

Minutes of the meeting of the informal committee of Phones 4u Finance plc's senior secured noteholders (the "Committee").

Date: Wednesday 15th October 2014

Time: 12pm (New York), 5pm (London)

Attendees New York: Ian Green (PwC)

Paul Copley (PwC)

Peter Mayrs (PwC)

Michael Rennoff (Scoggin Capital Management)

Peter Sisitsky (Stonehill Investment Management)

Colbert Cannon (Wingspan Investment Management)

London: Robert Hunt (PwC)

Robert Moran (PwC)

Dean Whittaker (PwC)

Lucien Farrell (Cyrus Capital Partners)

Peter Scott (Cyrus Capital Partners)

No fiduciary obligations

It was accepted and understood that the committee would operate purely as an ad hoc committee and would not operate as a formal committee or group. As such the members of the informal senior secured noteholder committee would not be accepting and nor were they being asked to accept any fiduciary or other duties or responsibilities towards the company, the other senior secured noteholders or anyone else.

The meeting was opened by Paul Copley and the below agenda items were listed;

1. Introductions

The members of the Committee introduced themselves and it was agreed that PwC would circulate contact details of those present.

2. Questions regarding the preceding presentation to senior noteholders

Clarifications were requested by members of the Committee regarding information provided during the preceding presentation to noteholders. Where information was requested in addition to that which was provided during the presentation, it was agreed that this would be made available on the pwc.co.uk/phones4u website in order to be available to all noteholders simultaneously.

3. Selection of litigation counsel

It was agreed that 3-4 law firms should be invited to pitch for the role of advising the Administrators regarding the potential litigation against BC Partners, the directors of the Phones4u group and/or the mobile network operators.

Confirmation was sought that Allen & Overy would not be conflicted in undertaking such action. Paul Copley explained that confirmation of such had been received from Allen & Overy.

The advantages and disadvantages of various legal firms were discussed. It was agreed that the following law firms would be invited to pitch; Allen & Overy, Brown Rudnick, King & Spalding and Quin Emanuel. A preference was stated to start the pitch process as soon as feasible.

4. Approval of 80% of the Administrators costs incurred to 5 October 2014

Paul Copley explained that the Committee's support was requested for a resolution which would be put to a vote of all noteholders authorising the payment of 80% of PwC's fees (as outlined within the presentation) relating to those entities within the noteholders' security net. It was further explained that PwC would revert with a proposal regarding both the remaining 20% of fees incurred to 5 October 2014 and the basis upon which fees would be charged for dealing with those aspects of the Administration which will take longer to resolve (being the insurance business, the MNO receivable, the VAT liability and the potential litigations).

The Committee gave unanimous support to the proposal. Additional supporting information was requested regarding the fees outlined in the presentation and it was agreed that this would be provided prior to a formal vote of noteholders.

Discussion was held regarding the preferred basis upon which fees could be charged for dealing with the longer term aspects of the Administration and it was agreed that PwC would revert with a considered proposal for discussion.

A breakdown of the £7.2m-£8.2m estimate included within the presentation for dealing with the shorter term aspects of the administration was requested. It was agreed that this would be provided.

5. Any other business

Clarification was requested regarding the likely timing of payment of an initial dividend to noteholders. Paul Copley explained that the Administrators are under pressure to repay the RCF lenders as quickly as possible and that it was anticipated that an initial payment to senior noteholders could be made at the same time depending on the Administrators' ability to reserve appropriately. It was speculated that this might be within 3 months.

There was no other business and the meeting was closed.