

easyJet Brand Licence FAQs

1. What does the Brand Licence with eGIP cover?

The amended and re-stated licence agreement continues easyJet's worldwide rights to the use of its brand on a basis which protects easyJet's current commercial activities and provides clarity and certainty over the terms of the licence. The new licence affirms easyJet's rights to use of the brand for business activities including commercial air travel and ancillary services such as car hire and hotel arrangements through easyJet Holidays as well as other activities. The brand licence includes a royalty payment of 0.25% of total revenues fixed in FY11 (£3.9m) and FY12 (£4.95m).

2. What is the comfort letter?

In substitution for the commitments given at the time of the Company's initial public offering, Sir Stelios entered into a Comfort Letter under which, in return for a fee of £300,000 per annum (net) for a period for 5 years from 10 October 2010, he committed

- not to use his own name or a derivation of it to brand any other airline which flies to or from any country in the EEA and Switzerland for a period of 5 years
- that eGIP does not licence the "easy" brand to an ATOL holder on terms permitting the sale of airline seats for 12 months
- not to sell the shares in eGIP or sell or dispose of the easyJet brand (or any part of it) for a period of 2 years and not to any airline (or the owner of any airline) licenced in the EEA or Switzerland for a period of 3 years
- not to acquire an interest in any other airline licenced in any EEA country (nor Switzerland) for a period of 2 years (unless 10% or less and he is not an executive)
- to abide by the mutual brand respect provisions and certain public communication protocols

3. What ancillary activities are you permitted engage in under the Brand Licence?

Under the brand licence easyJet is permitted to engage in activities the business participated in at September 30 2010. In addition, the licence affords the right for easyJet to provide any new product or service which is, or has been, when easyJet commences provision, provided by at least one competitor airline, subject to a list of prohibited categories of business which may only be provided in flight or in the airport or its environment.

4. How long does the licence last?

The term of the brand licence is 50 years from December 2010.

5. Has the comfort letter been breached by easyJet?

No. No. These are separate contractual agreements. easyJet has and continues to comply with the terms agreed as part of the Brand Licence and Comfort Letter in 2010.

6. Does a breach of the comfort letter mean a breach of the brand licence?

No. The terms of the comfort letter are not identical to the Brand Licence and therefore, a breach of the Comfort Letter does not necessarily equal a breach of the Brand Licence.

7. **What was the nature of the original dispute over the brand licence?**

The original court case in 2010 sought clarity around the use of the easyJet brand licence and what is known as “the 75:25 rule”. At issue was the classification of the various revenue streams to be included within the definition of easyJet’s “Core Activity” and compliance with the 75:25 rule. The rule provided that no less than 75% of the company’s revenue is to be “derived from Core Activity” which relates to “transporting passengers in aeroplanes.”

This case was settled out of court in October 2010 when the new brand licence was put into place, which was approved by shareholders on 10 December 2010.