Date and each subsequent year from the anniversary of the Completion Date in 2026 to 2032;
'Requesting Party'	has the meaning as set out in Annex C, paragraph 2.2;
'retail market'	means the supply of retail mobile telecommunications services to end consumers, including both consumers and business customers in the UK;
'Roll-over Commitment'	has the meaning as set out in Annex C, paragraph 3.1;
'Roll-over Dispute'	has the meaning as set out in paragraph 3.3 of Appendix C.5 to Annex C;
'Roll-over Request'	has the meaning as set out in Annex C, paragraph 3.1.2;
'Second Measurement Date'	means the date five years from the Completion Date;
'SIMO'	means SIM-only;
'Site Targets Table'	means the table set out in Annex A, paragraph 2.1;
'SLC'	means a substantial lessening of competition and adverse effects identified by the CMA in the Report;
'Social Tariffs Commitment'	means the commitment to maintain social tariffs as defined in Annex B, Table B.2;
'Spectrum Configuration Target Table'	means the table set out in Annex A, paragraph 2.2;
'Spectrum Configuration Targets'	means the frequency bands and total spectrum deployed, set out in the Spectrum Configuration Target Table, for each of the High Configuration Sites, Mid Configuration Sites and Low Configuration Sites, respectively;

'Spectrum Licence Variation'	means the variation to VUK's public wireless network licence for the 900 MHz and 1800 MHz spectrum band (licence number 0249664, first issued 23/07/92) or any other licence Ofcom considers appropriate in the form requested by the Spectrum Licence Variation Application;
'Spectrum Licence Variation Application'	means VUK's application to give effect to the Spectrum Licence Variation, in a form similar to the draft attached to these Final Undertakings as Appendix A.1;
'Subsidiary'	unless otherwise expressly stated has the meaning given by section 1159 of the Companies Act 2006;
'Third Measurement Date'	means the date eight years from the Completion Date;
'Tier 1 MVNO'	means an MVNO with a Customer Base of fewer than 0.5 million customers;
'Tier 2 MVNO'	means an MVNO with a Customer Base of between 0.5 and 1 million customers;
'Tier 3 MVNO'	means an MVNO with a Customer Base of more than 1 million customers;
'Time Limited Protections'	means the Time Limited Retail Customer Protections and the Time Limited Wholesale Access Terms, together;
'Time Limited Retail Customer Protections'	means the Pricing Cap Commitment and Social Tariffs Commitment as set out in Annex B;
'Time Limited Retail Customer Protections Report'	means a report provided by the Monitoring Trustee to the CMA in accordance with Annex B, paragraph 4.2;
'Time Limited Wholesale Access Terms'	means the WRO Commitment and the Roll-over Commitment;
'Time Limited Wholesale Access Terms Report'	has the meaning as set out in Annex C, paragraph 5.1;
'Total Capacity of the MergeCo Network'	means the volume of mobile data carried over the MergeCo Network (or the aggregate of the VUK and 3UK networks

	until network integration is completed) per month, measured in petabytes per month;
'UK'	means the United Kingdom of Great Britain and Northern Ireland, and for the avoidance of doubt, excludes the Isle of Man and the Channel Islands;
'Unlimited'	has the meaning as set out in paragraph 2 of Appendix C.1 to Annex C;
'Unsuitability Determination'	has the meaning as set out in paragraph 3.2.1 of Appendix C.5 to Annex C;
'Vodafone'	means Vodafone Group Plc;
'VUK'	means Vodafone Limited;
'VUK Network'	means the mobile telecommunications network of VUK;
'wholesale market'	means the supply of wholesale mobile telecommunications services in the UK;
'Wholesale Reference Offer' or 'WRO'	has the meaning as set out in Annex C, paragraph 2.1;
'Wireless Telegraphy Act'	means the Wireless Telegraphy Act 2006;
'Working Day'	means any day of the week other than a Saturday or a Sunday, or a day that is a bank holiday in any part of the United Kingdom under the Banking and Financial Dealings Act 1971;
'written consent'	means a consent given in writing, including by email;
'WRO Commitment'	has the meaning as set out in Annex C, paragraph 2.1;
'WRO Dispute'	has the meaning as set out in paragraph 2.3 of Appendix C.5 to Annex C;
'WRO Expiry Date'	has the meaning as set out in Annex C, paragraph 2.3.1;
'WRO MVNO Agreement Expiry Date'	has the meaning as set out in Annex C, paragraph 2.5.1;

'Year 3 Network Commitment Milestone'	means the satisfaction of the target numbers of sites set out in the row labelled "Y3" in the Site Targets Table and in line with the Spectrum Configuration Target Table as confirmed by Ofcom and the CMA;
'Year 3 Total Target'	means the number of sites set out in the row labelled "Y3" of the Site Targets Table under the column labelled "Total Cumulative";
'Year 5 Total Target'	means the number of sites set out in the row labelled "Y5" of the Site Targets Table under the column labelled "Total Cumulative"; and
'Year 8 Total Target'	means the number of sites set out in the row labelled "Y8" of the Site Targets Table under the column labelled "Total Cumulative".

2. Commencement and duration

- 2.1 These Final Undertakings will come into force on the Commencement Date in accordance with section 82(2) of the Act, subject to the following:
- (a) the provisions in paragraph 1.1 of Annex A shall commence on the Commencement Date;
 - (b) the remaining provisions of Annex A (i.e. those not specified in subparagraph (a) above), shall commence on the Completion Date;
 - (c) the provisions of Annex B shall commence on the Completion Date; and
 - (d) the provisions of Annex C shall commence on the Completion Date.
- 2.2 These Final Undertakings will apply to Vodafone for so long as Vodafone exercises control over MergeCo.
- 2.3 These Final Undertakings will apply to CK Hutchison for so long as CK Hutchison exercises control over MergeCo.
- 2.4 To the extent that Vodafone or CK Hutchison transfers an interest in MergeCo or all (or substantially all) of the network assets of MergeCo to a third party which has not signed these Final Undertakings, and where such interest or transfer would give the third party control over MergeCo or all (or substantially all) of the network assets of MergeCo, the relevant transferring Party (Vodafone, CK Hutchison or MergeCo) shall procure that the third party agrees to be bound by these Final Undertakings. [✂].

- 2.5 These Final Undertakings shall cease to have effect:
- (a) in relation to the Network Commitment, in accordance with the provisions of paragraph 4.1 of Annex A;
 - (b) in relation to the Time Limited Retail Customer Protections, in accordance with the provisions of paragraph 1.2 of Annex B; and
 - (c) in relation to the Time Limited Wholesale Access Terms, in accordance with the provisions of paragraph 1.2 of Annex C.

3. Final Undertakings

3.1 The Parties each give the following undertakings:

- (a) to give effect to and implement the Network Commitment as set out in Annex A;
- (b) to give effect to and implement the Time Limited Retail Customer Protections, being the Pricing Cap Commitment and the Social Tariffs Commitment, as set out in Annex B;
- (c) to give effect to and implement the Time Limited Wholesale Access Terms, as set out in Annex C; and
- (d) to procure that their respective Subsidiaries do all things necessary to ensure the Parties are able to comply with these Final Undertakings.

4. Additional Obligations

4.1 Each of the Parties undertakes to comply and, where appropriate, to procure that their respective Subsidiaries comply, with all Directions the CMA may issue to that Party relating to these Final Undertakings and will promptly take such steps as may be specified or described in the Directions for complying with these Final Undertakings, including by doing, or refraining from doing, anything so described which they have undertaken to do or refrain from doing under these Final Undertakings.

4.2 The Parties acknowledge that (a) the CMA may choose not to issue Directions immediately upon becoming entitled to do so, and recognise that any delay by the CMA in making a written Direction shall not affect the obligations of each of the Parties at such time as the CMA makes any written Direction and (b) the CMA may vary or revoke any Direction so given.

4.3 MergeCo undertakes that it will provide to the CMA a signed annual Compliance Statement in the form set out in Annex D within ten Working Days of each anniversary of the Completion Date.

5. Monitoring Trustee

5.1 The Parties undertake to secure the appointment of an independent Monitoring Trustee to perform the functions set out in paragraph 7 on behalf of the CMA.

- 5.2 The Monitoring Trustee must possess appropriate qualifications, competence and experience to carry out its functions. The Monitoring Trustee must be under an obligation to carry out its functions to the best of its abilities.
- 5.3 The Monitoring Trustee must neither have nor become exposed to a conflict of interest that impairs the Monitoring Trustee's objectivity and independence in discharging its duties under these Final Undertakings, unless it can be resolved in a manner and within a time frame acceptable to the CMA in consultation with Ofcom.
- 5.4 The Parties shall remunerate and reimburse the Monitoring Trustee for all reasonable costs and professional fees properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the Monitoring Trustee's independence or ability to effectively and properly carry out its functions.
- 5.5 The appointment of the Monitoring Trustee and its terms and conditions must be approved by the CMA in consultation with Ofcom. The Parties shall inform the CMA and Ofcom as soon as is reasonably practicable and in any event by no later than five Working Days after the Commencement Date of the identity of at least two Monitoring Trustees, including the Parties' preferred candidate, that they propose to appoint and provide the CMA and Ofcom with draft terms and conditions of appointment along with the functions to be performed by the Monitoring Trustee for the implementation of the Remedy. The proposal shall contain sufficient information for the CMA and Ofcom to verify that the proposed Monitoring Trustees fulfil the requirements set out in this section 5. The Monitoring Trustee shall be appointed within two working days of approvals by the CMA in consultation with Ofcom. Once the Monitoring Trustee has been approved by the CMA in consultation with Ofcom and appointed by the Parties, the Parties shall provide the CMA and Ofcom with a copy of the agreed terms and conditions of appointment.
- 5.6 If the proposed Monitoring Trustee is rejected by the CMA, the Parties shall submit the names of at least two further persons within five Working Days starting with the date on which they were informed of the rejection, in accordance with the requirements and the procedures set out in paragraphs 5.2 to 5.4 above.
- 5.7 The provisions of paragraph 5.8 below shall apply if:
- (a) the Parties fail to nominate persons in accordance with paragraphs 5.1 or 5.6 above; or
 - (b) those further persons nominated by the Parties in accordance with paragraph 5.6 above are rejected by the CMA; or
 - (c) the Parties are unable for any reason to conclude the appointment of the Monitoring Trustee within the time limit specified by the CMA.

- 5.8 The CMA, having consulted Ofcom, shall nominate one or more persons to act as Monitoring Trustee, and the Parties shall appoint or cause to be appointed such Monitoring Trustee within two Working Days starting with the date of such nomination under the term of a Monitoring Trustee mandate approved by the CMA.
- 5.9 The Monitoring Trustee's mandate shall specify that the Monitoring Trustee will carry out the functions set out in paragraph 7 below and that the Monitoring Trustee will monitor the compliance of the Parties with their obligations under these Final Undertakings. The mandate shall provide that the Monitoring Trustee shall take such steps as it reasonably considers necessary to carry out its functions effectively and that the Monitoring Trustee must comply with any reasonable requests made by the CMA for the purpose of carrying out its functions under these Final Undertakings.
- 5.10 The Parties will provide the Monitoring Trustee and/or the CMA any information and documents necessary for the CMA to monitor and review the operation of the Remedy or for the purposes of its enforcement. A Party will not be required to supply any information or document which it would not be compelled to supply in civil proceedings before the High Court in England and Wales or Northern Ireland or before the Court of Session in Scotland. The Monitoring Trustee and/or the CMA (as applicable) shall hold any Confidential Information of any Party as confidential.

6. Monitoring Trustee – replacement, discharge and reappointment

- 6.1 The Parties acknowledge that if the Monitoring Trustee ceases to perform its duties, or for any other good cause, including the exposure of the Monitoring Trustee to a conflict of interest, the CMA may, after consulting the Monitoring Trustee, require the Parties to replace the Monitoring Trustee.
- 6.2 If the Monitoring Trustee is removed under paragraph 6.1 above, the Monitoring Trustee may be required to continue in its post until a new Monitoring Trustee is in place to whom the Monitoring Trustee has effected a full handover of all relevant information. The new Monitoring Trustee shall be appointed in accordance with the procedure contained in paragraph 5 above.

7. Monitoring Trustee Functions

- 7.1 The Monitoring Trustee's functions as set out in this paragraph 7 are to monitor and review compliance with these Final Undertakings in accordance with Annexes A, B and C.
- 7.2 The Monitoring Trustee's functions shall in particular include: promptly informing the CMA of any material developments in connection with these Final Undertakings, providing written reports to the CMA in accordance with the provisions of Annex A, Annex B and Annex C, and any other matter that the CMA may direct in connection with these Final Undertakings.

8. Variations to these Final Undertakings

- 8.1 The terms of these Final Undertakings may be varied with the prior written consent of the CMA in accordance with sections 82(2) and 82(5) of the Act.
- 8.2 Where a request for consent to vary these Final Undertakings is made to the CMA, the CMA will consider any such request in light of the Report and will respond in writing (including via email) as soon as is reasonably practicable having regard to the nature of the request and to its statutory duties.
- 8.3 The consent of the CMA shall not be unreasonably withheld or delayed.

9. General obligations to provide information to the CMA

- 9.1 The Parties each undertake to cooperate with the CMA in good faith and to promptly provide to the CMA such information as the CMA may reasonably require for the purpose of performing any of its functions under these Final Undertakings or under sections 82, 83, 93(6) and 94 of the Act.
- 9.2 The Parties each undertake that, should they at any time be in breach of any provision of these Final Undertakings, the relevant party will notify the CMA within one week, starting with the date it becomes aware of the breach even if internal assessments and investigations are pending.
- 9.3 Where any person including a Monitoring Trustee must provide information to the CMA under or in connection with these Final Undertakings, whether in the form of any notice, application, report or otherwise, the Parties each undertake that they will take reasonable steps within their respective power to procure that that person shall hold all information provided to it as confidential and shall not disclose any business-sensitive information of the Parties to any person other than to the CMA or Ofcom, without the prior written consent of both the Parties and either the CMA or Ofcom (where relevant).
- 9.4 The Parties shall not circumvent or attempt to circumvent these Final Undertakings either directly or indirectly by any act or omission.

10. Acceptance of service

- 10.1 Vodafone hereby authorises its legal representatives, Slaughter and May of One Bunhill Row, London EC1Y 8YY to accept service of all documents, orders, requests, notifications or other communications connected with these Final Undertakings (including any such document which falls to be served on or sent to Vodafone or its Subsidiaries or Affiliates in connection with proceedings in court in the UK).
- 10.2 CK Hutchison hereby authorises its legal representatives, Freshfields LLP of 100 Bishopsgate, London, EC2P 2SR to accept service of all documents, orders, requests, notifications or other communications connected with these Final Undertakings (including any such document which falls to be served on

or sent to the CK Hutchison Group or its Subsidiaries or Affiliates in connection with proceedings in court in the UK).

- 10.3 MergeCo hereby authorises Vodafone's and CK Hutchison's legal representatives in paragraphs 10.1 and 10.2 above to accept service of all documents, orders, requests, notifications or other communications connected with these Final Undertakings (including any such document which falls to be served on or sent to MergeCo or its Subsidiaries or Affiliates in connection with proceedings in court in the UK).
- 10.4 Unless any Party informs the CMA that their legal representatives have ceased to have authority and have informed the CMA of an alternative to accept and acknowledge service on their behalf, any document, written directions, order, request, notification or other communication connected with these Final Undertakings shall be deemed to have been validly served, as applicable, on that Party, if it is served on their applicable respective legal representatives, and service or receipt shall be deemed to be acknowledged by email from that Party's legal representatives to the CMA.
- 10.5 These paragraphs 10.1, 10.2 and 10.3 have effect irrespective of whether, as between any Party and its respective legal representatives, their respective legal representatives have or continue to have any authority to accept and acknowledge service on their behalf (unless they inform the CMA that the Party's legal representatives have ceased to have authority to accept and acknowledge service on their behalf), and no failure or mistake by the Party's legal representatives (including a failure to notify, as applicable, the Party, of the service of any document, order, request, notification or other communication) shall invalidate any action taken in respect of these Final Undertakings, including any proceeding or judgment pursuant to these Final Undertakings.

11. **Effect of invalidity**

- 11.1 The Parties undertake that should any provision of these Final Undertakings be contrary to law or invalid for any reason, they shall continue to observe the remaining provisions.

12. **Extension of time**

- 12.1 The Parties recognise and acknowledge that the CMA may, where it considers it appropriate, in response to a written request from either of the Parties showing good cause, or otherwise at its own discretion, grant an extension of any period specified in these Final Undertakings within which the Parties and the Monitoring Trustee (as the case may be) must take action. The grant of any such extension shall not be unreasonably withheld or delayed.

13. **Undertakings given jointly and severally**

- 13.1 Where undertakings in these Final Undertakings are given by Vodafone, CK Hutchison and MergeCo, they are given jointly and severally.

14. **Governing law**

- 14.1 These Final Undertakings shall be governed by and construed in all respects in accordance with English law.
- 14.2 Disputes arising concerning these Final Undertakings shall be subject to the jurisdiction of the courts of England and Wales.

15. **Enforcement**

- 15.1 The Parties recognise and acknowledge that section 94 of the Act places a duty on any person to whom these Final Undertakings relate to comply with them. Any person who suffers loss or damage due to a breach of this duty may bring an action. Section 94 of the Act also provides that the CMA can seek to enforce these undertakings by civil proceedings for an injunction or for any other appropriate relief or remedy. Under sections 94AA and 94AB of the Act, the CMA can impose financial penalties in respect of a failure to comply with these undertakings without reasonable excuse as set out in Annex E of these Final Undertakings.
- 15.2 The Parties recognise and acknowledge that it is a criminal offence under section 117 of the Act for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in fines, imprisonment for a term not exceeding two years, or both (Section 117 of the Act) or the imposition of financial penalties under section 110(1A) of the Act, as described in Annex E of these Final Undertakings.

FOR AND ON BEHALF OF VODAFONE

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Signed

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Name

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Title

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Date

FOR AND ON BEHALF OF CK HUTCHISON

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Signed

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Name

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Title

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Date

FOR AND ON BEHALF OF MERGECO

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Signed

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Name

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Title

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Date

Annex A – Network Commitment

1. Obligation to obtain Ofcom’s approval for the Spectrum Licence Variation

1.1 The Parties shall:

1.1.1 procure that VUK submits a written request to Ofcom to give effect to the Spectrum Licence Variation (if not already submitted); and

1.1.2 not complete the Merger unless and until Ofcom provides written notification to the Parties of Ofcom’s approval of the Spectrum Licence Variation in accordance with paragraph 6(a) of Schedule 1 of the Wireless Telegraphy Act.

2. Network Commitment Undertakings

2.1 The Site Targets Table is set out below:

Site Targets Table (No. of Sites)									
FY	Network Commitment Area 1 (Urban)				Network Commitment Area 2 (Rural)				Total Cumulative
	High Configuration Sites	Mid Configuration Sites	Low Configuration Sites	Network Commitment Area 1 Total	High Configuration Sites	Mid Configuration Sites	Low Configuration Sites	Network Commitment Area 2 Total	
Y3	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[X]
Y5	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[X]
Y8	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[25,000 – 30,000]

Note: The change in the division between Network Commitment Area 1 (urban) and Network Commitment Area 2 (rural) areas is due to a change from using the 2023 Connected Nations Methodology in the Final Report to a simplified and more accurate methodology. Both methodologies utilise the same Bluewave Geographics Locale dataset based on the 2011 Census data .

2.2 The Spectrum Configuration Target Table is set out below:

Spectrum Configuration Target Table		
Target configuration	Frequency bands (MHz)	Total spectrum deployed on each site for 4G and 5G use
High Configuration Site	[X]	[X]
	[X]	
	[X]	
	[X]	
	[X]	
	[X]	
	[X]	
	[X]	
Mid Configuration Site	[X]	[X]
	[X]	
	[X]	
	[X]	
	[X]	
	[X]	
	[X]	
	[X]	
Low Configuration Site	[X]	[X]
	[X]	
	[X]	
	[X]	

2.3 By the First Measurement Date, MergeCo shall ensure that:

2.3.1 MergeCo’s Upgraded Network shall comprise no fewer sites than the Year 3 Total Target number of sites, including the target numbers of sites set out in the columns titled “Network Commitment Area 1 Total” and “Network Commitment Area 2 Total” in the row labelled “Y3” in the Site Targets Table, subject to paragraph 2.6;

2.3.2 MergeCo’s Upgraded Network shall comprise no fewer sites than the specified numbers of High Configuration Sites, Mid Configuration Sites, and Low Configuration Sites in each Network Commitment Area, set out in the row labelled “Y3” in the Site Targets Table; and

2.3.3 the Spectrum Configuration Targets are met in respect of each of the sites which comprise MergeCo’s Upgraded Network, subject to paragraph 2.8.

2.4 By the Second Measurement Date, MergeCo shall ensure that:

2.4.1 MergeCo’s Upgraded Network shall comprise no fewer sites than the Year 5 Total Target number of sites, including the target numbers of sites set out in the columns titled “Network Commitment Area 1 Total” and “Network Commitment Area 2 Total” in the row labelled “Y5” in the Site Targets Table, subject to paragraph 2.6;

- 2.4.2 MergeCo's Upgraded Network shall comprise no fewer sites than the specified numbers of High Configuration Sites, Mid Configuration Sites, and Low Configuration Sites in each Network Commitment Area, set out in the row labelled "Y5" in the Site Targets Table; and
 - 2.4.3 the Spectrum Configuration Targets are met in respect of each of the sites which comprise MergeCo's Upgraded Network, subject to paragraph 2.8.
- 2.5 By the Third Measurement Date, MergeCo shall ensure that:
- 2.5.1 MergeCo's Upgraded Network shall comprise no fewer sites than the Year 8 Total Target number of sites, including the target numbers of sites set out in the columns titled "Network Commitment Area 1 Total" and "Network Commitment Area 2 Total" in the row labelled "Y8" in the Site Targets Table, meeting or exceeding the specified number of High Configuration Sites, Mid Configuration Sites, and Low Configuration Sites in each Network Commitment Area, subject to paragraph 2.6; and
 - 2.5.2 the Spectrum Configuration Targets are met in respect of each of the sites which comprise MergeCo's Upgraded Network, subject to paragraph 2.8.

Additional Obligations

- 2.6 For a site to be capable of contributing to the Network Commitment Site Targets:
- 2.6.1 the relevant spectrum frequency bands, as set out in the Spectrum Configuration Target Table, must be deployed on a minimum of one sector on the site;
 - 2.6.2 the radio site shall comply with the local electromagnetic fields ("**EMF**") exposure limits;
 - 2.6.3 if the site is used for 5G transmission, it shall consist of macrocells that meet the Wide-Area BS class definition in 3GPP TS 38.104 v18.6.0 (2024-06), or any other definition agreed between MergeCo and Ofcom;
 - 2.6.4 if the site is used for 4G transmission, it shall consist of macrocells that meet the Wide-Area BS class definition in 3GPP TS 36.104 v18.5.0, or any other definition agreed between MergeCo and Ofcom; and
 - 2.6.5 MergeCo shall deploy each of the [X] and [X] spectrum bands on the site, subject to paragraph 2.8.

Technological developments

2.7 In the event of satellite technological developments, having consulted with Ofcom, the CMA may make Minor Updates to the Spectrum Configuration Targets as it reasonably considers necessary.

2.7.1 For the purposes of this paragraph 2.7 **Minor Updates** means any changes to the Spectrum Configuration Targets that MergeCo demonstrates would not result in a material adverse change to the network quality MergeCo would otherwise achieve in the absence of the Minor Update.

900 MHz band

2.8 Notwithstanding paragraph 2.6.5, MergeCo may deploy a subset of 900 MHz spectrum frequencies, subject to a minimum deployment of 2x10 MHz of 4G and/or 5G spectrum, on:

2.8.1 sites where VUK provides, or has provided in the last three months, 2G coverage using 900 MHz spectrum; and

2.8.2 associated sites that would otherwise cause undue interference to, or receive undue interference from, those sites referred to in paragraph 2.8.1 in 900 MHz spectrum.

3. Reporting obligations

3.1 Within 20 Working Days of each anniversary of the Completion Date, up to and including the Third Measurement Date (or such time as the CMA, Ofcom, and the Monitoring Trustee deem appropriate if MergeCo has not satisfied the Network Commitment Site Targets by the Third Measurement Date), MergeCo shall provide an Annual Progress Report to the Monitoring Trustee, Ofcom and the CMA, setting out:

3.1.1 the total number of sites comprising MergeCo's Upgraded Network at the end of that Reporting Year;

3.1.2 the number of sites in each of the Network Commitment Areas and the number of High Configuration Sites, Mid Configuration Sites and Low Configuration Sites in each Network Commitment Area;

3.1.3 the location of those sites;

3.1.4 the number of sectors per site;

3.1.5 the spectrum holdings, bandwidth, antenna height, transmit power, orientation and technology deployed on each sector;

- 3.1.6 the following metrics in relation to the performance of the MergeCo Network:
 - 3.1.6.1 4G geographic coverage for each of the UK, England, Northern Ireland, Scotland and Wales;
 - 3.1.6.2 4G population coverage for each of the UK, England, Northern Ireland, Scotland and Wales;
 - 3.1.6.3 5G geographic coverage for each of the UK, England, Northern Ireland, Scotland and Wales;
 - 3.1.6.4 5G population coverage for each of the UK, England, Northern Ireland, Scotland and Wales; and
 - 3.1.6.5 national average maximum available speeds, as produced by a third-party benchmarking service;
- 3.1.7 as part of the first three Annual Progress Reports only:
 - 3.1.7.1 the percentage change in not-spots (uncovered areas) on MergeCo's Network as a result of Early Years MOCN;
 - 3.1.7.2 the number of sites on 3UK's grid where 2 x 20 MHz is activated on the 1800 MHz spectrum band; and
 - 3.1.7.3 the number of sites where Early Years MOCN is activated, and the coverage achieved by this activation.
- 3.2 MergeCo must provide a confidential version and a non-confidential version of the Annual Progress Report under paragraph 3.1. Within one month of the receipt of each Annual Progress Report, the Monitoring Trustee must submit a report (the **Network Commitment Report**) to Ofcom and the CMA that includes the Monitoring Trustee's assessment of:
 - 3.2.1 the integrity of the underlying systems and models used by MergeCo to generate the data described at paragraph 3.1 and any further information that the Monitoring Trustee reasonably considers is necessary to review for this purpose; and
 - 3.2.2 following consultation with Ofcom, MergeCo's compliance with, or progress towards compliance with, the obligations in this Annex A to the Final Undertakings.
- 3.3 As soon as reasonably practicable following the Monitoring Trustee submitting the Network Commitment Report to MergeCo, the CMA and Ofcom, MergeCo undertakes to publish the non-confidential version of the Annual Progress Report on its website. For the avoidance of doubt, MergeCo may remove all

competitively sensitive and/or commercially sensitive information from the non-confidential version of the Annual Progress Report that will be published. MergeCo's removal of competitively sensitive and/or commercially sensitive information from the non-confidential version of the Annual Progress Report that will be published is subject to CMA approval.

- 3.4 MergeCo commits to continue existing Connected Nations reporting to Ofcom (or any amended versions or formats for this Connected Nations reporting that may be agreed with Ofcom from time to time) three times per year, which will also be sent by MergeCo to the Monitoring Trustee in parallel.
- 3.5 As soon as reasonably practicable, and in any event no later than 15 working days after MergeCo provides each Annual Progress Report to the Monitoring Trustee, Ofcom and the CMA, MergeCo will provide relevant data from its Site Planning Tool and Inventory Management Tool (or other tools with similar functionalities as may be used from time to time and any further information that the independent auditor reasonably considers is necessary) to an independent auditor appointed by the Monitoring Trustee for the purposes of verifying the accuracy of the data specified in paragraphs 3.1.1, 3.1.2, 3.1.4 and 3.1.5 of Annex A, to be set out in the Annual Progress Reports provided by MergeCo under this paragraph 3.

4 Duration

- 4.1 As set out at clause 2.1 of the Final Undertakings, the provisions in paragraph 1.1 of Annex A shall commence on the Commencement Date and the remaining provisions of Annex A (i.e. those not specified in paragraph 1.1 above), will commence on the Completion Date and remain in force until the satisfaction of all Network Commitment Site Targets, subject to section 92 of the Enterprise Act 2002.

5 Monitoring Trustee Functions – Network Commitment

- 5.1 The Monitoring Trustee's functions with respect to the Network Commitment and as set out in this paragraph 5 are to monitor and review compliance with the obligations in this Annex A to the Final Undertakings and compliance with the Network Commitment Site Targets and Spectrum Configuration Targets, and shall in particular comprise:
 - 5.1.1 monitoring ongoing compliance with the Network Commitment Site Targets and additional obligations set out in paragraph 2 above;
 - 5.1.2 reviewing the Network Commitment Site Targets and Spectrum Configuration Targets under the Network Commitment, as agreed with the CMA and Ofcom;
 - 5.1.3 reviewing MergeCo's Annual Progress Reports prepared in accordance with paragraph 3 above, and verifying the integrity of the

underlying systems and models used by MergeCo to generate the data incorporated into the Annual Progress Reports;

- 5.1.4 following consultation with Ofcom, submitting Network Commitment Reports to the CMA and Ofcom that assess MergeCo's compliance with, or progress towards compliance with, the Network Commitment, in accordance with paragraph 3.2 above;
- 5.1.5 submitting a report to the CMA every four months, with the first report being due six months after the Completion Date, setting out MergeCo's progress with the Network Commitment. For the avoidance of doubt, the Monitoring Trustee's annual Network Commitment Report will constitute one of these three reports each year monitoring MergeCo's progress with the Network Commitment; and
- 5.1.6 where the Monitoring Trustee reasonably considers a material risk that MergeCo will not meet the Network Commitment Site Targets has arisen, the Monitoring Trustee may organise meetings between MergeCo, Ofcom and the CMA in connection with the obligations set out in this Annex A.

Annex A.1

[Draft] Application by Vodafone Limited for a variation of the terms of its public wireless network licence for spectrum in the 900 MHz band

Introduction to the request for a licence variation

- (1) By virtue of this Application, Vodafone Limited (company registration no.01471587) (“**VUK**”) seeks a variation of its public wireless network licence for the 900 and 1800 MHz spectrum bands (licence number 0249664, first issued 23/07/92¹) to include in that licence the network commitment outlined below.

Background to the request for a licence variation

- (2) On 14 June 2023, Vodafone Group Plc (“**Vodafone**”) and CK Hutchison Holdings Limited (“**CK Hutchison**”) entered into an agreement (the “**Contribution Agreement**”) to establish a joint venture combining their UK telecom businesses, respectively VUK and Hutchison 3G UK Limited (**3UK**). Under the terms of the Contribution Agreement, CK Hutchison will hold (indirectly) 49% and Vodafone will hold 51% of the issued share capital of Vodafone UK Trading Holdings Limited (“**MergeCo**”), the joint venture vehicle and VUK and 3UK will be wholly-owned subsidiaries of this entity (the “**Merger**”). For the purposes of this application, Vodafone, CK Hutchison and MergeCo are the **Parties**, each being a **Party**.
- (3) The Parties subsequently notified the proposed Merger to the Competition and Markets Authority (“**CMA**”) and sought its approval of the formation of the joint venture.
- (4) The Parties have engaged with the CMA through a detailed merger enquiry.
- (5) On 5 December 2024, the CMA announced² that the Merger could proceed, subject to the Parties agreeing to certain legally binding commitments, including a commitment to deliver their joint network plan involving integration and upgrades over the next eight years, overseen by both Ofcom and the CMA (the “**Network Commitment**”).

The joint network plan and the network commitment

- (6) Under the Network Commitment, the Parties offered to commit:
 - (a) to fully integrate their joint networks into a combined site grid of no fewer than [25,000-30,000] sites in the UK over an eight-year period;

¹ [900-1800 MHz LICENCE - Vodafone 0249664](#).

² [CMA clears Vodafone / Three merger, subject to legally binding commitments - GOV.UK](#).

- (b) to integrate a minimum number of sites in:
 - (i) rural areas, including a specified number of High-, Mid-, and Low-Configuration Sites; and
 - (ii) urban areas, including a specified number of High-, Mid-, and Low-Configuration Sites.
 - (c) to fully deploy a prescribed amount of spectrum across specified frequency bands;
 - (d) to report to The Office of Communications (“**Ofcom**”) and a monitoring trustee; and
 - (e) to measurement points in years 3, 5 and 8.
- (7) On [•] 2025, the Parties gave their Final Undertakings to the CMA under section 82 of the Enterprise Act 2002. The Final Undertakings included a provision that the Parties would request a variation to one of the spectrum licences to be held by the merged entity (“**MergeCo**”) to include a licence condition requiring the Parties to fulfil the Network Commitment.
- (8) The Parties consider that VUK’s 900/1800 MHz licence is the most appropriate licence in which to include the Network Commitment.
- (9) The proposed wording VUK requests be included in the licence by way of variation is set out at Annex 1.

Ofcom’s duties – the relevant statutory and policy framework

- (10) Ofcom’s powers to vary wireless telegraphy licences are set out in Schedule 1 to the Wireless Telegraphy Act 2006 (the “**2006 Act**”). Ofcom may vary the terms of a licence by a notice in writing given to the holder of the licence (Sch 1, para 6). Ofcom may not vary a licence unless the proposed variation is objectively justifiable (Sch 1, para 6A). Paragraph 7 of Schedule 1 to the 2006 Act provides for certain requirements in relation to the notification of proposed variations, but does not apply in the case of licence variations made at the request of the licence holder (see sub-paragraph 12).
- (11) In exercising its spectrum functions under the 2006 Act, Ofcom must comply with its duties under the Communications Act 2003 (the “**2003 Act**”). Section 3(1) of the 2003 Act provides that it is Ofcom’s principal duty in carrying out its functions to:
- (a) further the interests of citizens in relation to communications matters, and
 - (b) further the interests of consumers in relevant markets, where appropriate by promoting competition.

- (12) In so doing, Ofcom is required by section 3(2) of the 2003 Act to secure, amongst other things:
 - (a) the optimal use for wireless telegraphy of the electro-magnetic spectrum; and
 - (b) the availability throughout the UK of a wide range of services.
- (13) In performing its duties, Ofcom must also have regard to, amongst others, the following matters:
 - (a) the desirability of promoting competition in relevant markets (section 3(4)(b));
 - (b) the desirability of encouraging investment and innovation (section 3(4)(d));
 - (c) the desirability of encouraging availability and use of high-speed data transfer services throughout the UK (section 3(4)(e)); and
 - (d) the different needs and interests of persons in different parts of the UK (section 3(4)(l)).
- (14) Ofcom must also have regard to its duties in section 4 of the 2003 Act, including:
 - (a) the requirement to promote competition (section 4(3)); and
 - (b) the requirement to promote the interests of members of the public in the UK (section 4(5)).
- (15) Under section 3 of the 2006 Act, Ofcom must have regard to:
 - (a) the extent to which the spectrum is available for use or further use, for wireless telegraphy;
 - (b) the demand for use of that spectrum for wireless telegraphy; and
 - (c) the demand that is likely to arise in future for the use of that spectrum for wireless telegraphy.
- (16) Ofcom must also have regard to the desirability of promoting:
 - (a) the efficient management and use of the spectrum for wireless telegraphy;
 - (b) the economic and other benefits that may arise from the use of wireless telegraphy;
 - (c) the development of innovative services; and
 - (d) competition in the provision of electronic communications services.

- (17) In exercising its regulatory functions, Ofcom must also have regard to the desirability of promoting economic growth pursuant to its duty under section 108 of the Deregulation Act 2015, as applied to Ofcom by the Economic Growth (Regulatory Functions) (Amendment) Order, SI 2024/587.
- (18) The Parties acknowledge that, when considering whether to exercise its discretion to take enforcement action, Ofcom will take account of the wider context and circumstances in the round, including any action the Parties have taken to mitigate any failure to meet the obligation and events that are unforeseeable or outside their control.³

Impact of the Network Commitment

- (19) The Network Commitment is an integral part of the Merger, which the CMA has found is likely to boost competition in the long term in the retail and wholesale markets and result in significant increases in mobile network quality in the UK.⁴
- (20) The Network Commitment will enable VUK and 3UK to increase their competitiveness in the mobile market and achieve the necessary scale to provide UK customers with a 'best-in-class' network, bringing forward the deployment of next generation 5G services, while realising sustainable returns. Delivery of the Network Commitment will create a challenger for BTEE and VMO2, leading to further investments in the industry to maintain competitiveness. The Network Commitment will create a high-investment equilibrium and deliver a better outcome in both the retail and wholesale markets.
- (21) The Network Commitment will benefit consumers and competition by:
 - (a) enhancing the coverage and capacity of MergeCo, incentivising it to make attractive retail and wholesale offers to fill the new available capacity. This would be particularly relevant in the competition for MVNOs;
 - (b) decreasing MergeCo's incremental costs of expanding capacity, leading to lower prices and better quality;
 - (c) improving MergeCo's network quality; and
 - (d) increasing competition and competitive pressure on VMO2 and BTEE to provide better wholesale and retail offers.
- (22) It will lead to:
 - (a) improved mobile connectivity nationwide, including in areas that are currently underserved, resulting in better quality and lower prices;

³ CMA's Final Report, paragraphs 16.152-16.153.

⁴ CMA's Final Report, Summary, paragraph 2.

- (b) accelerated rollout of standalone 5G networks, benefitting customers and driving benefits for the wider UK economy; and
 - (c) an improved FWA offering in the UK communications market.
- (23) The Network Commitment will contribute to the efficient and optimal use of spectrum in the UK by ensuring that the Parties' spectrum holdings are deployed to the fullest possible extent in the provision of high-quality mobile services to customers across the UK. It will lead to improvements in terms of greater coverage reliability, reduced congestion and greater availability of C-band spectrum coverage (which provides the highest levels of network capacity), resulting in significant cumulative benefits for customers.
- (24) The densification of sites on MergeCo's network brought about through fulfilment of the Network Commitment will improve coverage reliability, leading to reduced patchiness of coverage in urban areas and significant improvements of coverage quality in rural areas. The combined effect of this would be to boost mobile connectivity with stronger and more consistent mobile reception and higher network speeds across the UK.

Annex 1 to Draft Application – proposed licence modification wording

The licence conditions implementing the Network Commitment should be inserted into Schedule 1 of Vodafone's 900/1,800 MHz licence, immediately after the provisions relating to the "2020 Coverage Obligations".

Network Obligations

8A

Definitions

- (1) For the purposes of interpreting Conditions 8A(2) - (9) below, the following terms shall have the following meanings:
- (a) **"2G network"** means an electronic communications network that complies with GSM standards, as published by ETSI, in particular EN 301 502, EN 301 511 and EN 301 908-18 (also a **"GSM System"**).
 - (b) **"3UK"** means Hutchison 3G UK Limited.
 - (c) **"3UK Network"** means the mobile telecommunications network of 3UK.
 - (d) **"Annual Progress Report"** means a report containing the information specified in Condition 8A(5).
 - (e) **"Completion Date"** means the date of completion of the Merger.
 - (f) **"First Measurement Date"** means the date three years from the Completion Date.
 - (g) **"High Configuration Site"** means a radio site that is configured to deploy the frequency bands set out in the row titled High Configuration Site in the Spectrum Configuration Target Table.
 - (h) **"Low Configuration Site"** means a radio site that is configured to deploy the frequency bands set out in the row titled Low Configuration Site in the Spectrum Configuration Target Table.
 - (i) **"MergeCo Network"** means MergeCo's Upgraded Network and those parts of the VUK Network and of the 3UK Network that are not, or not yet, part of MergeCo's Upgraded Network.
 - (j) **"MergeCo's Upgraded Network"** means the mobile telecommunications network of MergeCo, created from the integration of the standalone site grids of VUK and of 3UK into a single radio site grid and which is to be upgraded to the required

spectrum configuration over an eight-year period following the Completion Date.

- (k) **“Merger”** means the anticipated joint venture between the UK telecommunication businesses of Vodafone and CK Hutchison, specifically concerning Vodafone Limited and Hutchison 3G UK Limited.
- (l) **“Mid Configuration Site”** means a radio site that is configured to deploy the frequency bands set out in the row titled Mid Configuration Site in the Spectrum Configuration Target Table.
- (m) **“Minor Updates”** has the meaning set out in Condition 8A(7)(b).
- (n) **“Network Commitment Area 1”** means the areas designated by Ofcom as ‘urban’ for the purposes of Condition 8A subject to any minor variations as determined by Ofcom from time to time. This comprises the areas designated as ‘Locale Groups A-E’ in the 2011 Classification for Output Areas that were used in the UK 2011 census subject to any minor variations as determined by Ofcom from time to time, where Locale Groups A-E are defined in accordance with the methodology set out in the methodology document titled “Locale Classification”, produced by Bluewave Geographics ([available here](#)), and where the Output Areas of England, Wales and Scotland can be imported as British National Grid (CRS:27700) projections and where Northern Ireland is reprojected from the Irish National Grid (CRS:29902) onto the British National Grid.
- (o) **“Network Commitment Area 2”** means the areas designated by Ofcom as ‘rural’ for the purposes of Condition 8A subject to any minor variations as determined by Ofcom from time to time. This comprises the areas designated as ‘Locale Groups F-G’ in the 2011 Classification for Output Areas that were used in the UK 2011 census subject to any minor variations as determined by Ofcom from time to time, where Locale Groups F-G are defined in accordance with the methodology set out in the methodology document titled “Locale Classification”, produced by Bluewave Geographics ([available here](#)), and where the Output Areas of England, Wales and Scotland can be imported as British National Grid (CRS:27700) projections and where Northern Ireland is reprojected from the Irish National Grid (CRS:29902) onto the British National Grid.
- (p) **“Network Commitment Areas”** means “Network Commitment Area 1” and “Network Commitment Area 2”.

- (q) **“Network Commitment Site Targets”** means the respective target numbers of sites set out in the Site Targets Table for each of Year 3, Year 5 and Year 8 and in Conditions 8A(2) to (4).
- (r) **“Reporting Year”** means the period of one year from the Completion Date and each subsequent year from the anniversary of the Completion Date in 2026 to 2032.
- (s) **“Second Measurement Date”** means the date five years from the Completion Date.
- (t) **“Site Targets Table”** means the table set out at Appendix 1.
- (u) **“Spectrum Configuration Target Table”** means the table set out at Appendix 2.
- (v) **“Spectrum Configuration Targets”** means the frequency bands and total spectrum deployed, set out in the Spectrum Configuration Target Table, for each of the High Configuration Sites, Mid Configuration Sites and Low Configuration Sites, respectively.
- (w) **“Third Measurement Date”** means the date eight years from the Completion Date.
- (x) **“VUK”** means Vodafone Limited.
- (y) **“VUK Network”** means the mobile telecommunications network of VUK.
- (z) **“Year 3 Total Target”** means the number of sites set out in the row labelled “Y3” of the Site Targets Table under the column labelled “Total Cumulative”.
- (aa) **“Year 5 Total Target”** means the number of sites set out in the row labelled “Y5” of the Site Targets Table under the column labelled “Total Cumulative”.
- (bb) **“Year 8 Total Target”** means the number of sites set out in the row labelled “Y8” of the Site Targets Table under the column labelled “Total Cumulative”.

The Year 3 Targets

- (2) By the First Measurement Date, the Licensee shall ensure that:
 - (a) MergeCo’s Upgraded Network shall comprise no fewer sites than the Year 3 Total Target number of sites, including the target numbers of sites set out in the columns titled “Network Commitment Area 1 Total” and “Network Commitment Area 2

Total” in the row labelled “Y3” in the Site Targets Table, subject to Condition 8A(6);

- (b) MergeCo’s Upgraded Network shall comprise no fewer sites than the specified numbers of High Configuration Sites, Mid Configuration Sites, and Low Configuration Sites in each Network Commitment Area, set out in the row labelled “Y3” in the Site Targets Table; and
- (c) the Spectrum Configuration Targets are met in respect of each of the sites which comprise MergeCo’s Upgraded Network, subject to Condition 8A(8).

The Year 5 Targets

- (3) By the Second Measurement Date, the Licensee shall ensure that:
 - (a) MergeCo’s Upgraded Network shall comprise no fewer sites than the Year 5 Total Target number of sites, including the target numbers of sites set out in the columns titled “Network Commitment Area 1 Total” and “Network Commitment Area 2 Total” in the row labelled “Y5” in the Site Targets Table, subject to Condition 8A(6);
 - (b) MergeCo’s Upgraded Network shall comprise no fewer sites than the specified numbers of High Configuration Sites, Mid Configuration Sites, and Low Configuration Sites in each Network Commitment Area, set out in the row labelled “Y5” in the Site Targets Table; and
 - (c) the Spectrum Configuration Targets are met in respect of each of the sites which comprise MergeCo’s Upgraded Network, subject to Condition 8A(8).

The Year 8 Total Commitment

- (4) By the Third Measurement Date, the Licensee shall ensure that:
 - (a) MergeCo’s Upgraded Network shall comprise no fewer sites than the Year 8 Total Target number of sites, including the target numbers of sites set out in the columns titled “Network Commitment Area 1 Total” and “Network Commitment Area 2 Total” in the row labelled “Y8” in the Site Targets Table, meeting or exceeding the specified number of High Configuration Sites, Mid Configuration Sites, and Low Configuration Sites in each Network Commitment Area, subject to Condition 8A(6); and

- (b) the Spectrum Configuration Targets are met in respect of each of the sites which comprise MergeCo's Upgraded Network, subject to Condition 8A(8).

Reporting Obligations

- (5) Within 20 Working Days of each anniversary of the Completion Date, up to and including the Third Measurement Date (or such time as the CMA and Ofcom deem appropriate if MergeCo has not satisfied the Network Commitment Site Targets by the Third Measurement Date), the Licensee shall provide an Annual Progress Report to Ofcom. The Annual Progress Report shall contain:
 - (a) The total number of sites comprising MergeCo's Upgraded Network at the end of that Reporting Year;
 - (b) The number of sites in each of the Network Commitment Areas and the number of High Configuration Sites, Mid Configuration Sites, and Low Configuration Sites in each Network Commitment Area;
 - (c) The location of those sites;
 - (d) The number of sectors per site; and
 - (e) The spectrum holdings, bandwidth, antenna height, transmit power, orientation and technology deployed on each sector.

Technical Specifications for Network Sites

- (6) For a site to be capable of contributing to the Network Commitment Site Targets:
 - (a) the relevant spectrum frequency bands, as set out in the Spectrum Configuration Target Table, must be deployed on a minimum of one sector on the site;
 - (b) the radio site shall comply with the local electromagnetic fields ("**EMF**") exposure limits;
 - (c) if the site is used for 5G transmission, it shall consist of macrocells that meet the Wide-Area BS class definition in 3GPP TS 38.104 v18.6.0 (2024-06), or any other definition agreed between the Licensee and Ofcom;
 - (d) if the site is used for 4G transmission, it shall consist of macrocells that meet the Wide-Area BS class definition in 3GPP TS 36.104 v18.5.0, or any other definition agreed between the Licensee and Ofcom; and

- (e) The Licensee shall deploy each of the [X] and [X] spectrum bands on the site, in accordance with Appendix 1, subject to Condition 8A(8).

Technological developments

- (7) In the event of satellite technological developments, Ofcom may, in consultation with the CMA, make Minor Updates to the Network Commitment Spectrum Configuration Targets as it reasonably considers necessary.
 - (a) For the purposes of this Condition 8A(7) **Minor Updates** means any changes to the Network Commitment Spectrum Configuration Targets that MergeCo demonstrates would not result in a material adverse change to the network quality MergeCo would otherwise achieve in the absence of the Minor Update.

900 MHz band

- (8) Notwithstanding Condition 8A(6)(e), the Licensee may deploy a subset of 900 MHz spectrum frequencies, subject to a minimum deployment of 2x10MHz of 4G and/or 5G spectrum, on:
 - (a) sites where Vodafone Limited provides, or has provided in the last three months, 2G coverage using 900 MHz spectrum; and
 - (b) associated sites that would otherwise cause undue interference to, or receive undue interference from, those sites in 8A(8)(a) in 900 MHz spectrum.

Assessment of Compliance

- (9) The Licensee will ensure compliance with the obligations set out in conditions 8A(2)-(4) at the end of the First Measurement Date, the Second Measurement Date and the Third Measurement Date.

APPENDICES TO SCHEDULE 1 OF VODAFONE'S 900 / 1,800 MHZ LICENCE

APPENDIX 1

Site Targets Table

Site Targets Table (No. of Sites)									
FY	Network Commitment Area 1 (Urban)				Network Commitment Area 2 (Rural)				Total Cumulative
	High Configuration Sites	Mid Configuration Sites	Low Configuration Sites	Network Commitment Area 1 Total	High Configuration Sites	Mid Configuration Sites	Low Configuration Sites	Network Commitment Area 2 Total	
FY28 (Y3)	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[X]
FY30 (Y5)	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[X]
FY33 (Y8)	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[X]	[25,000 – 30,000]

APPENDIX 2

Spectrum Configuration Target Table

Spectrum Configuration Target Table		
Target configuration	Frequency bands (MHz)	Total spectrum deployed on each site for 4G and 5G use
High Configuration Site	[✂]	
	[✂]	
	[✂]	
	[✂]	
	[✂]	
	[✂]	
	[✂]	
	[✂]	
Mid Configuration Site	[✂]	
	[✂]	
	[✂]	
	[✂]	
	[✂]	
	[✂]	
	[✂]	
Low Configuration Site	[✂]	
	[✂]	
	[✂]	
	[✂]	

Annex B (Time Limited Retail Customer Protections)

1. Undertaking to make available the Protected Tariffs

- 1.1 For the purposes of this Annex B, reference to MergeCo making Protected Tariffs available or taking any other action shall include where VUK, 3UK or the relevant MergeCo subsidiary makes the Protected Tariffs available or takes any other action in accordance with this Annex B.
- 1.2 MergeCo shall make available the Protected Tariffs to new and existing consumer retail customers until the expiry of the Year 3 Network Commitment Milestone in the same way as they were made available on 12 September 2024 (subject to paragraph 1.6).
- 1.3 The Protected Tariffs shall include the Pricing Cap Commitment Tariffs and the Social Tariffs Commitment. For the purposes of the Final Undertakings:
- (a) **Pricing Cap Commitment Tariffs** means the tariffs in **Table B.1** below, subject to paragraph 1.6; and

Table B.1 – Pricing Cap Commitment Tariffs¹

Brand	Tariff type	Headline monthly price (£)	Pricing for initial months for new consumer retail customers (Introductory Pricing)	Data allowance (GB)	Contract length
Three	PAYM SIMO	14	6 months half price (£7)	25	24 months
	PAYM SIMO	16	6 months half price (£8)	120	24 months
SMARTY	Hybrid PAYG	6		5	1 month
Vodafone	PAYM SIMO	21		50	24 months
	PAYM SIMO	25		150	24 months
VOXI	Hybrid PAYG	10		20	1 month

¹ These tariffs will be offered with unlimited minutes and texts, with 5G and without any speed caps.

(b) **Social Tariffs Commitment** means the tariffs in **Table B.2** below.

Table B.2 – Social Tariffs Commitment

Brand	Headline monthly price (£)	Data allowance (GB), calls and texts	Contract length	Eligibility criteria
VOXI	10	20 (unlimited for first 6 months) Unlimited calls and texts	Rolling 30-day	Eligibility based on existing criteria
SMARTY	12	Unlimited	Rolling monthly	Eligibility based on existing criteria

1.4 The Protected Tariffs shall be offered in full compliance with all applicable legal requirements, which for PAYM SIMO contracts includes pre-defined mid-contract price rises in full compliance with Ofcom’s regulations.

1.5 The Protected Tariffs will be eligible for inclusion in ECNs and ABTNs in the same way as they were eligible for inclusion on 12 September 2024.²

1.6 To the extent the relevant tariff is listed against a brand in Table B.1 or Table B.2, and where that brand is discontinued by MergeCo, MergeCo may instead offer the Protected Tariff using another MergeCo brand.

2. **Display requirements**

2.1 MergeCo shall display the Protected Tariffs clearly and prominently on MergeCo’s relevant customer-facing website(s). For the purposes of this paragraph 2.1:

(a) “Clearly” means

- (i) displayed in plain language;
- (ii) correct; and
- (iii) not misleading.

(b) “Prominently” means:

- (i) presented in such a way as to enable consumers to easily identify, read and understand the relevant information as a whole;
- (ii) clearly visible in each relevant location or is directly accessible; and

² For the avoidance of doubt, the Introductory Pricing, which will only be made available to new consumer retail customers, is not eligible for inclusion in ECNs and ABTNs.

- (iii) not obscured by other information which is shown to consumers, such as, but not limited to, information displayed in signs, banners and as pop-up text and images.
- 2.2 MergeCo shall display the Protected Tariffs to reflect the relative competitiveness of the Protected Tariffs compared to other available tariffs determined on an objective basis. This includes a requirement to display the Protected Tariffs:
 - (a) on MergeCo's relevant customer-facing website(s) on page(s) which display MergeCo's PAYM SIMO or Hybrid pre-paid plans; and
 - (b) in the same standard presentation as MergeCo's presentation of its standard tariffs which appear on the relevant page(s) alongside the Protected Tariffs (for example, the same font size and information on price, data allowance, call minutes and contract length).
- 2.3 The display requirements under paragraphs 2.1 and 2.2 above are in addition to and not in derogation from any requirements under consumer law applicable in the UK.
- 2.4 The Parties shall offer the Pricing Cap Commitment Tariffs to the relevant PCWs with which the Parties have an existing direct commercial arrangement.
- 2.5 In accordance with the terms of the relevant existing direct commercial arrangements at paragraph 2.4 above:
 - (a) MergeCo shall offer the Pricing Cap Commitment Tariffs to the relevant PCWs until the expiry of the Year 3 Network Commitment Milestone;
 - (b) MergeCo shall provide information on the Pricing Cap Commitment Tariffs (through a third-party provider or otherwise) as required by the relevant PCW to enable the PCW to select which tariffs will be published on its website(s); and
 - (c) MergeCo shall pay a commission or other fee to the relevant PCW in respect of any Pricing Cap Commitment Tariffs, as agreed with the relevant PCW and in line with standard commission rates offered by VUK or 3UK to the relevant PCW in relation to the relevant tariff in the one year prior to the Commencement Date.
- 2.6 For the avoidance of doubt, the obligation at paragraph 2.4 does not oblige the Parties to:
 - (a) guarantee that the Pricing Cap Commitment Tariffs will be published by the relevant PCWs; or
 - (b) reach a commercial agreement with the relevant PCWs in respect of those Pricing Cap Commitment Tariffs.

3. Dispute Resolution

- 3.1 Within two months of the Completion Date, MergeCo will appoint at least one independent third-party adjudicator to resolve any dispute with respect to the Protected Tariffs in the event that a dispute is not resolved via VUK's, 3UK's or MergeCo's (as appropriate) internal complaints process(es), and to agree a process to resolve any disputes raised with respect to the Protected Tariffs in line with the timelines and processes followed by the relevant adjudicator at the time of the dispute.
- 3.2 The Parties will procure that the independent third-party adjudicator(s) appointed under paragraph 3.1 above will be one or both of the Alternative Dispute Resolution schemes approved by Ofcom for complaints.
- 3.3 The independent third-party adjudicator(s) appointed under paragraph 3.1 above shall submit summary reports of complaints to the Monitoring Trustee on a quarterly basis for the duration of their appointment in relation to any dispute with respect to the Protected Tariffs.

4. Monitoring Trustee

- 4.1 The Time Limited Retail Customer Protections will be monitored by the Monitoring Trustee.
- 4.2 The Monitoring Trustee will report to the CMA every four months, with the first report being due six months after the Completion Date, with a Time Limited Retail Customer Protections Report confirming whether:
 - (a) The Protected Tariffs each remain available to consumer retail customers in line with paragraph 1.2 above.
 - (b) The Protected Tariffs are displayed clearly and prominently in line with paragraph 2.1 above.
 - (c) The Pricing Cap Commitment Tariffs are offered to relevant PCWs in line with paragraphs 2.4 and 2.5 above.
 - (d) The dispute resolution process has been set up and that disputes are settled quickly and fairly in line with paragraph 3.1 above.
- 4.3 MergeCo will provide the Monitoring Trustee such information that the Monitoring Trustee considers it needs to monitor compliance with the Time Limited Retail Customer Protections.

Annex C (Time Limited Wholesale Access Terms)

1. Time Limited Wholesale Access Terms

- 1.1 MergeCo will make Time Limited Wholesale Access Terms (i.e. the WRO Commitment and the Roll-over Commitment) available to eligible Requesting Parties or Pre-existing MVNOs as applicable in accordance with the terms of this Annex C.
- 1.2 The undertakings in this Annex C will cease to have effect as at:
 - 1.2.1 as regards the WRO Commitment, the date on which the last Requesting Party to have submitted an Eligible Request (prior to the WRO Expiry Date) and subsequently concluded a fully executed MVNO Agreement has completed the onboarding process and launched retail services pursuant to the MVNO Agreement, subject to the operation of paragraphs 2.5 and 2.9; and
 - 1.2.2 as regards the Roll-over Commitment, the date of the Year 3 Network Commitment Milestone.
- 1.3 For the purposes of this Annex C:
 - 1.3.1 a reference to MergeCo, or to MergeCo making terms available, offering or providing access, negotiating and entering into an agreement, providing services and associated activities, or taking any other action, will be a reference to MergeCo or to such MergeCo subsidiary as applicable in the relevant circumstances (including VUK or 3UK), except where otherwise explicitly stated; and
 - 1.3.2 a reference to the MergeCo Network shall be to either the VUK Network or the 3UK Network, and shall be determined by MergeCo as most suitable in the relevant circumstances, except where otherwise explicitly stated.
- 1.4 To the extent that any MVNO seeks access to the MergeCo Network on terms other than as provided under the WRO Commitment (see section 2) or the Roll-over Commitment (see section 3), any such access would (i) fall outside the scope of this Annex C and the dispute resolution provisions in section 4 and Appendix C.5; and (ii) be a matter for standard commercial negotiation as between the relevant MVNO and MergeCo.

2. WRO Commitment

- 2.1 Subject to the provisions of this Annex C, MergeCo will offer Requesting Parties wholesale access to the MergeCo Network on the basis of the Wholesale Reference Offer (the **WRO**) set out in further detail in **Appendix C.1** (the **WRO**)

Commitment). MVNOs taking up the WRO will receive equivalent quality of service as MergeCo's own retail customers, per paragraph (9) of Appendix C.1.

- 2.2 For the purposes of this Annex C a "**Requesting Party**" means an MVNO seeking wholesale access to the MergeCo Network under the WRO for the purposes of offering retail mobile communications services to end customers as an MVNO in the UK.
- 2.3 To be eligible for wholesale access under the WRO, a Requesting Party must:
 - 2.3.1 before the Year 3 Network Commitment Milestone (the **WRO Expiry Date**), submit a written request via email to MergeCo for wholesale access on the basis of the WRO and a business plan stipulating its anticipated technical model, target segment, and forecasted mobile data traffic;
 - 2.3.2 agree to be bound by the Dispute Resolution Process (as defined at paragraph 4.1 below);
 - 2.3.3 enter into an appropriate NDA with MergeCo;
 - 2.3.4 pass any KYC and credit checks MergeCo deems necessary; and
 - 2.3.5 satisfy MergeCo, acting reasonably, that the Requesting Party would not pose unacceptable financial, legal and/or reputational risk to MergeCo or its business, for example, as a result of the Requesting Party's credit status, owner/parent companies subject to economic sanctions, criminal records, POCA/money laundering risks, cybersecurity risks, or due to technical reasons which constitute a risk to the integrity or security of the MergeCo Network (either the respective VUK or 3UK networks or both networks combined) or other relevant characteristic

(an **Eligible Request**).

- 2.4 Following submission of an Eligible Request:
 - 2.4.1 MergeCo shall send a draft MVNO Agreement to the Requesting Party containing the provisions set out in Appendix C.1 within two weeks.
 - 2.4.2 Both MergeCo and the Requesting Party shall negotiate in good faith to conclude a fully executed MVNO Agreement on the basis of the terms set out in Appendix C.1.
 - 2.4.3 In the event that MergeCo and the Requesting Party have not reached an agreement regarding the terms set out in Appendix C.1 within 5 months of the draft MVNO Agreement being sent to a Requesting Party in accordance with paragraph 2.4.1, the dispute resolution provisions of paragraph 2.2 of Appendix C.5 will apply.
 - 2.4.4 For the avoidance of doubt, in the event that a Requesting Party withdraws from commercial negotiations, such withdrawal to be

communicated in writing (including via email) to MergeCo or deemed if the Requesting Party has not contacted MergeCo for a period of two months and does not respond to MergeCo within two weeks of MergeCo serving written notice (including via email) on the Requesting Party, a new Eligible Request must be made in accordance with paragraph 2.3 above in the event that the Requesting Party wishes to re-commence negotiations and the provisions of this paragraph 2.4 shall apply mutatis mutandis.

- 2.5 A Requesting Party which has made an Eligible Request prior to the WRO Expiry Date will have:
- 2.5.1 until the end of the first anniversary of the Year 3 Network Commitment Milestone to conclude a fully executed MVNO Agreement with MergeCo on the basis of the terms set out in Appendix C.1 (the **WRO MVNO Agreement Expiry Date**); and
 - 2.5.2 subject to paragraphs 2.6 to 2.10 below, until the end of the second anniversary of the Year 3 Network Commitment Milestone to complete the onboarding process and launch its retail service pursuant to the MVNO Agreement.
- 2.6 MergeCo will not be required to make the terms in the WRO available to a Requesting Party which has made an Eligible Request prior to the WRO Expiry Date (nor sign an MVNO Agreement on such terms) if:
- 2.6.1 the aggregate forecasted mobile data traffic from all MVNOs on the MergeCo Network (as defined in paragraph 1.9 of the Final Undertakings) for the period of 12 months from the date the relevant MVNO is determined to have made an Eligible Request exceeds [15-20]% of the Total Capacity of the MergeCo Network;
 - 2.6.2 the Requesting Party poses unacceptable financial, legal or reputational risks to MergeCo or its business, for example, as a result of the Requesting Party's credit status, owner/parent companies subject to economic sanctions, criminal records, POCA/money laundering risks, cybersecurity risks, or due to technical reasons which constitute a risk to the integrity or security of the MergeCo Network (either the respective VUK or 3UK networks or both networks combined) or other relevant characteristic;
 - 2.6.3 the Requesting Party does not agree to integrate, or does not have the technical capability to integrate, into the MergeCo Network (or the respective VUK or 3UK networks) in a manner consistent with established technical models (e.g. Full MVNO, Light MVNO or any other technical model consistent with appropriate technical standards and established market practices);
 - 2.6.4 the Requesting Party is not proposing to migrate all of its customer base to the MergeCo Network; or

- 2.6.5 the Requesting Party does not agree to the commencement date of the MVNO Agreement falling before the end of the second anniversary of the Year 3 Network Commitment Milestone.
- 2.7 MergeCo will use reasonable endeavours to complete a Requesting Party's onboarding process in a timely manner, but MergeCo will not be required to onboard in aggregate at any one time more than:
- 2.7.1 six tier 1 "Light MVNOs" (regardless of whether onboarded through pre-configured platforms); and
- 2.7.2 three (in total) tier 2 and/or tier 3 MVNOs (regardless of whether "Light MVNOs" or "Full MVNOs")
- (the **Onboarding Limit**).
- 2.8 Where the Onboarding Limit has been reached at any particular time, a Requesting Party which has concluded an MVNO Agreement with MergeCo will be placed in an onboarding queue (the **Onboarding Queue**). The Requesting Party will be onboarded to the MergeCo Network as soon as reasonably practicable once the Onboarding Limit is no longer reached. Where there is more than one Requesting Party in the Onboarding Queue, they will be onboarded in the order in which the Requesting Party concluded its MVNO Agreement.
- 2.9 In the event that any Tier 1 MVNO remains in the Onboarding Queue as at the WRO MVNO Agreement Expiry Date, MergeCo will onboard a maximum of three such Tier 1 MVNOs after the WRO MVNO Agreement Expiry Date, which will be in the order in which the Requesting Party concluded its MVNO Agreement.
- 2.10 For the avoidance of doubt, prior to signing a fully executed MVNO Agreement, MergeCo and the Requesting Party shall agree and execute non-binding Heads of Terms.
- 2.11 **Appendix C.5** provides further details on the Dispute Resolution Process in relation to a WRO Dispute (as defined at paragraph 2.3 of Appendix C.5).

3. Roll-over Commitment

- 3.1 As an alternative to the WRO, MergeCo will offer those MVNOs which have pre-existing wholesale access agreements with VUK or 3UK as at the Completion Date (**Pre-existing MVNOs**) as listed in **Appendix C.3** and **Appendix C.4**, the option to extend their existing wholesale access agreement (each a **Live Contract**), provided that:
- 3.1.1 as at the Commencement Date, the committed term of the Live Contract is due to expire before the Year 3 Network Commitment Milestone as noted in Appendix C.3 and Appendix C.4, unless a subsequent extension of a Live Contract is negotiated separately;

- 3.1.2 the Pre-existing MVNO has provided a written request (including via email) to the relevant counterparty to the Live Contract to extend the Live Contract under the terms of these Final Undertakings at least 9 months before the committed term of the relevant Live Contract is due to expire, or 6 months for any Live Contract which would otherwise expire prior to 1 January 2026 (the **Live Contract Expiry Date**) as set out in Appendix C.3 and Appendix C.4 (the **Roll-over Request**);
- 3.1.3 the Pre-existing MVNO agrees to be bound by the Dispute Resolution Process;
- 3.1.4 for the purposes of these Final Undertakings, where a Live Contract is extended it shall be referred to as an **Extended Contract**;
- 3.1.5 an Extended Contract shall commence on the Live Contract Expiry Date or on any other date prior to the Live Contract Expiry Date as mutually agreed by MergeCo and the Pre-existing MVNO (as set out in Appendix C.3 and Appendix C.4) (the **Renewal Date**); and
- 3.1.6 the maximum duration of the Extended Contract (being the **Maximum Permitted Roll-over Term** as set out in Appendix C.3 and Appendix C.4) shall be the shorter of:
 - (i) a period equal to the same duration of the committed term of the Live Contract resulting from the most recent negotiation of material terms; or
 - (ii) the fifth anniversary of the Live Contract Expiry Date(the **Roll-over Commitment**).
- 3.2 The effect of the Extended Contract shall be that the existing commercial terms that are prevailing in the Live Contract shall be rolled-over to the Extended Contract unamended, unless:
 - 3.2.1 the commercial term is deemed no longer relevant for inclusion in the Extended Contract given its originally intended purpose in accordance with the criteria and the process detailed in paragraphs 3.2, 5.9 and 5.10 of Appendix C.5; or
 - 3.2.2 the Live Contract contains an agreed formula or contractual mechanism to calculate a commercial term (such as a future pricing mechanism), and that formula or contractual mechanism is suitable for extension, in which case the existing formula or contractual mechanism in the Live Contract shall be used by MergeCo to update the relevant commercial term.
- 3.3 For the avoidance of doubt:
 - 3.3.1 The Roll-over Commitment shall not apply to, nor have any effect on, any commercial agreement between VUK or 3UK and the relevant Pre-

existing MVNO other than the wholesale access agreement that is the Live Contract as specified in Appendix C.3 and Appendix C.4.

- 3.3.2 A Pre-existing MVNO may withdraw from the process to extend its Live Contract by informing (as applicable) MergeCo in writing (including via email). In such circumstances, MergeCo shall not be committed to agreeing an Extended Contract with that Pre-existing MVNO.
- 3.4 To the extent that the Pre-existing MVNO wishes to amend an existing commercial term that is prevailing in the Live Contract and there is no agreed formula or contractual mechanism to calculate the new commercial term, this shall be subject to normal commercial negotiation and outside the scope of this Roll-over Commitment, unless the Dispute Resolution Process applies and there is an Unsuitability Determination in accordance with paragraphs 3.2.1 and 5.9 of Appendix C.5.
- 3.5 **Appendix C.5** provides further details on the Dispute Resolution Process in relation to a Roll-over Dispute (as defined at paragraph 3.3 of Appendix C.5).

4. Dispute Resolution Process

- 4.1 MergeCo undertakes to comply with and fulfil any obligations placed upon it under the dispute resolution process as set out in Appendix C.5 (the **Dispute Resolution Process**).
- 4.2 The Dispute Resolution Process shall apply in the circumstances of a “**Dispute**” which is defined to mean a WRO Dispute and/or a Roll-over Dispute as defined at paragraphs 2.3 and 3.3 of Appendix C.5. For the avoidance of doubt, a Dispute shall only arise in relation to the negotiation and signing of an MVNO Agreement under the WRO (under paragraph 2) (in the case of a WRO Dispute) or agreeing the terms of an Extended Contract (under paragraph 3) (in the case of a Roll-over Dispute), with any potential disputes arising during the lifetime of any such resulting MVNO Agreement or Extended Contract being (i) governed by the terms of that MVNO Agreement or Extended Contract; and (ii) outside the scope of the Dispute Resolution Process.
- 4.3 MergeCo shall appoint a pool of three independent adjudicators (each an **Independent Adjudicator** and together, the **Independent Adjudicator Pool**) in accordance with the process set out below. The Independent Adjudicator Pool will allocate Disputes amongst them on a rotational basis subject to any conflicts of interest or availability constraints that the next Independent Adjudicator may have.

Appointment of Independent Adjudicators

- 4.4 As soon as is reasonably practicable and in any event by no later than two weeks after the Completion Date, MergeCo shall inform the CMA of the

proposed Independent Adjudicator Pool. MergeCo shall provide the CMA with draft terms and conditions of appointment for approval at the same time.

- 4.5 Each Independent Adjudicator must possess appropriate qualifications, competence and experience to carry out their functions. The Independent Adjudicators must be independent from the Parties and neither have, nor become, exposed to a conflict of interest that impairs the Independent Adjudicators' objectivity and independence in discharging their duties under these Final Undertakings, unless it can be resolved in a manner and within a time frame acceptable to the CMA.
- 4.6 If a proposed Independent Adjudicator is rejected by the CMA, MergeCo shall submit the name of a further person within five Working Days starting with the date on which it was informed of the rejection, in accordance with the requirements and the procedures set out in paragraphs 4.4 to 4.5 above.
- 4.7 Once approved by the CMA, MergeCo shall appoint the Independent Adjudicators within 20 working days and provide (by email) the CMA with a copy of the signed agreed terms and conditions of appointment as soon as is reasonably practicable and, in any event, within five Working Days.
- 4.8 MergeCo shall remunerate and reimburse each Independent Adjudicator for all reasonable costs and professional fees properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the Independent Adjudicator's independence or ability to effectively and properly carry out its functions.
- 4.9 In the event that:
 - 4.9.1 MergeCo fails to appoint persons in accordance with paragraph 4.4 above;
 - 4.9.2 those further persons nominated by MergeCo in accordance with paragraph 4.6 above are rejected by the CMA; or
 - 4.9.3 MergeCo is unable for any reason to conclude the appointment of an Independent Adjudicator within the time limit specified by the CMA,the provisions of paragraph 4.10 below shall apply.
- 4.10 Subject to paragraph 4.9 above, the CMA shall propose one or more persons to act as Independent Adjudicator as relevant, and MergeCo shall appoint the Independent Adjudicator within five Working Days starting with the date of such proposal under the terms and conditions of an Independent Adjudicator mandate approved by the CMA in accordance with paragraphs 4.4 and 4.7 above.
- 4.11 The mandate of each Independent Adjudicator shall specify, *inter alia*, that:
 - 4.11.1 the Independent Adjudicator will carry out the functions set out in Appendix C.5;

4.11.2 the Independent Adjudicator will resolve Disputes as set out in Appendix C.5;

4.11.3 the Independent Adjudicator shall take such steps as they reasonably consider necessary to carry out their functions effectively; and

4.11.4 in the event that any Independent Adjudicator is replaced in line with paragraph 4.12 below:

(i) it may be required to continue in its post until its replacement is effected; and

(ii) it must give effect to a full handover of all relevant information to the replacement Independent Adjudicator and the rest of the Independent Adjudicator Pool.

4.12 In the event that any Independent Adjudicator ceases to perform its duties, or for any other good cause, including the exposure of the Independent Adjudicator to a conflict of interest, the CMA may, after consulting the Monitoring Trustee, require the Parties to replace an Independent Adjudicator subject to the CMA's approval as per the procedure set out at paragraphs 4.4 to 4.11 above.

4.13 **Appendix C.5** sets out further details on the dispute resolution process in respect of any Dispute.

5. Reporting on the Time Limited Wholesale Access Terms

5.1 Unless otherwise agreed with the CMA, the Monitoring Trustee will report to the CMA every four months commencing from the month falling six months after the Completion Date on:

5.1.1 The number of disputes escalated to the Independent Adjudicator Pool;

5.1.2 The status of disputes escalated to the Independent Adjudicator Pool;

5.1.3 Any instances of non-compliance with the WRO Commitment and/or the Roll-over Commitment; and

5.1.4 Any recommendations on the future operation of the WRO Commitment and/or the Roll-over Commitment

(the **Time Limited Wholesale Access Terms Report**).

Appendix C.1: WRO Terms

- (1) This Appendix outlines the terms of the WRO, which MergeCo will make available to Requesting Parties and which will form the basis of the MVNO Agreement to be entered into between MergeCo and any Requesting Parties.

A. PRICING AND PAYMENT TERMS

- (2) The maximum prices payable by the MVNO are set out in Table 1 below for each tier.
- (a) Subject to paragraph (2)(b), each MVNO will be offered per-GB pricing, which is subject to the annual future pricing mechanism (**FPM**) set out at paragraph (4)(a) below.
- (b) Each MVNO will be offered per-subscriber pricing for Unlimited customers, subject to a monthly usage limit (calculated on a pooled basis across all of an MVNO's Unlimited³ subscribers) of [X]% of the average monthly data usage of MergeCo's Unlimited subscribers from the previous 12 months (as at the beginning of each new contractual month).⁴ Above this limit, incremental usage would be charged to the MVNO at a rate of £[X] per GB, which is subject to a separate FPM set out at paragraph (4)(b) below. In order to be able to provide per-subscriber pricing (i) MergeCo must receive the necessary traffic and subscriber data from the relevant MVNO, and (ii) the MVNO must agree to specific audit permissions relating to the provision of this data.
- (c) Under both pricing structures, an MVNO can opt to receive data speeds over 150 Mbps subject to a c. [X]% price premium as set out in Table 1 below.
- (d) During the life of an MVNO Agreement, an MVNO can only transition between tiers if it achieves the relevant MVNO customer base size for three consecutive months.

³ I.e. a subscriber with an unlimited data limit on their subscription.

⁴ Being the average data usage of both VUK's and 3UK's Unlimited subscribers.

Table 1: Pricing per GB tiers

Tier	Structure	Pricing per GB: speeds up to 150 Mbps	Pricing per GB: speeds over 150 Mbps	Unlimited price per subscriber: speeds up to 150 Mbps	Unlimited price per subscriber: speeds over 150 Mbps
Tier 1	< 0.5m	£[X]	£[X]	£[X]	£[X]
Tier 2	0.5m – 1.0m	£[X]	£[X]	£[X]	£[X]
Tier 3	> 1.0m	£[X]	£[X]	£[X]	£[X]

(3) The pricing details will not be made public and shall only be provided to an MVNO under an NDA.

(4) Pricing under both the per-GB and per-subscriber models is subject to an FPM, which allows for an MVNO’s terms to evolve over time and which operates such that an MVNO’s pricing can [X] be adjusted downwards, such that it returns to the initial reference margin. In each case, a reference margin is calculated using the formulas set out below, which is recalculated at the beginning of each subsequent year with the inputs changing as applicable.

(a) **Per-GB pricing:** The FPM is calculated on the basis of the following formula:

$$[X]$$

where:

$$[X].^{5,6}$$

$$[X].^7$$

(b) **Per-subscriber pricing:** The FPM is calculated on the basis of the following formula:

$$[X]$$

where:

$$[X].^8$$

⁵ [X].

⁶ [X].

⁷ [X].

⁸ [X].

[X].

- (5) MergeCo will issue invoices monthly, which shall be payable within 30 days.
- (6) All charges will be payable in Pounds Sterling and are exclusive of VAT.

B. SERVICE EQUIVALENCE

- (7) Subject to paragraph (8) below, MergeCo shall provide mobile services, including in respect of 5G SA, to the MVNO's customers using the MergeCo Network (which in this paragraph means either the VUK Network or the 3UK Network) and to a standard at least as high (on a like for like basis) in terms of the standard of service quality of the relevant MergeCo Network as the standard of service quality provided by MergeCo to those of its own retail customers (which in this paragraph means the customers of VUK, 3UK, or other MergeCo subsidiary as applicable) purchasing comparable services. In doing so, MergeCo shall have reference to all relevant circumstances including the configuration of the MergeCo Network, the relevant MergeCo Network to which the Requesting Party has been onboarded and any technical or operational limitations of the MVNO and/or the MVNO's customers.
- (8) MergeCo shall provide the MVNO with access to speeds over 150 Mbps on the basis of the pricing structure outlined at Table 1.

C. NON-DISCRIMINATION

- (9) MergeCo shall supply the same quality of service, the same technical operational and performance standards and coverage to the MVNO's customers as it does to its own retail customers (which in this paragraph means the customers of VUK, 3UK, or other MergeCo subsidiary as applicable), subject to preference being afforded to customers that are providers of emergency services. MergeCo's obligations to act on a non-discriminatory basis shall not apply:
 - (a) where differences between the services, standards or coverage arise as a result of any difference in:
 - (i) the respective specifications of the services;
 - (ii) the nature of the respective service delivery of the services (including but not limited to network slicing and any other method of the partitioning of the MergeCo Network resources to allow for different use cases); and/or
 - (iii) the network equipment used in the respective provision of the services;
 - (b) where and to the extent MergeCo is prevented from providing services by reason of any act or omission of the MVNO, or breach by the MVNO of the MVNO Agreement, or as a consequence of the exercise by

MergeCo of any remedy or right available under the MVNO Agreement;
or

- (c) in respect of any services that MergeCo provides using fixed wireless access technologies.
- (10) For the avoidance of doubt, the retail offer by MergeCo to its customers (which in this paragraph means the customers of VUK, 3UK, or other MergeCo subsidiary as applicable), of any new technologies or products which MergeCo has offered to the MVNO in accordance with Section D, and which the MVNO has chosen not to offer to its customers, shall not be considered a breach of the non-discrimination obligations contained in this Section C.

D. ACCESS TO NEW TECHNOLOGIES

- (11) Subject to the MVNO having the required technical and operational capabilities, MergeCo shall make any new radio access technologies technically available to the MVNO as soon as is practicable and technically feasible, and within a maximum of 9 months of the new technology being made available to any of MergeCo's retail customers (which in this paragraph means the customers of VUK, 3UK, or other MergeCo subsidiary as applicable) (excluding testing and trial periods) (**New Technologies**). For the avoidance of doubt, this excludes network access provided through third party network capabilities and network core capabilities, both of which require standalone commercial negotiations between MergeCo and the MVNO.
- (12) The cost of any implementation or development to enable any New Technologies shall be payable at cost. MergeCo shall pay the costs associated with the implementation of such New Technologies which are generic to all MVNO partners and/or MergeCo, except that the MVNO shall pay such costs if neither MergeCo nor any other MVNO requests or requires such New Technologies. The MVNO shall pay any specific costs in implementation or development to enable any New Technologies which arise as a result of the specification of the services provided to the MVNO under the MVNO Agreement.

E. IMPLEMENTATION COSTS AND TIMELINES

- (13) The MVNO Agreement entered into between MergeCo and the MVNO shall specify the technical implementation work required in order to provide wholesale access to the MergeCo Network (which in this paragraph means either the VUK Network or the 3UK Network), including the responsibilities of MergeCo and the MVNO on the agreed project plan. MergeCo will not be required to commence technical implementation work prior to concluding an MVNO Agreement.
- (14) MergeCo may charge the MVNO a minimum of 50% of MergeCo's implementation costs on signature of the Heads of Terms. Upon signature of the MVNO Agreement, the remaining 50% of MergeCo's costs shall be paid by the MVNO, such payment to be offset against the MVNO's Minimum Revenue

Commitments, over the period of the MVNO Agreement (outlined in Section G below).

- (15) MergeCo and the MVNO shall agree an implementation plan and onboarding timeline, taking into account MergeCo's onboarding specifications and subject to onboarding limits and the operation of the Onboarding Queue.

F. TERM, TERMINATION AND RUN-OFF PERIOD

- (16) The Term of the MVNO Agreement is up to a maximum of 5 years. The provisions in the MVNO Agreement relating to the Term must provide that any time spent by the MVNO in the Onboarding Queue (if applicable) does not count towards the Term of the MVNO Agreement. Onboarding will be considered complete upon the completion of a full technical review, which shall be agreed between MergeCo and the MVNO.
- (17) Each MVNO and MergeCo will have the right to terminate the MVNO Agreement for material breach, insolvency events and force majeure.
- (18) MergeCo will have the right to terminate the MVNO Agreement in the event that the MVNO fails to comply with standard non-payment provisions, provided that MergeCo provides written notice within a reasonable timeframe and the MVNO is provided with a reasonable cure period to rectify any such failure.
- (19) The MVNO Agreement must include the following run-off process to allow the MVNO to migrate to an alternative host:
 - (a) no later than 12-months before the expiry of the MVNO Agreement, the MVNO may inform MergeCo in writing (including via email) that it wishes to leave the MergeCo Network at the end of the MVNO Agreement and obtain MergeCo's assistance in the interim period to ensure its orderly transition from the MergeCo Network (an **Exit Notice**);
 - (b) following submission of an Exit Notice, MergeCo and the MVNO shall, within three months of the Exit Notice, agree a fair and reasonable exit plan for the transfer of the MVNO to a new MNO host (or otherwise as the MVNO directs) by the expiry of the MVNO Agreement (the **Exit Period**) (the **Exit Plan**);
 - (c) during the Exit Period (i) any exclusivity provision will not apply; and (ii) MergeCo shall provide the MVNO all assistance reasonably requested by the MVNO to execute the Exit Plan to enable an orderly transition (**Exit Assistance**); and
 - (d) where MergeCo reasonably incurs additional costs in providing Exit Assistance, it shall be entitled to charge the MVNO for such reasonably incurred costs.
- (20) MergeCo is not obliged to provide Exit Assistance after the expiry of the MVNO Agreement, unless agreed in writing (including via email) between MergeCo and the MVNO.

G. MINIMUM REVENUE COMMITMENT

- (21) MergeCo may require the MVNO to meet the Minimum Revenue Commitments (**MRCs**) set out in **Table 2** (where revenue is that earned by MergeCo from the relevant MVNO).

Table 2: Minimum revenue commitments

<i>Tier</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Tier 1	£[X]	£[X]	£[X]	£[X]	£[X]
Tier 2	£[X]	£[X]	£[X]	£[X]	£[X]
Tier 3	£[X]	£[X]	£[X]	£[X]	£[X]

- (22) A shortfall in any year becomes payable by the MVNO within six months of the end of that year (with payment spread over this time, or as otherwise agreed by the MVNO).
- (23) If an MVNO achieves revenue above the MRC in any year, this does not offset the MRC payable in subsequent years.

H. MVNO TRANSITION

- (24) The terms of any MVNO Agreement shall allow the MVNO to transition from being a Light MVNO to a Full MVNO during the Term of its MVNO Agreement, provided that: (i) the MVNO is responsible for all relevant costs incurred in such transition; and (ii) at least 12 months of the Term remains in the MVNO Agreement to facilitate such transition.

Appendix C.2: Additional terms to be included in MVNO Agreement

- (25) The MVNO Agreement shall contain certain customary terms based on industry practice, examples of which are set out below. To note, certain of these provisions will necessarily depend on the nature of the particular MVNO Agreement and the scope of the services to be provided.

A. EXCLUSIVITY

- (26) Subject to paragraph (19)(c) of Appendix C.1, MergeCo shall be appointed as the exclusive provider of the mobile communication services to the MVNO in the UK for the duration of the Term.

B. INTELLECTUAL PROPERTY AND BRANDING

- (27) Standard provisions regarding the ownership and use of the parties' respective intellectual property rights ("IPR") (including in respect of MergeCo's marks and the MergeCo Network), supported by customary cross-indemnities in respect of any third party IPR infringement claims.

C. BRANDING

- (28) Appropriate protections in respect of the MergeCo's brands, including the requirement for all MVNO services to be branded and/or promoted solely under the MVNO brand.

D. DATA PROTECTION AND PRIVACY

- (29) Data protection and privacy terms which are commensurate with the nature of the MVNO Agreement and the services being provided by the parties, such provisions to be supported by a data protection impact assessment and data flow investigation, as appropriate.

E. FORECASTS

- (30) The MVNO Agreement shall include requirements for MVNOs to provide forecasts limited to the minimum extent necessary for capacity management purposes.

F. LIMITATION OF LIABILITY AND WARRANTIES

- (31) Standard representations and warranties, such as capacity and authority to enter into the MVNO Agreement, the holding of all necessary permits, registrations, filings and licences, and compliance with applicable laws, including all applicable anti-corruption laws and regulations.
- (32) Limitation of liability provisions appropriate to the particular MVNO Agreement and the scope of the services being provided, covering, for example, the total maximum liability of the parties under or in connection with the MVNO Agreement (whether in aggregate or on a per claims basis), the nature of the losses which are recoverable by the parties and any exclusions from liability.

G. EMPLOYMENT

- (33) Provisions in respect of the Transfer of Undertakings (Protection of Employment) Regulations 2006 appropriate to the nature of the MVNO Agreement and the services to be provided.

H. NUMBERING

- (34) Numbering provisions which are appropriate to the type of MVNO concerned (whether a Light MVNO or Full MVNO) such as who is responsible for providing number ranges and information requirements in relation to, for example, IMSI and MSISDN ranges to be used.

I. USE OF THE MERGECO NETWORK

- (35) General conditions to govern the MVNO's use of MergeCo's network covering, for example:
- (a) compliance with laws, industry good practice and all reasonable instructions of MergeCo in relation to the use of the services;
 - (b) compliance with MergeCo's security requirements in relation to the access of MergeCo technology;
 - (c) monitoring and reporting obligations in respect of fraud, artificially inflated traffic and any other breaches of security connected with the use of MergeCo's network (including the unauthorised use of any Gateway);
 - (d) fulfilment of any dependences on the MVNO as specified in the MVNO Agreement; and
 - (e) restrictions on the use of services, including for any immoral, obscene, harmful, offensive or unlawful purpose.
- (36) General conditions to be supported by a MVNO indemnity where a breach of such terms results in a fine or penalty issued against MergeCo by Ofcom or other government or regulatory body.

J. TERMINATION AND SUSPENSION

- (37) Customary rights to allow MergeCo to temporarily suspend its services for certain specific purposes (for example, to carry out maintenance work or upgrades to MergeCo's network).
- (38) Customary rights which allow MergeCo to suspend or terminate an MVNO customer in certain defined circumstances (for example, where an MVNO customer is using devices or other equipment which is defective, illegal or does not comply with international technical standards).
- (39) Such termination and suspension rights will be in addition to those listed at Section F of Appendix C.1.

K. GOVERNING LAW AND JURISDICTION

(40) The MVNO Agreement shall be governed by the laws of England and Wales.

Appendix C.3: VUK Live Contracts

No.	Live Contract	Expiry of committed term	Maximum Permitted Roll-over Term
1.	[✂]	[✂]	[✂]
2.	[✂]	[✂]	[✂]

Appendix C.4: 3UK Live Contracts

No.	Live Contract	Expiry of committed term	Maximum Permitted Roll-over Term
1.	[REDACTED]	[REDACTED]	[REDACTED]
2.	[REDACTED]	[REDACTED]	[REDACTED]
3.	[REDACTED] ⁹	[REDACTED]	[REDACTED]
4.	[REDACTED] ¹⁰	[REDACTED]	[REDACTED]

⁹ [REDACTED].

¹⁰ [REDACTED]

Appendix C.5: Dispute Resolution Process

1. Introduction

- 1.1 This Appendix C.5 sets out the Dispute Resolution Process in relation to any WRO Dispute (as defined in paragraph 2.3 below) or any Roll-over Dispute (as defined in paragraph 3.3 below).

2. WRO Disputes

- 2.1 In respect of a Dispute between MergeCo and a Requesting Party relating to any of the following issues, the Requesting Party may refer the matter for resolution by the Independent Adjudicator at any time after having made a request for wholesale access in accordance with the process set out at paragraph 2.3 of Annex C:

2.1.1 the eligibility of a Requesting Party to take up the WRO, including whether a request satisfies the requirements to be an Eligible Request at paragraph 2.3 of Annex C;

2.1.2 determining whether a refusal by MergeCo to provide access complies with the provisions at paragraph 2.6 of Annex C; or

2.1.3 determining whether all of the individual elements of the WRO (as mandated in the Report and set out in Appendix C.1) have been offered during the negotiation of the MVNO Agreement.

- 2.2 In respect of all other Disputes relevant to the WRO not referred to in paragraph 2.1 above, and where MergeCo and the Requesting Party cannot agree any terms mandated in the Report and set out in Appendix C.1 (or where other terms of the MVNO Agreement being negotiated are alleged to be inconsistent with the terms at Appendix C.1) (the **Disputed Issues**), the following dispute resolution process will be available to either MergeCo or the Requesting Party at any time before the WRO MVNO Agreement Expiry Date:

2.2.1 either MergeCo or the Requesting Party must escalate the Disputed Issue(s) in writing (including via email) to the CEOs or senior teams of MergeCo and the Requesting Party (or equivalent executive personnel) who must discuss the Disputed Issue(s) with a view to reaching agreement within one month; and

2.2.2 either MergeCo or the Requesting Party may then refer the Disputed Issues for resolution by the Independent Adjudicator, provided that:

- (i) the Disputed Issues have not been resolved between the CEOs or senior teams in accordance with paragraph 2.2.1; and
- (ii) MergeCo and a Requesting Party have not agreed an MVNO agreement within five months of the draft MVNO Agreement being sent to a Requesting Party.

2.3 A dispute referred to the Independent Adjudicator in accordance with paragraphs 2.1 or 2.2 above is a **WRO Dispute**.

3. Roll-over Disputes

3.1 In the event that either MergeCo or the Pre-existing MVNO consider that a term in a Live Contract which is proposed to be extended in accordance with paragraph 3.1 of Annex C is no longer relevant for inclusion in the Extended Contract given its originally intended purpose (a **Disputed Term**) the following dispute resolution process will be available to either MergeCo or the Pre-existing MVNO:

3.1.1 first, MergeCo and the Pre-existing MVNO shall use reasonable endeavours to reach agreement in respect of the removal, amendment or replacement of the Disputed Term;

3.1.2 second, if agreement has not been reached in respect of the treatment of the Disputed Term pursuant to paragraph 3.1.1, either MergeCo or the Pre-existing MVNO must, by written notice to the other, escalate the Disputed Term for discussion between the CEOs or senior teams of MergeCo and the Pre-existing MVNO (or equivalent executive personnel); and

3.1.3 third, in the event that the CEOs or senior teams of MergeCo and the Pre-existing MVNO are unable to reach agreement in respect of the removal, amendment or replacement of the Disputed Term within one month of the issue being escalated to them in writing (including via email) (or such lesser time if the escalation to the CEOs or senior teams occurs more than two months after the Disputed Term is notified to the other party) the matter will automatically be escalated to the Independent Adjudicators on that date which is three months following the Pre-existing MVNO's written request to MergeCo to extend its Live Contract in accordance with paragraph 3.1.2 of Annex C.

3.2 The Independent Adjudicator shall determine:

3.2.1 whether the Disputed Term is no longer relevant for inclusion in the Extended Contract given its originally intended purpose in line with the criteria contained in paragraph 5.9 (an **Unsuitability Determination**). If the Independent Adjudicator determines that the Disputed Term is relevant for inclusion in the Extended Contract given its originally intended purpose, the form of that existing commercial term that is prevailing in the Live Contract shall be rolled-over to the Extended Contract unamended;

3.2.2 if the Disputed Term is not relevant for inclusion in the Extended Contract given its originally intended purpose, whether an alternative and equivalent term should apply if applicable and suitable and, if so, what that term will be, in line with the criteria set out in paragraph 5.10 (an

Alternative Term Determination). If the Independent Adjudicator determines that no alternative and equivalent term should apply, the Disputed Term shall be deleted; and

- 3.2.3 any dispute regarding the Renewal Date (as defined at paragraph 3.1.5 of Annex C).
- 3.3 A dispute referred to the Independent Adjudicator in accordance with paragraphs 3.1 and 3.2 above is a **Roll-over Dispute**.
- 3.4 The Maximum Permitted Roll-over Term shall be as set out in Appendix C.3 and Appendix C.4 and the Dispute Resolution Process does not apply.
- 3.5 This Dispute Resolution Process in relation to the Roll-over Commitment, shall not enable the renegotiation (as opposed to roll-over) of an existing commercial term which is set out in the Live Contract. In line with paragraph 3.4 of Annex C, where a Pre-existing MVNO wishes to amend an existing commercial term and there is no agreed formula or contractual mechanism suitable for extension to calculate the new commercial term, this shall be subject to normal commercial negotiation and outside the scope of the Roll-over Commitment, unless there is an Unsuitability Determination in accordance with paragraph 5.9 below.

4. Process for escalating a Dispute to the Independent Adjudicator

- 4.1 If a Requesting Party / Pre-existing MVNO or MergeCo wishes to refer a WRO Dispute or a Roll-over Dispute for resolution by an Independent Adjudicator, it must provide written notice (by email) to (i) the other party (being either MergeCo or the Requesting Party or the Pre-existing MVNO as the case may be); and (ii) the Independent Adjudicator Pool (an **Adjudication Notice**).
- 4.2 The Adjudication Notice must set out:
 - 4.2.1 whether it is a WRO Dispute or a Roll-over Dispute;
 - 4.2.2 confirmation that all applicable steps in the Dispute Resolution Process (prior to the allocation of an Independent Adjudicator to the relevant Dispute) have been followed;
 - 4.2.3 the issues in dispute for which adjudication is required;
 - 4.2.4 the material facts and any documentary or other evidence relied upon; and
 - 4.2.5 the determination sought.
- 4.3 The Independent Adjudicator Pool will allocate the Dispute to the next available Independent Adjudicator from the Independent Adjudicator Pool. MergeCo and the Requesting Party / Pre-existing MVNO shall make any representations in respect of any conflict of interest within 2 Working Days of being informed of the Independent Adjudicator appointed to determine the Dispute. The

Independent Adjudicator Pool must consider any such representations and, if there is a conflict of interest, the next available Independent Adjudicator from the Independent Adjudicator Pool will be appointed instead.

- 4.4 Within 3 Working Days of receipt of an Adjudication Notice, the relevant Independent Adjudicator shall confirm whether the Adjudication Notice is (i) complete, or (ii) incomplete in any material respect and/or provides no reasonable grounds for the Independent Adjudicator to commence the Dispute Resolution Process set out in this Appendix C.5. If relevant, the Independent Adjudicator will specify the time period within which a revised Adjudication Notice must be provided.
- 4.5 Once the Independent Adjudicator has confirmed receipt of a complete Adjudication Notice in accordance with paragraph 4.4 above, the other party (being MergeCo or the Requesting Party or the Pre-existing MVNO as the case may be) will be provided at least 20 Working Days to provide (by email) a written response (the **Adjudication Notice Response**). The Adjudication Notice Response should include the material facts and any documentary or other evidence relied upon by the responding party (being MergeCo or the Requesting Party or the Pre-existing MVNO as the case may be).

5. Adjudication process

General principles

- 5.1 The following principles shall apply in respect of both a WRO Dispute and a Roll-over Dispute.
- 5.2 In resolving a WRO Dispute or Roll-over Dispute, the Independent Adjudicator shall:
 - 5.2.1 allow MergeCo, the Requesting Party / Pre-existing MVNO and their respective professional advisers to make written and/or oral representations to the Independent Adjudicator;
 - 5.2.2 promptly provide (by email) to both MergeCo and the relevant Requesting Party / Pre-existing MVNO all information received in connection with the relevant Dispute from MergeCo, the Requesting Party / Pre-existing MVNO or third-parties, including representations, submissions and information obtained in accordance with paragraph 5.4.3 below (except for any confidential information that should not be disclosed, including information which is competitively sensitive);
 - 5.2.3 provide both MergeCo and the relevant Requesting Party / Pre-existing MVNO at least 5 Working Days to comment on any third-party information received under paragraph 5.2.2 above; and
 - 5.2.4 deliver its determination in writing.

- 5.3 MergeCo and the Requesting Party / Pre-existing MVNO shall:
- 5.3.1 at their own cost, respectively provide or procure the provision to the Independent Adjudicator of all such information and co-operation as the Independent Adjudicator shall reasonably require in order to make its determination; and
 - 5.3.2 be responsible for their respective costs incurred in relation to any WRO Dispute / Roll-over Dispute;
- 5.4 The Independent Adjudicator may:
- 5.4.1 request any documents and information (subject to legal professional privilege or litigation privilege) as it reasonably requires from MergeCo and the Requesting Party / Pre-existing MVNO, including any written submissions;
 - 5.4.2 meet with and discuss any information it deems necessary with MergeCo and/or the Requesting Party / Pre-existing MVNO;
 - 5.4.3 obtain and consider representations, submissions and external information as it requires, including from Ofcom or the CMA, and appoint experts, assessors or legal advisers;
 - 5.4.4 give directions as to the procedure, timetable and any deadlines; and
 - 5.4.5 draw adverse inferences from a failure by MergeCo or the Requesting Party / Pre-Existing MVNO to comply with its directions, and make a decision based on the information available.
- 5.5 Any final decision of the Independent Adjudicator shall be final and binding on both MergeCo and the Requesting Party / Pre-existing MVNO in respect of the issues determined by the Independent Adjudicator, and may be disclosed to the CMA, Ofcom and the Monitoring Trustee, who shall keep the decision confidential. For the avoidance of doubt, this decision would only be binding in relation to the issue and subject matter of the dispute and would not preclude the Requesting Party / Pre-existing MVNO from entering into a commercial agreement outside the WRO Commitment or Roll-over Commitment (as applicable).
- 5.6 The Dispute Resolution Process will be private and confidential to MergeCo and the Requesting Party / Pre-existing MVNO. The nature and outcome of any WRO Dispute or Roll-over Dispute shall be treated as commercially sensitive and confidential and shall not be made public by any party.
- 5.7 The Independent Adjudicator shall issue a decision in writing (including via email) to MergeCo and the Requesting Party / Pre-existing MVNO within two months of the date on which the Independent Adjudicator confirms that the Adjudication Notice is complete, or such other time period as may be agreed between MergeCo and the Requesting Party / Pre-existing MVNO. The Independent Adjudicator will share such decision with the other Independent

Adjudicators in the Independent Adjudicator Pool to facilitate consistency in the approach taken in resolving WRO Disputes and/or Roll-over Disputes.

WRO Disputes

- 5.8 When determining a WRO Dispute, the Independent Adjudicator shall take into account the Report. The Independent Adjudicator may also take into account:
- 5.8.1 the terms typically included in VUK's and 3UK's respective wholesale access agreements with MVNOs as at the date of the Report, and the technical integration types and specifications that VUK and 3UK typically use to onboard MVNOs as at the date of the Report; and
- 5.8.2 any views expressed by Ofcom given its expertise as the industry regulator (for example, on technical matters and on any potential impact in the broader mobile market).

Roll-over Disputes

- 5.9 In making an Unsuitability Determination, the Independent Adjudicator shall consider:
- 5.9.1 whether the Disputed Term is no longer relevant given its originally intended purpose in the context of the Live Contract, because it relates to historic events or services that have no relevance in the context of the roll-over – for example service readiness requirements for onboarding, customer migration support, service levels related to 3G which has now been shut down, and relief events related to the Covid-19 pandemic; and
- 5.9.2 whether the Disputed Term complies with new laws or regulations which have entered into force since the date of the Live Contract which would make the Disputed Term unlawful or no longer relevant – for example, privacy provisions, public authority assistance and revised device standards.
- 5.10 If the Independent Adjudicator's Unsuitability Determination is that the Disputed Term is not suitable for inclusion in the Extended Contract on the same basis as in the Live Contract, and there is an alternative and equivalent term which is applicable and suitable, then the Independent Adjudicator shall make an Alternative Term Determination. In making this Determination, the Independent Adjudicator shall take into account the Report. The Independent Adjudicator may also take into account the following:
- 5.10.1 the objective of preserving to the fullest extent possible the existing commercial terms that are prevailing in the Live Contract ;
- 5.10.2 the terms typically included in VUK's and 3UK's respective wholesale access agreements with MVNOs as at the date of the Report, and the technical integration types and specifications that VUK and 3UK typically use to onboard MVNOs as at the date of the Report;

- 5.10.3 whether its decision would unduly restrict Requesting Parties from accessing the Wholesale Reference Offer having regard to the wholesale capacity cap in paragraph 2.6.1 of Annex C; and
- 5.10.4 any views expressed by Ofcom given its expertise as the industry regulator (for example, on technical matters and on any potential impact in the broader mobile market).

Annex D: Compliance Statement for MergeCo (Vodafone UK Trading Holdings Limited)

I [insert name] confirm on behalf of Vodafone UK Trading Holdings Limited (**MergeCo**) that MergeCo has complied with the following undertakings:

1. In the period from [insert date] to [insert date] (the Relevant Period) MergeCo has complied with the Final Undertakings accepted by the CMA on [Commencement Date] (Final Undertakings), including:
 - (a) the Network Commitment as set out in Annex A to the Final Undertakings; and
 - (b) the Time Limited Retail Customer Protections as set out in Annex B to the Final Undertakings; and
 - (c) the Time Limited Wholesale Access Terms as set out in Annex C to the Final Undertakings.

Interpretation

2. Terms defined in the Final Undertakings have the same meaning in this compliance statement.

I understand that:

3. It is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in fines, imprisonment for a term not exceeding two years, or both (Section 117 of the Enterprise Act 2002).
4. The supply of information that is false or misleading in a material respect without reasonable excuse may result in the imposition of financial penalties under section 110(1A) introduced by section 143 and schedule 10 paragraph 15 of the Digital Markets, Competition and Consumers Act 2024.

FOR AND ON BEHALF OF MERGECO

Signature

Name

Title

Date

Annex E

Part A- Enforcement of Undertakings given under Section 82 of the Act - Imposition of Civil Penalties

1. Imposition of civil penalties

- 1.1 Under section 94AA(1) of the Act, the CMA may impose a penalty on a person-
- (a) from whom the CMA has accepted an enforcement undertaking, or
 - (b) to whom an enforcement order is addressed.

where the CMA considers that the person has, without reasonable excuse, failed to comply with the undertaking or order.

- 1.2 In deciding whether and, if so, how to proceed under section 94AA(1) of the Act, the CMA must have regard to the statement of policy which was most recently published under section 94B of the Act at the time of the failure to comply.

2. Amount of penalty

- 2.1 A penalty under section 94AA(1) of the Act is to be such amount as the CMA considers appropriate subject to the maximum amounts set out below.

- 2.2 The amount must be—

- (a) a fixed amount,
- (b) an amount calculated by reference to a daily rate, or
- (c) a combination of a fixed amount and an amount calculated by reference to a daily rate.

- 2.3 A penalty imposed under section 94AA(1) of the Act on a person who does not own or control an enterprise must not—

- (a) in the case of a fixed amount, exceed £30,000;
- (b) in the case of an amount calculated by reference to a daily rate, exceed £15,000 per day;
- (c) in the case of a fixed amount and an amount calculated by reference to a daily rate, exceed such fixed amount and such amount per day.

- 2.4 A penalty imposed under section 94AA(1) of Act on any other person must not—

- (a) in the case of a fixed amount, exceed 5% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom it is imposed;

- (b) in the case of an amount calculated by reference to a daily rate, for each day exceed 5% of the total value of the daily turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom it is imposed;
- (c) in the case of a fixed amount and an amount calculated by reference to a daily rate, exceed such fixed amount and such amount per day.

2.5 In imposing a penalty by reference to a daily rate—

- (a) no account is to be taken of any days before the service on the person concerned of the provisional penalty notice under section 112(A1) of the Act, and
- (b) unless the CMA determines an earlier date (whether before or after the penalty is imposed), the amount payable ceases to accumulate at the beginning of the day on which the person complies with the enforcement undertaking or enforcement order.

Part B- Penalties for the provision of false or misleading information

3. Imposition of civil penalties

3.1 Under section 110(1A) of the Act, the CMA may impose a penalty on a person in accordance with section 111 of the Act where the CMA considers that:

- (a) The person has, without reasonable excuse, supplied information that is false or misleading in a material respect to the CMA in connection of any of the CMA's functions under Part 3 of the Act;
- (b) The person has without reasonable excuse, supplied information that is false or misleading in a material respect to another person knowing that the information was to be used for the purpose of supplying information to the CMA in connection with any function of the CMA under part 3 of the Act.

3.2 Under section 110(1C) of the Act, the CMA may not impose such a penalty in relation to an act or omission which constitutes an offence under section 117 of the Act if the person has, by reason of the act or omission, been found guilty of that offence.

4. Amount of penalty

4.1 Under section 111(4) of the Act, a penalty imposed under section 110(1A) of the Act shall be of such amount as the CMA considers appropriate.

4.2 A penalty imposed under section 110(1A) of the Act on a person who does not own or control an enterprise shall be a fixed amount that must not exceed £30,000.

- 4.3 Under section 111(4A) of the Act a penalty imposed under section 110(1A) of the Act on any other person shall be a fixed amount that must not exceed 1% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person.
- 4.4 In deciding whether and, if so, how to proceed under section 110(1A) of the Act, the CMA must have regard to the statement of policy which was most recently published under section 116 of the Act at the time when the act of omission occurred.
