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If you have sold or otherwise transferred all your Shares in easyJet plc, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Credit Suisse, which is regulated in the United Kingdom by the Financial Services Authority, is acting for easyJet plc and no-one else in connection with the Proposed Transaction and will not be responsible to anyone other than easyJet plc for providing the protections afforded to clients of Credit Suisse or for providing advice in relation to the Proposed Transaction.

easyJet plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3959649)

Proposed resolution of Brand Licence Dispute

and

Notice of Extraordinary General Meeting

This document should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out on pages 3 to 8 of this document and which recommends you vote in favour of the resolutions to be proposed at the Extraordinary General Meeting referred to below.

Notice of an Extraordinary General Meeting of easyJet plc to be held at 9:30 am on 10 December 2010 at Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF is set out at the end of this document. A Form of Proxy for use at this Extraordinary General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Company's registrar, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6RL as soon as possible but in any event so as to arrive not later than 9:30 am on 8 December 2010 (48 hours before the time fixed for the start of the Extraordinary General Meeting).

CONTENTS

	<u>Page</u>
PART I – LETTER FROM THE CHAIRMAN	3
PART II – SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE AMENDED BRAND LICENCE, DEED OF TERMINATION, SETTLEMENT DEED AND COMFORT LETTER	9
PART III – ADDITIONAL INFORMATION	16
DEFINITIONS	19
NOTICE OF EXTRAORDINARY GENERAL MEETING	21

EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy from Shareholders	9:30 a.m. on 8 December 2010
Extraordinary General Meeting	9:30 a.m. on 10 December 2010

Notes:

(1) References to times in this document are to London time unless otherwise stated.

PART I

LETTER FROM THE CHAIRMAN

easyJet plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3959649)

Directors:

Sir Michael Rake (Chairman)
Sir David Michels
Carolyn McCall
Christopher Kennedy
Professor Rigas Doganis
David Bennett
John Browett
Sven Boinet
Keith Hamill

Registered office

Hangar 89
London Luton Airport
Luton
Bedfordshire
LU2 9PF

16 November 2010

Dear Shareholder

**Proposed resolution of Brand Licence dispute
Related Party Transaction with easyGroup IP Licensing Limited,
easyGroup Holdings Limited and Sir Stelios Haji-Ioannou**

Introduction

On 11 October 2010, your Board announced that easyJet Group, Sir Stelios and easyGroup had conditionally agreed to a variation of the licence agreement providing for the Company's use of the easyJet brand and to remove the rights granted to Sir Stelios and easyGroup relating to Board appointments under the Relationship Agreement (which are also enshrined in Article 87 of the Company's Articles of Association).

I am writing to give you further details of the Proposed Transaction, including the background to and reasons for it, to explain why your Board considers it to be in the best interests of the Company and to convene a shareholder meeting to seek your consent to the Proposed Transaction and change to the Articles of Association.

The Proposed Transaction is classified under the Listing Rules as a "related party transaction" as Sir Stelios has been a director of the Company within the last 12 months, and easyGroup is a substantial shareholder of the Company. Consequently the Proposed Transaction is subject to, and conditional upon, the approval of the Company's shareholders other than the related parties. Your approval will be sought at an Extraordinary General Meeting to be held on 10 December 2010. The notice convening the Extraordinary General Meeting is set out at the end of this document.

Background to and Reasons for the Proposed Transaction

Immediately prior to the Company's initial public offering in November 2000, in order to facilitate Sir Stelios and easyGroup's plans to develop the "easy" brand across a range of new activities, the Company agreed to transfer the easyJet brand rights to eGIP in exchange for the current licence of brand rights. These rights were granted in perpetuity at an annual royalty of £1, but subject to certain limitations, for example in relation to the extent of the revenues to be derived from activities ancillary and conducive to the business of an airline and also in relation to rights to co-brand. The licence operated effectively for a number of years, but with the Company's significant growth and the evolution of the low cost carrier market it has recently become more difficult to apply the licence provisions to the Company's activities. In 2008 those difficulties led to proceedings being commenced by eGIP in the High Court seeking declarations and injunctions in relation to several aspects of the licence. Those matters were heard in the High Court in June 2010.

A judgment in the Action was expected to be delivered later this year. However, it was not expected by the Company that the judgment would resolve all of the parties' differences, some of which related to easyJet's entitlement to exploit commercial opportunities and imposed some operational restrictions. The Board therefore concluded that the combination of what it considered to be the ambiguity of the existing licence and the restrictions it placed on the easyJet made it no longer suitable for the current scale and breadth of the Company's operations, especially given that the continuing dispute was causing material management distraction. Against the backdrop of the parties' dispute, the Board has also been mindful of the further distraction that might have been caused by a decision of Sir Stelios and easyGroup to take up their rights to representation on the Company's Board. The Board decided therefore that it would be in the interests of all shareholders to seek a commercial settlement with eGIP and Sir Stelios, including in relation to their existing board appointment rights. The Proposed Transaction represents the outcome of discussions with easyGroup and Sir Stelios.

The Amended Brand Licence continues easyJet's exclusive worldwide rights to the use of the "easyJet" brand on a basis which protects the easyJet Group's current commercial activities and provides greater clarity over the terms of the licence. Operational flexibility is considerably improved and easyJet will have the freedom to enter co-branding agreements with other travel service providers as well as white label partners such as car hire, hotels and travel insurance companies without requiring consent to do so from eGIP. In addition, easyJet will also now have the right to enter co-branding promotions with other leading brands without having to first obtain consent.

Principal Terms and Conditions of the Proposed Transaction

The Amended Brand Licence continues easyJet's exclusive worldwide rights to the use of the easyJet brand on a basis that affords easyJet greater commercial certainty, including the removal of restrictions on certain commercial opportunities. The restriction on the Group's ancillary revenue growth (the so called "75:25 rule") which has been the principal subject of the recent High Court litigation is removed. The licence will continue for a 50 year period, with a minimum term commitment to the brand of 10 years (with any earlier termination by easyJet triggering the payment of the royalty payable for the remainder of the 10 year term), in return for an annual royalty payment of 0.25% of the Company's total revenues, fixed at £3.9 million and £4.95 million respectively in the first two years of the term.

Amended Brand Licence

The following is a high level summary of the effect of the variations to the Brand Licence:

- an exclusive worldwide rights to use of the easyJet brand in relation to operating passenger carrying flights using fixed wing aircraft under an AOC, for a period of 50 years
- a minimum term commitment to the brand of 10 years, with any earlier termination by easyJet (other than for eGIP's breach of the licence), or breach of the licence by easyJet, triggering the payment of the previous year's annual royalty multiplied by the balance of the minimum 10 year term (for the first two years of the agreement, the imputed royalty for determining this calculation shall be 0.25% of the Company's total revenue for that year, and not the fixed amount actually paid)
- an annual royalty of 0.25% of the Company's total revenues, fixed at £3.9 million and £4.95 million in the first and second years respectively. On the 30th anniversary of the licence, the parties will conduct a good faith review of its terms which may lead by mutual agreement only to an upward review of the royalty rate
- the right for easyJet to offer any product or service that is sold or delivered in-flight or in an airport or its environs. There are some restrictions over regulated businesses which require that the activities are conducted under a third party licence rather than easyJet's licence or that the activity does not constitute a substantial expansion of easyJet's operations
- the right for easyJet to carry on all activities carried out by easyJet in the year ending September 2010 as set out in a list of specified current permitted activities and in addition to carry out future activities indicated in a list of future permitted activities
- 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 environs (except to the extent they have been carried out by easyJet in the year ending September 2010 or are included on the initial list of further specified permitted activities). Such prohibited businesses include financial services, telecoms, gaming, high street retailing, office accommodation, fitness clubs, food offerings,

end-to-end courier services, entertainment and media, cruises and ferries, fashion and cosmetics, healthcare, recruitment, social networking, railways coaches and buses, construction, manufacturing and the automotive sector. If the prohibited activity is also a regulated business it will be subject to the same restrictions as noted above

- a new right to co-brand for flight and flight related services and a clarified right to co-brand non-flight related products without consent in an agreed list of business areas, and with all reputable airports, airline alliances or partners, local government agency and tourism boards, car hire firms, hotel operators and travel insurance companies for an unlimited term. Outside these categories, easyJet will enjoy clarified rights, that are free from a requirement to obtain the consent of eGIP, to co-brand non-flight related products and a new right to co-brand flight related products for mutual promotion with reputable brands for periods of up to 3 years
- in common with other brand licence agreements easyJet will adopt service level indices. These will cover on time performance, delay, cancellations and lost bags. Operational performance against these indices will be reported to eGIP monthly and the service levels reviewed annually to be changed only following a material change in the market. Mayday alert reports will be provided to eGIP as will summaries of mandatory reports to safety regulators and details of legal claims above a threshold
- performance against service level indices will be measured over a full financial year excluding flights disrupted by *force majeure*. If the service levels are not met, a cure notice may be served in the next financial year and performance measured over the third financial year. If not compliant for that third year, eGIP may serve a termination notice
- freedom for easyJet to lease-in non easyJet-branded aircraft to meet operational requirements within annual limits without the need for eGIP's consent (as is currently required)
- freedom for easyJet to lease-out branded and non-branded aircraft to other operators within annual limits without the need for eGIP's consent
- a new brand protection regime, with all enforcement costs for eGIP to protect both the "easy" family brand and the "easyJet" brand to be shared between easyJet and eGIP on a ratio of 10:1 up to a combined cost contribution of £5.5 million per annum, after which all costs will be borne by easyJet and easyJet will have the right to conduct the action
- easyJet is permitted to operate flights under the safety regulation of another country with standards comparable to those of the UK CAA. Certain countries are deemed comparable and others would be subject to eGIP consent (not to be unreasonably withheld)
- eGIP may terminate the licence (i) for material remediable breach if not remedied within 9 months of service of a cure notice and (ii) for irreparable breach leading to material damage to the brand without service of a cure notice
- that in the event of termination otherwise than for easyJet's breach, easyJet shall have the right to continue to use the easyJet brand, with or without a co-brand, for up to 12 months following termination, and eGIP will not use the easyJet brand for up to two years after that, in each case for as long as easyJet continues to pay the royalty
- that in the event of termination for easyJet's breach, easyJet shall have the right continue to use the easyJet brand for 9 months following a court judgment
- mutual respect by the parties in relation to each other's brand use
- swift dispute resolution procedures without recourse to the courts
- that in the event that eGIP proposes to sell the easyJet brand (subject to the licence) a right for easyJet to be notified of that fact and to table a bid in any sale process within one month of notification, and for the assignee of the brand to be notified of the licence and provided with a copy
- greater freedom for eGIP to provide or to license rights to use the "easy" brand to provide tour operator services including the limited selling of seats on chartered aircraft potentially in competition with easyJet (after an initial non-compete period of 12 months) and to provide travel agency services and flight price comparison services under the "easy" brand (but not the "easyJet" brand)
- withdrawal of the provision of a guarantor to stand behind the obligations of eGIP
- reduced levels of warranty protection for the easyJet brand from eGIP.

Comfort Letter

In addition, in substitution for the commitments given at the time of the Company's initial public offering, Sir Stelios has 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 undertakes

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

Deed of Termination and Deed of Settlement

The Company, easyGroup and Sir Stelios have also entered into:

- a Deed of Termination, conditional only on the approval of Shareholders at an Extraordinary General Meeting, terminating the Relationship Agreement without liability. This will bring to an end the contractual right of easyGroup to appoint up to 2 non-executive directors of easyJet and the additional right of Sir Stelios to appoint himself Chairman of easyJet. The resolutions to be proposed at the forthcoming Extraordinary General Meeting will include a special resolution to amend the Articles of Association of the Company to remove the board and Chairman appointment rights which correspond to those in the Relationship Agreement. Upon this Deed of Termination and that special resolution becoming unconditional, easyGroup will have no rights beyond those afforded to an equivalent shareholder by the general law; and
- a Deed of Settlement pursuant to which eGIP agrees to stay the Action and, conditional only on the approval of Shareholders at an Extraordinary General Meeting, not to commence new proceedings against easyJet in respect of the acts or matters which are the subject of the Action.

A summary of the principal terms of the Amended Brand Licence, the Deed of Termination, the Comfort Letter and the Settlement Deed is set out in Part II of this document.

Financial Effects of the Transaction

The Board believes that continuing to operate under the existing Brand Licence agreement was no longer in the best interests of shareholders.

In agreeing to the proposed level of the royalty the Board was mindful of the negative financial impact to the Company from maintaining the status quo. A continuing dispute with the Licensor would have led to ongoing legal costs (the costs of the current dispute have been around £4 million since June 2008). It has been estimated that approximately £3 to 4 million per annum of revenue is currently at risk in relation to easyJet's ability to continue selling current "white labelled" activities should the judgment of the High Court in the current brand licence dispute find that easyJet had been providing such services outside the terms of the licence. The deal will also mean that easyJet no longer has to gain eGIP approval for the circa £3 million per annum of co-branding and marketing deals within the airport or airline environment. eGIP has withheld consent to these activities on a number of occasions over the past 12 months.

The further alternative of rebranding the business, including nearly 200 aircraft across 27 countries and 110 airports within the 90 day time frame currently stipulated in the existing Brand Licence would have been logistically very difficult and meant easyJet's flying programme would have been disrupted. Rebranding in such a short period of time would have meant the business incurring significant costs and presented an unacceptable potential risk to revenues. In the event the Company decides to rebrand in future, it will have a significantly longer transition period under the Amended Brand Licence in which to undertake the exercise.

The existing Brand Licence was entered into in 2000, prior to the admission to trading of the ordinary shares of the Company on the Main Market of the London Stock Exchange. In the view of the Board and eGIP, the current proposals represent a variation to the existing Brand Licence providing for a royalty to be paid annually in exchange for which easyJet will receive additional commercial benefits and clarification of certain matters which have been the subject of dispute between easyJet and eGIP.

As the Board consider this to be a variation of the existing Brand Licence, advice received is that it is unlikely that any adverse tax consequences will arise to the Group as a result of the Transaction.

Principal benefits and risks of the Transaction for the easyJet Group

The Board considers that the Transaction better aligns the interests of easyGroup and Sir Stelios with those of the easyJet Group and delivers improved clarity in relation to easyJet's use of eGIP's brand. The new arrangements remove the 75:25 rule's constraint on ancillary revenues and remove certain constraints on easyJet's ability to undertake its activities and initiatives including the removal of obligations to seek consent from eGIP in certain circumstances. They will also protect easyJet's successful white labelled service offerings and resolve a key issue in relation to the governance of the Company for the future. The Board believes that the securing of these benefits creates the right platform for the Company and its new executive management team to deliver future value for all shareholders.

The Board considers that the Transaction presents a commercial risk to the Company if, as is clearly permitted, eGIP were to successfully launch "easyHolidays" and/or "easyFlights". However, there are a number of protections in the Amended Brand Licence, including: (i) the requirement of any tour operator to whom eGIP has licensed the "easy" brand to differentiate its logo from the "easy" trademark by use of a third colour other than orange and white; and (ii) a restriction on eGIP or any licensee of the "easy" trademarks from obtaining an AOC licence or chartering an aircraft to sell passenger seats.

There are certain circumstances under which Amended Brand Licence may be terminated, including easyJet committing an irremediable breach resulting in material damage to the "easy" brand and failure by easyJet to hit the service level indices described above. In the event of termination, other than for easyJet's breach, easyJet will be able to continue to use the brand for up to 12 months and eGIP will not be able to use the brand for up to a further 2 years (subject to continued payments of the royalty). In the event of termination for easyJet's breach, easyJet will be able to continue to use the brand for 9 months. Following any termination easyJet would have to undertake a rebranding exercise.

As the proposal is a variation to the existing Brand Licence, advice received by the Board is that there is a minimal likelihood of a tax liability arising. Although the variation to the existing Brand Licence does not eliminate the risk of a further dispute with easyGroup, eGIP or Sir Stelios in the future, the Amended Brand Licence provides for a formal arbitration process to resolve disputes, save in certain circumstances where the High Court of England and Wales will have jurisdiction.

Extraordinary General Meeting

The Proposed Transaction is a related party transaction and is therefore conditional upon the approval of Shareholders at an Extraordinary General Meeting. Set out at the end of this document is a notice convening the Extraordinary General Meeting to be held at 9:30 am on 10 December 2010 at Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF. At the Extraordinary General Meeting an ordinary resolution to approve the entry into the Amended Brand Licence and Comfort Letter, the termination of the Relationship Agreement pursuant to the Deed of Termination and the entry into the Settlement Deed to stay the High Court proceedings will be proposed.

In addition, a special resolution to make related and consequential changes to the Company's Articles of Association will be proposed. This resolution is conditional upon the passing of the first resolution. The effect of the proposed amendments to the Articles of Association will be to remove Sir Stelios' and easyGroup's existing rights to appoint, by virtue of their shareholding, any Directors to the Board and to appoint the Chairman. The Resolutions are set out in full at the end of this document in the notice of Extraordinary General Meeting.

Under the Listing Rules easyGroup is precluded from voting the 26.19% shareholding controlled by it in relation to the Proposed Transaction. However, easyGroup is permitted to vote in relation to the resolution to amend the Company's Articles of Association and has undertaken to vote its shares in favour of that resolution.

Action to be taken

If you are a Shareholder, you will find enclosed with this document a Form of Proxy for use at the Extraordinary General Meeting. **Whether you intend to be present at the Extraordinary General Meeting or not, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company's registrar, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6RL, as soon as possible and, in any event, so as to arrive not later than 9:30 am on 8 December 2010.** The completion and return of the Form of Proxy will not preclude you from attending the Extraordinary General Meeting and voting in person if you wish to do so.

Further Information

Your attention is drawn to the additional information set out in Parts II and III of this document relating to the Company and the Proposed Transaction. You are advised to read the whole document and not merely rely on the key or summarised information in this letter.

Recommendation

Your Board, which has been so advised by Credit Suisse, considers that the Proposed Transaction is fair and reasonable as far as the Shareholders are concerned. In giving its advice, Credit Suisse has taken into account the Board's commercial assessment of the Proposed Transaction.

Under the Listing Rules easyGroup is precluded from voting the 26.19% shareholding controlled by it in relation to the Proposed Transaction and were Sir Stelios to acquire a direct interest in shares in the Company prior to the Extraordinary General Meeting, he would also be precluded from voting in relation to the Proposed Transaction. easyGroup and Sir Stelios will not vote in relation to the Resolution to approve the Proposed Transaction and each of easyGroup and Sir Stelios have undertaken to take all reasonable steps to ensure that their respective associates will also abstain from voting in relation to the Resolution to approve the Proposed Transaction.

Your Board considers that the Proposed Transaction is in the best interests of its Shareholders as a whole. Accordingly your Board unanimously recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, as each Director intends to do in respect of his own beneficial holdings which amount in aggregate to 58,887 Shares, representing approximately 0.013% of the existing issued ordinary share capital of the Company (excluding Treasury Shares) as at 15 November 2010, being the last practicable day prior to the publication of this document.

Yours faithfully

Sir Michael Rake
Chairman

PART II

SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE AMENDED BRAND LICENCE, DEED OF TERMINATION, COMFORT LETTER AND SETTLEMENT AGREEMENT

Amended Brand Licence

The principal terms of the Amended Brand Licence are as follows:

Term and Minimum Term: Unless terminated earlier, the Amended Brand Licence shall continue for 50 years from the date the Proposed Transaction is approved. On the 47th anniversary of the Amended Brand Licence, the parties are to hold good faith negotiations to discuss its renewal. Such negotiations are to be completed within one year of their commencement.

Under the existing Brand Licence the Licence is granted in perpetuity.

If: (i) the Licensee terminates the Amended Brand Licence (except by reason of breach by the Licensor); or (ii) the Licensor terminates the Amended Brand Licence for breach by the Licensee, before the 10th anniversary of the effective date of the Amended Brand Licence, the Licensee will be required to pay the Licensor fees equivalent to that year's annual royalty (which shall always be calculated at the rate of 25 basis points of the Company's annual statutory revenue for the previous year and not any fixed amount) multiplied by the balance of the minimum ten year term (the "**Minimum Payment**").

Under the exiting Brand Licence the Licensee may terminate the Brand Licence at any time without any minimum payment obligation.

Royalty: The Licensee will pay the Licensor a royalty in pounds sterling calculated at the rate of 25 basis points of the Company's annual statutory revenues as published in the Company's Annual Report, payable monthly in advance. For the first two years of the agreement, the royalty is fixed at £3.9 million and £4.95 million respectively, in each case payable in equal instalments, monthly in advance. The Licensor has the right (only to be exercised once per year) to engage external auditors to undertake an annual audit of the correctness of the calculation of the royalty.

Under the existing Brand Licence, the royalty payable is £1 per year.

On the 30th anniversary of the Amended Brand Licence, the parties will conduct a good faith review of its terms which may lead to an increase in the royalty payable for the remainder of the term.

75:25 Rule: The existing restriction in the Brand Licence on easyJet's ancillary revenue growth (the 75:25 rule), which has been the subject of easyJet's current High Court litigation with eGIP and Sir Stelios, is removed from the Amended Brand Licence.

Exclusive Right: The Licensee is granted an exclusive, worldwide (which extends to the air space above the earth up to 100,000 feet) right to: (i) use the "easyJet" trade marks and domains on and in relation to all goods and services; and (ii) use the "easy" trade marks and domains to operate under an AOC passenger-carrying flights in fixed-wing aircraft, provided that the sole use of the "easy" trade marks is as part of the "easyJet" trademarks, in each case on the terms and conditions of the Licence.

Licensed Activities: The Licensee may use the "easyJet" trade marks and domains without the Licensor's consent to carry out the following activities:

Flights: To operate passenger-carrying flights in fixed-wing aircraft;

Permitted Activities: To carry out any activity that falls within a specified list of "Permitted Activities" (including all current activities currently undertaken by the Licensee and an additional list of permitted activities). Examples of such "Permitted Activities" include offering booking and ticketing services, airport services, air carriage services, transport services, in-flight services and accommodation and holiday searching, booking and reservation services and regardless of whether such activities are "Prohibited Activities";

"Field" Activities: To offer any product or service which is either sold or delivered to passengers present within the "Field". The "Field" is defined as: (a) fixed-wing aircraft operated by the Licensee (including the

in-flight trolley); (b) airports from which the Licensee operates from (both now and in the future); and (c) the area of such an airport's activity up to 5 miles from the airside perimeter (the "Environ"), on the proviso that if the offer of such product or service is a "Prohibited Activity" and a regulated activity requiring a licence from a regulator (e.g. Ofcom or the FSA) and is being offered to customers in the Environ, the Licensee may only offer such product or service if the Licensee: (i) acquires and operates under, its own regulatory licence, and the licensed operation does not constitute a substantial expansion of such operations conducted by the Licensee before the licence was obtained; or (ii) carries out the activity with a sub-licensee who acquires and operates under its own licence.

Competitor Activities: To carry out any activity that is, or has been, offered by at least one competitor airline (being another passenger airline licensed in the EEA, Switzerland and/or the USA and Canada with a fleet of more than 25 aircraft). However, if such activity is a "Prohibited Activity" it may only be carried out within the "Field" and, if it is a regulatory activity requiring a licence, is subject to the same constraints as set out above for Field Activities;

Advertising: To advertise and promote all of its licensed activities anywhere and through any media; and

Sales of products and services: To offer for sale through any electronic medium, but not in a physical shop, all categories of products and services that either the Licensee or a competitor currently offers from the in-flight trolley or which are offered on the website www.worlddutyfree.com (or its successor). However, this is on the condition that the quantity of any products sold does not exceed those capable of being bought and delivered in-flight.

Devotion to the easyJet Brand: With the exception of certain co-branding rights, the Licensee agrees to carry out its activities solely under the easyJet brand using the endeavours consistent with those of a prudent brand owner.

Innovations: The Licensee may introduce innovations e.g. new products and services into the "Field" without the consent of the Licensor; however innovations outside the Field, which are not being carried out, or have not been carried out, by a Competitor, require the consent of the Licensor.

Prohibited Activities: The Licensee will be prohibited from conducting any "Prohibited Activity" without the consent of the Licensor (unless the Licensee is conducting such "Prohibited Activity" with, or for, an affiliate or unless the "Prohibited Activity" is conducted solely for advertising and promotional purposes, or it is conducted within the Field (as described above) or it is a "Permitted Activity").

"Prohibited Activities" include financial services, telecoms, gaming, high street retailing, office accommodation, fitness clubs, food offerings, end-to-end courier services, entertainment and media, cruises and ferries, fashion and cosmetics, healthcare, recruitment, social networking, railways coaches and buses, construction, manufacturing and the automotive sector, unless such activities fall within a "Permitted Activity", in which case they may be conducted by the Licensee.

Leasing of aircraft: The Licensee may, without the consent of the Licensor: (i) lease-in unbranded aircraft, provided that such leasing arrangements do not account for more than 2% of sectors flown in a financial year; and (ii) lease in "easyJet" branded fixed-wing aircraft, provided that such leasing arrangements do not account for more than an additional 4% of sectors flown in a financial year; and (iii) lease-out unbranded and "easyJet" branded fixed-wing aircraft, up to a maximum of limit of 5% and 2% of fixed-wing aircraft fleet months per financial year respectively. Reciprocal carriage arrangements with other airlines to cover periods of disruption are not subject to the above leasing restrictions.

This provision provides the Licensee with greater operational freedom than it has under the existing Brand Licence.

Service levels: The Licensee is to adopt minimum performance standards in respect of on-time performance (75% of flights to arrive within one hour of the scheduled arrival time), cancellations (no more than 2% of flights to be cancelled within 28 days of the departure date), delays (no more than 30 minutes average delay) and lost baggage (no more than 20 bags per 1000 passengers not reunited with the person who checked them in within 7 days) (together, the "Service Levels"). Performance against these Service Levels is to be reported to the Licensor and discussed by the Service Level Committee (comprised of two representatives of each of the Licensee and Licensor) on a monthly basis. Flights disrupted by an event of *force majeure* will be excluded when measuring performance against the Service Levels.

The Service Levels will be reviewed annually by the Service Level Committee, who may amend the Service Levels in the event there is a material change in the market of the Licensee's competitors. If any proposed amendments to the Service Levels cannot be agreed the matter is to be referred to arbitration.

Any question as to whether the Licensee has failed to attain the Service Levels over the course of a year shall be referred to arbitration. The Licensor must make this reference within 3 months of the end of the year in question and shall only be permitted to refer the issue once per year. If the arbitrator concludes that there has been either a breach of the Service Levels or *prima facie* damage to the brand, the Licensor is entitled to serve a "Cure Notice" on the Licensee and performance against the Service Levels will be measured over the course of the next financial year. If the Licensee is not compliant during the course of that financial year, the Licensor may serve a termination notice. However, if there is any dispute as to whether the Licensee has complied with the "Cure Notice", the termination notice shall not take effect until the matter has been determined by the Courts of England and Wales.

There is no similar provision in the existing Brand Licence; this provision gives the Licensor new rights and places a new reporting requirement on the Licensee.

Limitations on the Licensor's activities: The Licensor undertakes not to, and to procure that no other licensees of the "easy" trade marks (save the Licensee): (i) hold or acquire an Air Operator Certificate ("AOC") for carrying passengers in fixed-wing aircraft; or (ii) charter an entire aircraft in order to sell passenger seats; or (iii) buy substantially all seats on a flight on a regular basis. However, the Licensor and other licensees of the "easy" brand may compete with the Licensee under their own brands. Further, the Licensor expressly retains the right to engage in: (i) air cargo carriage services, parcel services and helicopter services with their own AOC; (ii) flight-and other comparison website services; (iii) online and offline travel agencies; (iv) package holiday services; and (v) tour operations (with an ATOL); (vi) operating other non-fixed wing aircraft for commercial benefit; and (vii) the exploration of outer space.

The Licensee agrees that the Licensor may licence the "easy" brand to a tour operator selling flights, however this right is subject to certain restrictions, including that: (i) the logo of an ATOL tour operator must be differentiated from the "easy" Trademark by use of a third colour other than orange and white; (ii) the tour operator must not, except for specific one-off events, charter entire aircraft in order to sell seats under the "easy" brand; (iii) the tour operator must not purchase substantially all the seats on an aircraft on a regular basis; (iv) the tour operator must not sell flights where such flights are operated under a name which is in part the same as the ATOL holder's name; or (v) use any name which uses two of the letters from the word JET in any word of four letters or less.

The Licensor and its licensees (save the Licensee) are expressly permitted to exploit the brands "easy Holidays", "easy Air Tours", "easy Flights" and "easyBags".

Guarantee: easyJet plc will, as primary obligor, guarantee the performance of the Licensee's obligations. The guarantee provided in the existing Brand Licence for the performance of eGIP's obligations by another easyGroup company is not given in the Amended Brand Licence.

Standards of quality and maintaining brand reputation: Both parties agree to, and the Licensor agrees to procure that all other licensees of the "easy" trademarks shall, maintain high standards of quality with regard to the "easy" or "easyJet" trademarks, observe the brand guidelines (which shall be reviewed in 2011 and thereafter at least once every 10 years) (with certain exceptions for the purposes of search engine optimisation) and avoid engaging in any activities that are detrimental to the "easy" or "easyJet" trademarks. The Licensor and its licensees are prohibited from conducting any business under the "easy" trademarks that is an "unethical business" (i.e. one which routinely disregards applicable laws or does not conform to the generally accepted standards of the industrial, professional, ethical, national or cultural context in which it operates).

Co-Branding: For promotional purposes, the Licensee may co-brand with any reputable brand for up to 3 years without requiring the Licensor's consent. If the period exceeds 3 years, the Licensor's consent will be required unless: (i) after 3 years the co-branding ceases for a period of 6 months before recommencing; or (ii) co-branding is of flight or flight related services with a reputable brand that operates in an agreed list of business areas including airports, government agencies, tourist boards, car hire firms, tour operators, hotel operators and travel insurance companies; or (iii) it is a permitted co-promotion; or (iv) it is a sub-licensing arrangement permitted under the Amended Brand Licence. The Licensee is prohibited from re-branding its business with any of its co-branding partners for a period of 3 years after the co-branding activities with the partner cease.

These co-branding rights are more extensive than those under the existing Brand Licence.

Branding of physical assets: The Licensee may brand any physical asset, including by way of co-branding and use of sub-brands, that is used: (i) in the Field; or (ii) outside the Field solely for advertising or promotional purposes; (iii) outside the field to indicate flight or operations processes; (iv) outside the Field for the purpose of indicating its presence; and (v) outside the Field as part of its normal business e.g. crew uniforms, operational equipment transported outside the Field etc., each without requiring the consent of the Licensor. All other branding of physical assets will require the Licensor's consent. There are no equivalent provisions in the existing Brand Licence.

Sub-branding: The Licensee may not, without Licensor's consent, use as a trade mark the easyJet marks followed immediately by a descriptive word in the form "easyJet [descriptive word]" for any third party products or services that do not relate to the carriage of passengers in fixed-wing aircraft. However, the Licensee does not require the Licensor's consent to use the form "easyJet [descriptive word]" in respect of, amongst other uses, flight related products, loyalty scheme based products, a list of pre-agreed sub-brands, on any easyJet website or in a URL. The licensee will no longer be permitted to use the sub-brands "easyKiosk", "easyTech" and "easyLand" and any residual use in respect of pre-existing arrangements must cease within 12 months from the date of the Amended Brand Licence.

Sub-licensing: The Licensee may sub-license to white-label service providers without needing the consent of the Licensor. However, it may not sub-license its rights to carry passengers in fixed-wing aircraft unless the sub-licensee is an affiliate of the Licensee.

Brand protection: The Licensor is responsible for bringing proceedings against any third party infringer. If it does not bring a claim requested by the Licensee within specified time periods, the Licensee may seek arbitration of the Licensor's refusal to do so. If the decision of the arbitrator is that the Licensor has failed to act in a manner consistent with the actions of a prudent brand owner, the Licensor will be obliged to commence legal proceedings. If the arbitrator does not oblige the Licensor to commence proceedings, the Licensee can bring, at its own cost, proceedings.

The parties are to establish a brand protection committee that will meet quarterly. The Licensee will contribute up to £1 million pounds per annum, and the Licensor will contribute up to £100,000 per annum, to a brand protection fund to meet the costs of bringing actions against any third parties who infringe the brand. The Licensee, at its discretion, may increase its contribution to the brand protection fund and the Licensor will be obliged to match the Licensee's contributions at a ratio of 1:10, up to a cap of a £5 million contribution by the Licensee (with the Licensor's contribution capped at £500,000). If the Licensee contributes in excess of £5 million, it may take over the conduct of the claim. If the turnover of the Licensor and its permitted licensees exceeds 1/10th of the turnover of the Licensee, the ratio will be adjusted accordingly and thereafter, reviewed annually.

Communications and public announcements: The parties have agreed to develop a communications protocol, including an obligation to discuss in confidence any issue under dispute between them for at least one week (but for no more than a month) before either party is permitted to make a public statement in relation to such issue. The Licensor is not permitted to disclose any confidential information, save for the purposes of litigation between the parties.

Sale of advertising space: The Licensee is granted the right to sell to third parties (provided such third party is not an "unethical business") any advertising space in the Field, on its websites, through mobile information devices and through any other channel by which any other airline currently, or in the future, sells third party advertising.

Customer registration: Customers purchasing any goods or services online through the websites of the Licensee or its sub-licensees (in relation to goods offered under the sub-licence) are required to register as an easyJet customer by providing an account name and password. There is an exception for bookings through an intermediary. The Licensee is to effect the necessary changes to its website and booking engine (and to procure necessary changes to its sub-licensees' systems) to enable this process no later than 18 months from the date the Amended Brand Licence becomes unconditional and is likely to involve an additional cost burden. The log-in details shall be obtained or accepted by the Licensee's website and shall not automatically provide the ability to log on to any further website of a sub-licensee which offers goods or services not under the brand. This provision is likely to require renegotiation of the contractual terms currently in place with some of the Licensee's sub-licensees.

There is no equivalent obligation under the terms of the existing Brand Licence.

Termination: Either party can terminate if the other party: (i) commits a material remedial breach and such remedial breach is not remedied within 9 months of service of a cure notice; (ii) commits an irremediable breach that leads to material damage to the “easy” brand; or (iii) is subject to an insolvency event. Additionally, the Licensor can terminate if: (i) the Licensee owes the Licensor £100,000 or more and such debt is outstanding for a period of 12 months; or (ii) the Licensee commences proceedings to challenge the validity of any of the trade marks and does not withdraw such action if requested to do so. The rights of termination exclusive to the Licensor are not contained within the existing Brand Licence.

If the Licensor alleges that the Licensee has committed an irremediable breach, the licences granted under the Amended Brand Licence will continue until the court has confirmed such allegation.

The Licensee may at any time terminate the Amended Brand Licence by giving 12 months’ notice, subject to the Minimum Payment obligation. However, if the Licensee terminates on account of the Licensor’s breach, the Minimum Payment will not apply. Under the existing Brand Licence the Licensee may give notice with immediate effect at any time.

Lock-out fee: If the Amended Brand Licence terminates, other than for the Licensee’s breach, the Licensee shall have the right to continue to use the easyJet brand, with or without a co-brand, for up to 12 months following termination, and the Licensor agrees not to use the “easyJet” brand for up to two years after that (the “**Lock-Out**”). In each case the Licensee must continue to pay the royalty. The imputed royalty for each year of the Lock-Out will be the royalty paid in the previous year. The fee for the Lock-Out will be deductible against the Minimum Payment. The current licence provides for only 90 days continued use of the easyJet brand following notice of termination.

Transition period: If the Amended Brand Licence is terminated due to breach by the Licensee, the Licensee shall be allowed a period of 9 months following the judgment of the High Court (that confirms the irremediable breach alleged) to continue using the rights granted under the Amended Brand Licence and the royalty will continue to be payable during this period. No Lock-Out will be applicable after the expiry of the 9 month period. The Licensee shall be permitted to sell existing stocks of branded merchandise for a period of six months after termination or until such stock is depleted (whichever is the earlier).

Licensor warranty: The Licensor warrants: (i) that it has not, since 2000, disposed of any of its rights in respect of the “easyJet” trademark; (ii) that it knows of no material problem relating to the use of the easyJet marks that it has withheld from the Licensee; and (iii) that it has not granted any rights to any other licensee that may allow such licensee to acquire an AOC under the “easy” brand. The Licensee’s sole remedy for breach of these warranties will be in damages. The warranty protection is less extensive than that afforded to the Licensee under the existing Brand Licence.

Change of control: The Licensor is to notify the Licensee of any potential change of control of the Licensor or sale of the easyJet brand and the Licensee shall have one month in which to make an offer. In the event of a sale or assignment of the Licensor’s rights, the Licensor shall be obliged to (i) notify the assignee/purchaser of the existence of the Licence and provide it with a copy; and (ii) procure an undertaking in favour of the Licensee from the assignee/purchaser to abide by the terms of the Amended Brand Licence; and (iii) notify the Licensee of the identity of the assignee/purchaser.

Limit of liability: Both parties’ maximum limit of liability for breach will be ten times the royalty actually paid in the financial year preceding the year in which the first breach occurs. For the first year of the Amended Brand Licence the imputed royalty will be £3.9 million and for the second year £4.95 million. Under the existing Brand Licence the Licensor’s liability is limited to £10 million.

Dispute resolution: In the first instance, the parties shall have 30 days to resolve any dispute via the Directors of their respective companies. If a dispute can not be resolved within this timeframe the dispute shall be escalated to the Chairs of the Board of each party who will have a further 30 days to resolve such dispute. If, after the expiry of this period, such dispute is still not resolved it shall be referred to the London Court of International Arbitration, save that the High Court of England and Wales are to have exclusive jurisdiction to resolve any dispute relating to, amongst other things, breach or termination of the Amended Brand Licence.

Integration of an acquired businesses: The Licensee agrees that if it acquires any business which is not, at the time of acquisition, operating under the easyJet trade marks, it will complete the re-branding and integration of such business within nine months from the date of such acquisition.

Cargo Operations: The Licensee agrees not to offer dedicated cargo flights, however it is allowed to carry cargo in the hold of any passenger flight or non-revenue-generating operational flight. The Licensor is permitted to engage in “easy” branded cargo operations so long as the aircraft utilised for such operations are differentiated (by way of colour scheme) from easyJet branded aircraft.

Goodwill: Any goodwill in the licensed marks shall inure to the benefit of the Licensor.

Safety compliance: The Licensee is to comply with (and procure that all sub-licensees comply with) the safety standards set for its AOC by its safety regulator from time to time. The Licensee, without the Licensor’s consent, may seek to operate flights under the safety regulations of another country so long as those standards are equivalent to those of the UK Civil Aviation Authority. For these purposes France, Spain, Ireland, the USA, Canada, Singapore and Brazil are countries that would meet this requirement. For any other country whose safety standards are not comparable to those of the UK Civil Aviation Authority, the Licensor’s consent will be required. Such consent shall not be unreasonably withheld.

Turkey AOC Side-letter: The Licensee is permitted to apply for a Turkish AOC to carry out operations in Turkey without requiring the Licensor’s consent until the fifth year of operation under such AOC at which point the Licensor is entitled to review the Licensee’s safety record with a view to consenting to operation under a Turkish AOC for a further five years. This right gives the Licensee flexibility. However, this is only a permissive right and does not mean that the Licensee will necessarily obtain, or seek to obtain, such Turkish AOC.

Deed of Termination

The principal terms of the Deed of Termination are as follows:

Termination of the Relationship Agreement: Conditional upon the passing of Resolution One by 31 December 2010, the parties to the Relationship Agreement agree that the Relationship Agreement will terminate.

Release of the parties: Upon termination of the Relationship Agreement, each party will be released from all present and future claims, liabilities and demands accrued against them under or in connection with the Relationship Agreement.

Comfort Letter

The principal terms of the Comfort Letter are as follows:

Undertakings by Sir Stelios: Conditional upon the Amended Brand Licence, Settlement Deed and Deed of Termination coming into full force and effect, Sir Stelios agrees:

- to procure that eGIP will not license the “easy” brand to an ATOL holder on terms permitting the sale of airline seats for a period of 12 months from the 10 October 2010
- not to permit any disposal of the shares in eGIP or the easyJet brand or any part of it for a period of 2 years from the 10 October 2010 and in the case of a disposal to any airline licensed in the EEA or Switzerland, or the direct or indirect owner of such airline, this prohibition is extended to a period of 3 years from the 10 October 2010
- not to acquire an interest in any other airline licensed in the EEA or Switzerland, or the direct or indirect owner of such airline, for a period of 2 years from the 10 October 2010
- not to use his own name or any derivation of it to brand any other airline which flies to or from any country in the EEA or Switzerland for a period of 5 years from the 10 October 2010
- to keep confidential and price sensitive information confidential and to develop a communications protocol, including an obligation to discuss in confidence any issue under dispute for at least one week (and at most one month) before making a public statement in relation to the matter under dispute, save for the purposes of litigation between the parties
- to notify the Licensee of any potential change of control of the Licensor or sale of the easyJet brand and give the Licensee one month in which to make an offer.

Exceptions to the undertakings of Sir Stelios Haji-Ioannou:

- Sir Stelios is permitted to hold up to 10% of the share capital of any airline company listed in the EEA or Switzerland that holds its own AOC on the proviso that he does not sit on the board of such airline or become involved in an executive capacity
- None of the restrictions on Sir Stelios will prevent him from owning an AOC holder (licensed airline) or company that, in each case, operates private planes on the condition that such planes are not branded “easy” and have less than 25 seats

Consideration to be paid to Sir Stelios: In consideration for the undertakings above, the Company agrees to pay Sir Stelios a fee of £300,000 per annum adjusted annually by the UK Retail Price Index, payable monthly in advance, for a period of 5 years from the 10 October 2010 or until the expiry of the longest subsisting restriction, whichever is later.

Settlement Deed

The principal terms of the Settlement Deed are as follows:

- ***Stay of court Action:*** eGIP agrees to stay the Action and not to commence new proceedings against easyJet in respect of the acts or matters which are the subject of the Action;
- ***No costs order:*** the parties agree that there be no order as to costs;
- ***Consequence of no Shareholder approval:*** if Resolution One is not passed by the Shareholders or not passed by the 31 December 2010 (whichever is the earlier) the parties agree that the requested stay will be automatically lifted from the date of the result of the Shareholder vote on Resolution One or 31 December 2010 (whichever is the earlier) and the parties shall then inform the judge promptly of the same; and
- if the stay is lifted, then following delivery of his judgment the judge may make such order in respect of the costs of this action as he shall think fit.
- ***Final settlement:*** Subject to the passing of Resolution One, the parties agree that the Settlement Deed will be in full and final settlement of any and all claims that the parties have against each other in relation to the Action, wet leasing, airline operations, all use of intellectual property rights by the Company and easyJet and any breach or alleged breach of confidentiality obligations.

PART III

ADDITIONAL INFORMATION

1. EASYJET PLC

The Company is a public limited company, incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3959649 and domiciled in the United Kingdom. The registered office of the Company is at Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF and its telephone number is +44 (0)1582 52 52 52.

easyJet's business model is centred around offering the lowest fares to the most convenient airports. easyJet is the UK's largest and Europe's fourth largest airline by passenger numbers. In the year ending 30 September 2010 the airline carried 48.8 million passengers in total. easyJet's fleet comprises 196 aircraft.

2. SIR STELIOS HAJI-IOANNOU'S SERVICE AGREEMENT

Sir Stelios Haji-Ioannou was, until his resignation on 14 May 2010, a non-executive Director and did not have a service contract.

3. MAJOR SHAREHOLDERS

As at 15 November 2010 (being the latest practicable date prior to the publication of this document) so far as the Company is aware the following persons, directly or indirectly, hold 3% or more of the issued share capital of the Company (which does not include any Treasury Shares as the Company does not currently hold any of its Shares in treasury):

<u>Name</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of Issued Share Capital (exclusive of Treasury Shares)</u>
easyGroup Holdings Limited (holding vehicle for Sir Stelios Haji-Ioannou and Clelia Haji-Ioannou)	112,531,026	26.19
Polys Holdings Limited (holding vehicle for Polys Haji-Ioannou)	47,954,575	11.16
Clelia Holdings Limited (holding vehicle for Clelia Haji-Ioannou)	0*	0
Schroder Investment Management	33,072,027	7.70
Standard Life Investments Ltd	25,720,045	5.99
M&G Investment Management Limited (Prudential Group of Companies)	21,833,463	5.08
Threadneedle Investments	17,945,422	4.18
Sanderson Asset Management	16,617,851	3.87
Capital Research & Management	14,678,000	3.42

* The Company was notified that on 13 November 2008 Clelia Holdings Limited transferred legal title to 47,954,575 Shares to easyGroup pursuant to a trust arrangement whereby Clelia Holdings Limited retains an economic interest in such shares. Excluding these shares, easyGroup holds 64,576,451 Shares, representing 15.03% of the issued share capital of the Company. Save as disclosed in this paragraph, the Company is not aware of any person who, as at 15 November 2010 (being the last practicable date prior to the publication of this document), directly or indirectly, holds 3% or more of the issued share capital of the Company.

4. SHARES HELD BY EASYGROUP AND SIR STELIOS HAJI-IOANNOU

As at 15 November 2010 (being the latest practicable date prior to the publication of this document), easyGroup and Sir Stelios are interested in 112,531,026 Shares in the Company, representing 26.19% of the issued share capital of the Company. Neither easyGroup nor Sir Stelios has any interest in the shares in the Company pursuant to any share options. The shares in which Sir Stelios is interested are not held directly by Sir Stelios but are held by easyGroup.

Legal title in 47,954,575 Shares in the Company was transferred to easyGroup pursuant to a stock transfer dated 13 November 2008. The Company has been advised by Sir Stelios that the transfer took place pursuant to a trust arrangement whereby Clelia Holdings Limited retains an interest in such shares. As registered holder of the Shares formerly owned by Clelia Holdings Limited, easyGroup is entitled to exercise the voting rights attached to them.

Sir Stelios has previously notified the Company that the entire share capital in easyGroup is held by Stelios Trustees Limited as trustee of The Stelios Trust, a Cayman Islands trust of which Sir Stelios is settlor and the primary beneficiary during his lifetime. Sir Stelios has advised the Company that he retains a significant role within the control structure of which Stelios Trustees Limited is a part.

5. SIGNIFICANT CHANGES

There has been no significant change in the financial or trading position of the Group since 30 September 2010, the date to which the Company's latest audited financial statements have been drawn up.

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by a member of the Group in the last two years or have been entered into at any time and contain an obligation or entitlement which is material to the Group as at the date of this document which shareholders of the Company would reasonably require information about in order to make a properly informed assessment of how to vote on the Resolutions:

Existing Brand Licence

The existing Brand Licence is for a royalty of £1 and is in perpetuity subject to termination rights for the licensor (eGIP) for unremedied breach of licence, misuse of branding and insolvency. easyJet can terminate the Brand Licence at any time. easyJet is permitted to use the easyJet brand in connection with its business as an airline with a core activity of passenger transport in fixed wing aircraft and is also permitted to carry out ancillary and conducive additional activities to the extent they account for not more than 25% of easyJet's aggregate revenues.

Conditional upon the passing of Resolution One, the existing Brand Licence will be amended and restated on the terms contained of the Amended Brand Licence (as described in Part II above).

Relationship Agreement

The Relationship Agreement governs the relationship between the "Controlling Shareholders" (being easyGroup Holdings and/or Sir Stelios) and the Company and is to continue in full force and effect until easyGroup and/or Sir Stelios hold less than 5% of the share capital of the Company. The principal terms of the Relationship Agreement are as follows:

- the Board is to comprise of a majority of independent directors;
- the Company is to be run by the Board for the benefit of all the Shareholders;
- all transactions between the Company and the "Controlling Shareholders" (or their associates) will be at arms' length and on a normal commercial basis;
- for as long as the "Controlling Shareholders" own at least 25% of the share capital of the Company and a member of the easyJet Group is entitled to use the easyJet name under the terms of the Brand Licence, the "Controlling Shareholders" shall be entitled to appoint two non-executive directors to the easyJet Board and in addition, Sir Stelios shall be entitled to appoint himself Chairman;
- for as long as the "Controlling Shareholders" own at least 10% of the share capital of the Company and a member of the easyJet Group is entitled to use the easyJet name under the terms of the Brand Licence, Sir Stelios shall be entitled to appoint himself Chairman;
- the relationship Agreement contains certain restrictions on Sir Stelios and eGIP, including that:
 - Sir Stelios and eGIP will not engage in easyJet's "core activity" (passenger transport in fixed wing aircraft) until three years after:
 - Sir Stelios ceases to control 5% of the issued share capital of easyJet plc; and either
 - Sir Stelios ceases to control more than 50% of the issued share capital of eGIP; or
 - the Brand Licence is terminated
 - eGIP will not licence or use or otherwise permit the use of: (i) certain intellectual property rights within easyJet's "core activity"; and (ii) other intellectual property rights for any purpose whatsoever.

Conditional upon the passing of Resolution One, the Relationship Agreement will be terminated.

7. RELATED PARTY TRANSACTIONS

Pursuant to the Brand Licence, easyJet currently pays to easyGroup IP Licensing Limited a royalty of £1 per annum and is obliged to contribute to the costs of taking any action against any third party for infringement of the 'easy' intellectual property rights. easyJet's obligation to meet costs is capped at £100,000 per claim and £1 million per annum, subject to annual indexation. The aggregate amount contributed by easyJet to such costs in the past two financial years was £390,000.

Pursuant to the terms of a Deed of Indemnity in favour of all Directors of the Company dated 8 November 2007, the Company has paid out an aggregate amount of £150,118.03 for Sir Stelios' costs for legal advice in relation to an action in defamation brought by Sir Stelios against Michael O'Leary and Ryanair Limited.

This action has now been settled. Out of the settlement proceeds the Company will be reimbursed £80,000 of the amounts paid out under the Deed of Indemnity.

8. EFFECT OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Amendments, the full text of which is set out in the Notice of Extraordinary General Meeting at the end of this document, are to be made to the Company's Articles of Association as part of the Proposed Transaction.

The effect of the proposed amendments will be to remove Sir Stelios' and easyGroup's right to appoint, by virtue of their shareholding, any Directors to the Board and to appoint the Chairman.

9. CONSENTS

Credit Suisse has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are included.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company and at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London EC2A 2HS from the date of this document up to and including the date of the EGM and for the duration of the EGM:

- (a) the Brand Licence, the Deed of Termination, the Comfort Letter and the Settlement Deed;
- (b) the memorandum and articles of association of the Company together with a copy of them showing the proposed changes thereto; and
- (c) the audited consolidated accounts of the Company for the periods ended 30 September 2008 and 30 September 2009 and the statement of audited final results for the period ended 30 September 2010.

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Action”	the proceedings in the Chancery Division of the High Court of England and Wales having Action No. HC08 C02329 between eGIP as Claimant and easyJet as Defendant
“AOC”	Airline Operating Certificate
“ATOL”	Air Travel Organisers’ Licence
“Board” or “Directors”	the directors of the Company
“Brand Licence”	the licence agreement dated 5 November 2000 made between the Company and the Licensor amongst others under which the Licensor licences easyJet, a wholly-owned subsidiary of the Company, to use certain intellectual property rights including the “easyJet” brand
“Chairman”	the chairman of the Board
“Completion”	completion of the Proposed Transaction
“Comfort Letter”	the conditional agreement dated 10 October 2010 between (1) easyJet plc, and (2) Sir Stelios Haji-Ioannou, the principal terms of which are summarised in Part I and II of this document
“Company”	easyJet plc
“Credit Suisse”	Credit Suisse Securities (Europe) Limited
“Deed of Termination”	the conditional agreement to terminate the Relationship Agreement dated 10 October 2010 between (1) easyJet plc, (2) Sir Stelios Haji-Ioannou and (3) easyGroup Holdings Limited, the principal terms of which are summarised in Part I and Part II of this document
“Disclosure Rules and Transparency Rules”	the disclosure rules and transparency rules made by the Financial Services Authority under Part VI of the Financial Services and Market Act 2000
“easyGroup”	easyGroup Holdings Limited, a company incorporated under the laws of Jersey with registered number 73113 and now registered by way of continuation in the Cayman Islands with effect from 16 September 2008 at Windward 1, Regatta Office Park, West Bay Road, PO Box 897, George Town, Grand Cayman, KY1-1103, Cayman Islands and whose administrative office is at 8&9 Le Ruscino, 14 Quai Antoine 1er, Monaco MC 98000
“easyJet”	easyJet Airline Company Limited, a company incorporated under the laws of England and Wales with registered number 3034606 and whose registered office is at Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF
“easyJet Group” or “Group”	the Company and its subsidiary undertakings
“easyJet Shares” or “Shares”	ordinary shares of 25 pence each in the capital of the Company
“eGIP”	easyGroup IP Licensing Limited, a company incorporated under the laws of England and Wales with registered 4060333 and registered office at 10 Sydney Place, Kensington, London, SW7 3NL

“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the EGM
“Extraordinary General Meeting”	the Extraordinary General Meeting to be held at 9:30 am on 10 December 2010, or any adjournment thereof
“Licensee”	easyJet, a wholly owned subsidiary of the Company
“Licensor”	eGIP
“Listing Rules”	the listing rules made by the Financial Services Authority under Part VI of the Financial Services and Market Act 2000
“Amended Brand Licence”	the conditional amended brand licence agreement dated 10 October 2010 between (1) easyJet plc; (2) easyGroup IP Licensing Limited; and (3) easyJet Airline Company Limited, the principle terms of which are summarised in Part I and Part II of this document
“Proposed Transaction”	the entry into the Amended Brand Licence and Comfort Letter in substitution for the Brand Licence, the termination of the Relationship Agreement pursuant to the Deed of Termination and the entry into the Settlement Deed to stay the High Court proceedings
“Relationship Agreement”	the relationship agreement dated 14 November 2000 between Sir Stelios, easyGroup and the Company, details of which were disclosed in the listing particulars dated 15 November 2000 for the global offering of 63,000,000 Shares (as amended by a side letter dated August 2001 pursuant to which easyGroup replaced easyJet Holdings Limited as a party to the Relationship Agreement)
“Resolutions”	the ordinary resolution to approve the Proposed Transaction (“Resolution One”) and the special resolution to approve the amendments to the Company’s Articles of Association to be proposed at the Extraordinary General Meeting (“Resolution Two”), the full text of which is set out in the Notice of Extraordinary General Meeting at the end of this document; and “Resolution” means either of them
“Settlement Deed”	the conditional agreement to request a stay of the proceedings in the Chancery Division of the High Court of England and Wales having Action No. HC08 C02329, entered in to on 10 October between (1) easyJet Airline Company Limited, (2) Sir Stelios Haji-Ioannou, (3) eGIP and (4) easyJet plc
“Shareholder”	a holder of one or more easyJet Shares; and “Shareholders” shall be construed accordingly
“Treasury Shares”	Shares held as treasury shares as defined in section 724(5) of the Companies Act 2006 (as amended)

easyJet plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3959649)

(the “Company”)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Extraordinary General Meeting of the Company will be held at 9:30 am on 10 December 2010 at Hangar 89, London Luton Airport, Luton, Bedfordshire, LU2 9PF to consider and, if thought fit, pass the following resolutions, which will be proposed as an ordinary resolution and as a special resolution respectively:

ORDINARY RESOLUTION (“Resolution One”)

THAT, the proposed transaction by the Company with Sir Stelios Haji-Ioannou and easyGroup Holdings Limited pursuant to the Amended Brand Licence, the Deed of Termination, the Comfort Letter and the Settlement Deed (as defined in the circular to shareholders dated 16 November 2010, a copy of which has been produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification only), in the manner and on the terms and conditions of the Amended Brand Licence, Deed of Termination, the Comfort Letter and Settlement Deed, be and is hereby approved and that the Directors be and are hereby authorised to take all such steps as may be necessary or desirable in relation thereto and to carry the same into effect with such modifications, variations, revisions or amendments (providing such modifications, variations or amendment are not of a material nature) as they shall deem necessary or desirable.

SPECIAL RESOLUTION (“Resolution Two”)

THAT, conditionally upon the passing of Resolution One and the Amended Brand Licence, the Deed of Termination, the Comfort Letter and the Settlement Deed (each as detailed in Resolution One) all becoming unconditional by 31 December 2010, the Articles of Association of the Company shall be amended as follows:

- (A) Article 87 shall be deleted.
- (B) Article 123 shall be amended by the deletion of the opening words “Subject to the rights of SHI under Article 87”.

BY ORDER OF THE BOARD
Giles Pemberton
Company Secretary
16 November 2010

Registered Office
Hangar 89
London Luton Airport
Luton,
Bedfordshire LU2 9PF

Notes:

1. To be entitled to attend and vote at the Meeting, members must be registered in the register of members of the Company at 9:30 am on 8 December 2010 (or, if the meeting is adjourned, at 9:30 am on the date which is two days prior to the adjourned meeting). Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting. Changes to entries on the register of members after 9:30 am on 8 December 2010 shall be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting, notwithstanding any provisions in any enactment, articles of association or other instrument to the contrary.
2. A member entitled to attend and vote at the Extraordinary General Meeting may appoint one or more persons (who need not be members of the Company) as his proxy or proxies to exercise all or any of his rights to attend, speak and vote at the Extraordinary General Meeting. A member can appoint more than one proxy in relation to the Extraordinary General Meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by him. Completion and submission of an instrument appointing a proxy will not preclude a member from attending and voting in person at the Extraordinary General Meeting.
3. A proxy need not be a member of the Company but must attend the Extraordinary General Meeting in person to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to represent you but please note that Sir Stelios Haji-Ioannou has undertaken to abstain from voting on Resolution One at the Extraordinary General Meeting. Your

proxy (other than Sir Stelios Haji-Ioannou) will vote as you instruct and must attend the Extraordinary General Meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the Form of Proxy are set out on the Form of Proxy and in its notes. Appointing a proxy does not preclude you from attending the Extraordinary General Meeting and voting in person but in the event that and to the extent that you personally vote your shares, your proxy shall not be entitled to vote and any vote cast by your proxy in such circumstances shall be ignored.

4. A Form of Proxy which may be used to make this appointment of proxy and give proxy instructions, accompanies this notice. To be valid, the Form of Proxy for use at the Extraordinary General Meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6RL, not less than 48 hours before the time appointed for holding the Extraordinary General Meeting, being not later than 9:30 am on 8 December 2010. As an alternative to completing a hard copy Form of Proxy, proxies may be appointed electronically in accordance with notes 7 and 8 below.
5. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "**Nominated Person**"). The rights to appoint a proxy cannot be exercised by a Nominated Person; they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
6. If you are a Nominated Person, you have been nominated to receive general shareholder communications directly from easyJet plc but it is important to remember that your main contact in terms of your investment remains as it was (so the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. easyJet plc cannot guarantee dealing with matters that are directed to us in error. The only exception to this is where easyJet plc, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.
7. Shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through Equiniti's website at www.sharevote.co.uk where full instructions on voting procedure are given. The Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy will be required in order to use this electronic proxy appointment system. Alternatively shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and then click on the link to vote under your easyJet plc holding details. The on-screen instructions give details on how to complete the appointment process. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 9:30 am on 8 December 2010.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting to be held on 10 December 2010 and any adjournment(s) thereof by using the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 9:30 am on 8 December 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to use. Please note that any electronic communication received by the Company that is found to contain any virus will not be accepted.
13. To change your proxy instructions you may return a new Form of Proxy using the methods set out above. Please contact the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6RL if you require another Form of Proxy. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others. If the Company is unable to determine which appointment was last validly received, none of them shall be treated as valid in respect of the relevant share(s).
14. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the Extraordinary General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
15. The Company must cause to be answered at the Extraordinary General Meeting any question relating to the business being dealt with at the Meeting which is put by a member attending the Extraordinary General Meeting, except (i) if to do so would interfere with the preparation for the meeting or involve the disclosure of confidential information, (ii) if the answer has already been given on a website in the form of an answer to a question, or (iii) if it is undesirable in the interests of the Company or the good order of the Extraordinary General Meeting that the question be answered.
16. As at 15 November 2010 (being the latest business day prior to the publication of this document), the Company's issued share capital consists of 429,627,156 ordinary shares, carrying one vote each.
17. The following information is, or will be, available on the Company's website (www.easyJet.com): (i) the contents of this notice of the Extraordinary General Meeting; (ii) the total numbers of (a) shares in the Company, and (b) shares of each class, in respect of which members are entitled to exercise voting rights at the Extraordinary General Meeting; (iii) the totals of the voting rights that members are entitled to exercise at the Extraordinary General Meeting in respect of the shares of each class; and (iv) any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice.
18. You may not use any electronic address provided in this notice of the Extraordinary General Meeting to communicate with the Company for any purposes other than those expressly stated.

