

Section 1: 10-Q (TMUS FORM 10-Q)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended **June 30, 2016**
or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number: 1-33409



T-MOBILE US, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

20-0836269

(I.R.S. Employer Identification No.)

12920 SE 38th Street, Bellevue, Washington

(Address of principal executive offices)

98006-1350

(Zip Code)

(425) 378-4000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class

Common Stock, \$0.00001 par value per share

Shares Outstanding as of July 21, 2016

822,740,120

T-Mobile US, Inc.
Form 10-Q
For the Quarter Ended June 30, 2016

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

T-Mobile US, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions, except share and per share amounts)	June 30, 2016	December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	\$ 5,538	\$ 4,582
Short-term investments	—	2,998
Accounts receivable, net of allowances of \$125 and \$116	1,866	1,788
Equipment installment plan receivables, net	1,831	2,378
Accounts receivable from affiliates	39	36
Inventories	1,388	1,295
Asset purchase deposit	2,203	—
Other current assets	1,415	1,813
Total current assets	14,280	14,890
Property and equipment, net	20,570	20,000
Goodwill	1,683	1,683
Spectrum licenses	25,536	23,955
Other intangible assets, net	486	594
Equipment installment plan receivables due after one year, net	831	847
Other assets	582	444
Total assets	\$ 63,968	\$ 62,413
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,985	\$ 8,084
Payables to affiliates	203	135
Short-term debt	258	182
Deferred revenue	936	717
Other current liabilities	370	410
Total current liabilities	8,752	9,528
Long-term debt	21,574	20,461
Long-term debt to affiliates	5,600	5,600
Tower obligations	2,634	2,658
Deferred tax liabilities	4,427	4,061
Deferred rent expense	2,548	2,481
Other long-term liabilities	1,038	1,067
Total long-term liabilities	37,821	36,328
Commitments and contingencies (Note 7)		
Stockholders' equity		
5.50% Mandatory Convertible Preferred Stock Series A, par value \$0.00001 per share, 100,000,000 shares authorized; 20,000,000 and 20,000,000 shares issued and outstanding; \$1,000 and \$1,000 aggregate liquidation value	—	—
Common Stock, par value \$0.00001 per share, 1,000,000,000 shares authorized; 824,116,744 and 819,773,724 shares issued, 822,704,856 and 818,391,219 shares outstanding	—	—
Additional paid-in capital	38,763	38,666
Treasury stock, at cost, 1,411,888 and 1,382,505 shares issued	(1)	—
Accumulated other comprehensive loss	(1)	(1)
Accumulated deficit	(21,366)	(22,108)
Total stockholders' equity	17,395	16,557
Total liabilities and stockholders' equity	\$ 63,968	\$ 62,413

The accompanying notes are an integral part of these condensed consolidated financial statements.

T-Mobile US, Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(in millions, except share and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues				
Branded postpaid revenues	\$ 4,509	\$ 4,075	\$ 8,811	\$ 7,849
Branded prepaid revenues	2,119	1,861	4,144	3,703
Wholesale revenues	207	164	407	322
Roaming and other service revenues	53	44	104	89
Total service revenues	6,888	6,144	13,466	11,963
Equipment revenues	2,188	1,915	4,039	3,766
Other revenues	146	120	316	228
Total revenues	9,222	8,179	17,821	15,957
Operating expenses				
Cost of services, exclusive of depreciation and amortization shown separately below	1,429	1,397	2,850	2,792
Cost of equipment sales	2,619	2,661	4,993	5,340
Selling, general and administrative	2,772	2,438	5,521	4,810
Depreciation and amortization	1,575	1,075	3,127	2,162
Cost of MetroPCS business combination	59	34	95	162
Gains on disposal of spectrum licenses	—	(23)	(636)	(23)
Total operating expenses	8,454	7,582	15,950	15,243
Operating income	768	597	1,871	714
Other income (expense)				
Interest expense	(368)	(257)	(707)	(518)
Interest expense to affiliates	(93)	(92)	(172)	(156)
Interest income	68	114	136	226
Other income (expense), net	(3)	1	(5)	(7)
Total other expense, net	(396)	(234)	(748)	(455)
Income before income taxes	372	363	1,123	259
Income tax (expense) benefit	(147)	(2)	(419)	39
Net income	225	361	704	298
Dividends on preferred stock	(14)	(14)	(28)	(28)
Net income attributable to common stockholders	\$ 211	\$ 347	\$ 676	\$ 270
Net income	\$ 225	\$ 361	\$ 704	\$ 298
Other comprehensive income, net of tax				
Unrealized gain on available-for-sale securities, net of tax effect of \$2, \$0, \$0 and \$0	3	—	—	—
Other comprehensive income	3	—	—	—
Total comprehensive income	\$ 228	\$ 361	\$ 704	\$ 298
Earnings per share				
Basic	\$ 0.26	\$ 0.43	\$ 0.82	\$ 0.33
Diluted	\$ 0.25	\$ 0.42	\$ 0.81	\$ 0.33
Weighted average shares outstanding				
Basic	822,434,490	811,605,031	820,933,126	810,113,564
Diluted	829,752,956	821,122,537	829,662,053	819,548,539

The accompanying notes are an integral part of these condensed consolidated financial statements.

T-Mobile US, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Operating activities				
Net income	\$ 225	\$ 361	\$ 704	\$ 298
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	1,575	1,075	3,127	2,162
Stock-based compensation expense	60	56	112	111
Deferred income tax expense (benefit)	140	(2)	404	(52)
Bad debt expense	119	108	240	212
Losses from sales of receivables	46	48	98	113
Deferred rent expense	33	47	65	88
Gains on disposal of spectrum licenses	—	(23)	(636)	(23)
Changes in operating assets and liabilities				
Accounts receivable	(105)	62	(307)	(108)
Equipment installment plan receivables	343	(350)	452	(579)
Inventories	3	87	(798)	(58)
Deferred purchase price from sales of receivables	(204)	(17)	(183)	(12)
Other current and long-term assets	(56)	35	129	126
Accounts payable and accrued liabilities	(345)	(153)	(837)	(546)
Other current and long-term liabilities	(74)	(182)	214	(90)
Other, net	8	9	9	8
Net cash provided by operating activities	1,768	1,161	2,793	1,650
Investing activities				
Purchases of property and equipment	(1,349)	(1,191)	(2,684)	(2,173)
Purchases of spectrum licenses and other intangible assets, including deposits	(2,245)	(148)	(2,839)	(1,844)
Sales of short-term investments	2,923	—	2,998	—
Other, net	4	2	(2)	(12)
Net cash used in investing activities	(667)	(1,337)	(2,527)	(4,029)
Financing activities				
Proceeds from issuance of long-term debt	997	—	997	—
Repayments of capital lease obligations	(43)	(6)	(79)	(11)
Repayments of short-term debt for purchases of inventory, property and equipment, net	(150)	(185)	(150)	(248)
Repayments of long-term debt	(5)	—	(10)	—
Tax withholdings on share-based awards	(3)	(70)	(49)	(98)
Dividends on preferred stock	(14)	(14)	(28)	(28)
Other, net	8	61	9	91
Net cash provided by (used in) financing activities	790	(214)	690	(294)
Change in cash and cash equivalents	1,891	(390)	956	(2,673)
Cash and cash equivalents				
Beginning of period	3,647	3,032	4,582	5,315
End of period	\$ 5,538	\$ 2,642	\$ 5,538	\$ 2,642
Supplemental disclosure of cash flow information				
Interest payments, net of amounts capitalized	\$ 399	\$ 294	\$ 814	\$ 621
Income tax payments	17	31	19	33
Changes in accounts payable for purchases of property and equipment	(101)	5	(228)	(173)
Leased devices transferred from inventory to property and equipment, net of returns	52	—	705	—
Issuance of short-term debt for financing of property and equipment	—	57	150	500
Assets acquired under capital lease obligations	171	187	295	190

The accompanying notes are an integral part of these condensed consolidated financial statements.

T-Mobile US, Inc.
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T-Mobile US, Inc.
Notes to the Condensed Consolidated Financial Statements

Note 1 – Basis of Presentation

The unaudited condensed consolidated financial statements of T-Mobile US, Inc. (“T-Mobile,” “we,” “our” or the “Company”) include all adjustments of a normal recurring nature necessary for the fair presentation of the results for the interim periods presented. The results for the interim periods are not necessarily indicative of those for the full year. The condensed consolidated financial statements should be read in conjunction with our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015.

The condensed consolidated financial statements include the balances and results of operations of T-Mobile and our consolidated subsidiaries. We consolidate majority-owned subsidiaries over which we exercise control, as well as variable interest entities (“VIE”) where we are deemed to be the primary beneficiary and VIEs, which cannot be deconsolidated, such as those related to Tower obligations. Intercompany transactions and balances have been eliminated in consolidation.

Certain prior period amounts relating to the adoption of Accounting Standards Update (“ASU”) 2015-03 have been reclassified to conform to the current presentation.

The preparation of financial statements in conformity with United States (“U.S.”) generally accepted accounting principles (“GAAP”) requires our management to make estimates and assumptions which affect the financial statements and accompanying notes. Estimates are based on historical experience, where applicable, and other assumptions which our management believes are reasonable under the circumstances. These estimates are inherently subject to judgment and actual results could differ from those estimates.

Revenue Recognition

We offer products and services to customers through bundled arrangements, which may be comprised of multiple contracts entered into with a customer at or near the same time. We assess such agreements as a single bundled arrangement that may involve multiple deliverables, which include wireless devices, wireless services or a combination thereof. For multiple deliverable arrangements revenue is allocated between the separate units of accounting based on such components’ relative selling prices on a standalone basis.

In June 2016, we introduced #GetThanked, the latest of our Un-Carrier initiatives, which offers eligible customers the following free promotional items:

- T-Mobile stock - A share of T-Mobile stock to eligible new (through December 31, 2016) or existing (as of June 6, 2016) customers. Shares issued to customers under this promotion are purchased by an independent third-party broker in the open market on behalf of eligible customers. The associated cost, which is paid by T-Mobile, is recorded as a reduction of service revenue for existing customers and as a reduction of equipment revenue for new customers in our Condensed Consolidated Statements of Comprehensive Income. Through December 31, 2016, existing eligible customers can also receive a share of T-Mobile stock (subject to a maximum of 100 shares in a calendar year) for every new active account they refer, purchased by the third-party broker and paid for by T-Mobile. The cost of shares issued under this refer-a-friend program are included in Selling, general and administrative expense in our Condensed Consolidated Statements of Comprehensive Income;
- Weekly surprise items - Each Tuesday, eligible customers, who download the T-Mobile Tuesday app, can redeem products and services offered by participating business partners. The associated cost is included in Selling, general and administrative expense in our Condensed Consolidated Statements of Comprehensive Income; and
- In-flight Wi-Fi - A full hour of in-flight Wi-Fi free to eligible customers on their smartphone on all Gogo-equipped domestic flights. The associated cost, which is paid by T-Mobile, is included in Cost of services in our Condensed Consolidated Statements of Comprehensive Income.

Accounting Pronouncements Adopted During the Current Year

In April 2015, the Financial Accounting Standards Board (the “FASB”) issued ASU 2015-03, “Simplifying the Presentation of Debt Issuance Costs.” The standard requires debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The

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recognition and measurement guidance for debt issuance costs are not affected. We adopted this new guidance in the first quarter of 2016 and applied the changes retrospectively. The implementation of this standard did not have a significant impact on our condensed consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting," which simplifies several aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. We elected to adopt this standard as of January 1, 2016, as permitted. The impacts on our condensed consolidated financial statements from the adoption of this standard are as follows:

- Condensed Consolidated Balance Sheets - A \$38 million decrease to the January 1, 2016 Accumulated deficit balance from the recognition, on a modified retrospective basis, of all previously unrecognized income tax attributes related to share-based payments;
- Condensed Consolidated Statements of Comprehensive Income - On a prospective basis, all excess tax benefits and deficiencies related to share-based payments will be recognized through Income tax (expense) benefit; and
- Condensed Consolidated Statements of Cash Flows - On a prospective basis, as permitted, excess tax benefits related to share-based payments will be presented as operating activities. Prior period amounts were not adjusted.

Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"), and has since modified the standard with ASU 2015-14, "Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date," ASU 2016-08, "Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)," ASU 2016-10, "Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing" and ASU 2016-12, "Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients." The standard requires entities to recognize revenue through the application of a five-step model, which includes identification of the contract, identification of the performance obligations, determination of the transaction price, allocation of the transaction price to the performance obligations and recognition of revenue as the entity satisfies the performance obligations. The standard will become effective for us beginning January 1, 2018; however, early adoption with the original effective date for periods beginning January 1, 2017 is permitted. Under ASU 2014-09, two adoption methods are allowed. Under one method, a company may apply the rules to contracts in all reporting periods presented, subject to certain allowable exceptions. Under the other method, a company may apply the rules to all contracts existing as of January 1, 2018 (provided early adoption is not elected), recognizing an adjustment to retained earnings for the cumulative effect of the change and providing additional disclosures comparing results to previous rules. We continue to evaluate the impact of the new standard and available adoption methods on our consolidated financial statements and believe the standard will require the implementation of new revenue accounting systems, processes and internal controls over revenue recognition.

In February 2016, the FASB issued ASU 2016-02, "Leases." The standard requires all lessees to report a right-of-use asset and a lease liability for most leases. The income statement recognition is similar to existing lease accounting and is based on lease classification. The standard requires lessees and lessors to classify most leases using principles similar to existing lease accounting, but eliminates the "bright line" classification tests. For lessors, the standard modifies the classification criteria and the accounting for sales-type and direct financing leases. The standard will become effective for us beginning January 1, 2019 and will require recognizing and measuring leases at the beginning of the earliest period presented using a modified retrospective approach. Early adoption is permitted. We are currently evaluating the standard but expect that it will have a material impact on our condensed consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." The standard requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectibility of the reported amount. The standard will become effective for us beginning January 1, 2020 and will require a cumulative-effect adjustment to Accumulated deficit as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). Early adoption is permitted for us as of January 1, 2019. We are currently evaluating the standard to determine the potential impact on our condensed consolidated financial statements.

Note 2 – Significant Transactions

Spectrum License Transactions

The following table summarizes our spectrum license activity:

(in millions)	Spectrum Licenses
Balance at December 31, 2015	\$ 23,955
Spectrum license acquisitions	1,781
Spectrum licenses transferred to held for sale	(237)
Costs to clear spectrum	37
Balance at June 30, 2016	\$ 25,536

We had the following spectrum license transactions during the six months ended June 30, 2016:

- We closed on our agreement with AT&T Inc. for the acquisition and exchange for certain spectrum licenses. Upon closing of the transaction during the first quarter of 2016, we recorded the spectrum licenses received at their estimated fair value of approximately \$1.2 billion and recognized a gain of \$636 million included in Gains on disposal of spectrum licenses in our Condensed Consolidated Statements of Comprehensive Income.
- We acquired spectrum licenses covering 23 million people in seven major metropolitan markets for approximately \$598 million in cash.
- We entered into agreements with multiple third parties for the purchase and exchange of certain spectrum licenses covering approximately 48 million people for approximately \$706 million, a majority of which are expected to close in the third quarter of 2016, subject to regulatory approval and other customary closing conditions. Our spectrum licenses to be transferred as part of the exchange transactions were reclassified as assets held for sale and were included in Other current assets in our Condensed Consolidated Balance Sheets at their carrying value of \$237 million as of June 30, 2016. We expect to recognize gains upon closing of the exchange transactions, which are expected to be in the third quarter of 2016, subject to regulatory approval and other customary closing conditions.

We entered into an agreement with a third party for the purchase of certain spectrum licenses covering approximately 11 million people for approximately \$420 million. The transaction is expected to close in the fourth quarter of 2016, subject to regulatory approval and other customary closing conditions.

Debt

In March 2016, T-Mobile USA, Inc. (“T-Mobile USA”), a subsidiary of T-Mobile US, Inc., and certain of its affiliates, as guarantors, entered into a purchase agreement with Deutsche Telekom AG (“Deutsche Telekom”), our majority stockholder, under which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom \$2.0 billion of 5.300% Senior Notes due 2021 (the “5.300% Senior Notes”) for an aggregate purchase price of \$2.0 billion. If T-Mobile USA does not elect to issue the 5.300% Senior Notes on or prior to November 30, 2016, the commitment under the purchase agreement terminates and T-Mobile USA must reimburse Deutsche Telekom for the cost of its hedging arrangements (if any) related to the transaction. As of June 30, 2016, if the commitment under this purchase agreement was terminated, the reimbursement amount due to Deutsche Telekom would not be significant.

In April 2016, T-Mobile USA and certain of its affiliates, as guarantors, (i) issued \$1.0 billion of public 6.000% Senior Notes due 2024, (ii) entered into a purchase agreement with Deutsche Telekom, under which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom up to \$1.35 billion of 6.000% Senior Notes due 2024 and (iii) entered into another purchase agreement with Deutsche Telekom, under which T-Mobile USA may, at its option, issue and sell up to an additional \$650 million of 6.000% Senior Notes due 2024.

The purchase price for the 6.000% Senior Notes that may be issued under the \$1.35 billion purchase agreement will be approximately 103.316% of the outstanding principal balance of the notes issued. If T-Mobile USA does not elect to issue the 6.000% Senior Notes under the \$1.35 billion purchase agreement on or prior to November 5, 2016 or elects to issue less than \$1.35 billion of 6.000% Senior Notes, any unused portion of the commitment under the purchase agreement terminates and T-Mobile USA must reimburse Deutsche Telekom for the cost of its hedging arrangements (if any) related to the transaction. As

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of June 30, 2016, if the commitment under this purchase agreement was terminated, the reimbursement amount due to Deutsche Telekom would not be significant.

The purchase price for the 6.000% Senior Notes that may be issued under the \$650 million purchase agreement will be approximately 104.047% of the outstanding principal balance of the notes issued. If T-Mobile USA does not elect to issue the 6.000% Senior Notes under the \$650 million purchase agreement on or prior to November 5, 2016 or elects to issue less than \$650 million of 6.000% Senior Notes, any unused portion of the commitment under the purchase agreement terminates and T-Mobile USA must reimburse Deutsche Telekom for the cost of its hedging arrangements (if any) related to the transaction. As of June 30, 2016, if the commitment under this purchase agreement was terminated, the reimbursement amount due to Deutsche Telekom would not be significant.

In addition to the new debt issued, and purchase commitments with Deutsche Telekom, the supplemental indentures governing the Senior Reset Notes to affiliates provided for the adjustment of the interest rates on such Notes at various reset dates to rates determined in accordance with the applicable supplemental indenture. In April 2016, the interest rate on the \$600 million of Senior Reset Note to affiliates due 2023 was adjusted from 5.950% to 9.332%.

Other

In June 2016, a refundable deposit of \$2.2 billion was made to a third party in connection with a potential asset purchase. The deposit is included in Asset purchase deposit in our Condensed Consolidated Balance Sheets.

Note 3 – Sales of Certain Receivables

We have entered into transactions to sell certain service and Equipment Installment Plan (“EIP”) accounts receivables. The transactions, including our continuing involvement with the sold receivables and the respective impacts to our financial statements, are described below.

Sales of Service Receivables

Overview of the Transaction

In 2014, we entered into an arrangement to sell certain service accounts receivables on a revolving basis with a current maximum funding commitment of \$750 million and scheduled expiration date in March 2017 (the “service receivable sale arrangement”). The service receivable sale arrangement provided funding of \$750 million as of June 30, 2016 and December 31, 2015. Sales of receivables occur daily and are settled on a monthly basis. The receivables consist of service charges currently due from customers and are short-term in nature.

In connection with the service receivable sale arrangement, we formed a wholly-owned subsidiary, which qualifies as a bankruptcy remote entity to sell service accounts receivables (“Service BRE”). Service BRE does not qualify as a Variable Interest Entity (“VIE”), and due to the significant level of control we exercise over the entity, it is consolidated. Pursuant to the arrangement, certain of our wholly-owned subsidiaries transfer selected receivables to Service BRE. Service BRE then sells the receivables to an unaffiliated entity (“Service VIE”), which was established to facilitate the sale of beneficial ownership interests in the receivables to certain third parties.

Variable Interest Entity

We determined that Service VIE qualifies as a VIE as it lacks sufficient equity to finance its activities. We have a variable interest in Service VIE, but are not the primary beneficiary as we lack the power to direct the activities that most significantly impact Service VIE’s economic performance. Those activities include committing Service VIE to legal agreements to purchase or sell assets, selecting which receivables are purchased in the service receivable sale arrangement, determining whether Service VIE will sell interests in the purchased service receivables to other parties, funding of the entities and servicing of receivables. We do not hold the power to direct the key decisions underlying these activities. For example, while we act as the servicer of the sold receivables, which is considered a significant activity of the VIE, we are acting as an agent in our capacity as the servicer and the counterparty to the service receivable sale arrangement has the ability to remove us as the servicing agent of the receivables at will with no recourse available to us. As we have determined we are not the primary beneficiary, the results of Service VIE are not consolidated into our condensed consolidated financial statements.

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The following table summarizes the carrying amounts and classification of assets (primarily the deferred purchase price) and liabilities included in our Condensed Consolidated Balance Sheets that relate to our variable interest in Service VIE:

(in millions)	June 30, 2016	December 31, 2015
Other current assets	\$ 163	\$ 206
Accounts payable and accrued liabilities	4	—
Other current liabilities	64	73

Sales of EIP Receivables

Overview of the Transaction

In 2015, we entered into an arrangement to sell certain EIP accounts receivables on a revolving basis with a maximum funding commitment of \$800 million (the “EIP sale arrangement”). In June 2016, the EIP sale arrangement was amended to increase the maximum funding commitment to \$1.3 billion with a scheduled expiration date in November 2017. As of June 30, 2016 and December 31, 2015, the EIP sale arrangement provided funding of \$1.2 billion and \$800 million, respectively. Sales of EIP receivables occur daily and are settled on a monthly basis. The receivables consist of customer EIP balances, which require monthly customer payments for up to 24 months.

In connection with this EIP sale arrangement, we formed a wholly-owned subsidiary, which qualifies as a bankruptcy remote entity (“EIP BRE”). Pursuant to the EIP sale arrangement, our wholly-owned subsidiary transfers selected receivables to EIP BRE. EIP BRE then sells the receivables to a non-consolidated and unaffiliated third-party entity for which we do not exercise any level of control, nor does the entity qualify as a VIE.

Variable Interest Entity

We determined that EIP BRE is a VIE as its equity investment at risk lacks the obligation to absorb a certain portion of its expected losses. We have a variable interest in EIP BRE and determined that we are the primary beneficiary based on our ability to direct the activities which most significantly impact EIP BRE’s economic performance. Those activities include selecting which receivables are transferred into EIP BRE and sold in the EIP sale arrangement and funding of EIP BRE. Additionally, our equity interest in EIP BRE obligates us to absorb losses and gives us the right to receive benefits from the EIP BRE that could potentially be significant to EIP BRE. Accordingly, we determined that we are the primary beneficiary, and include the balances and results of operations of EIP BRE in our condensed consolidated financial statements.

The following table summarizes the carrying amounts and classification of assets (primarily the deferred purchase price) and liabilities included in our Condensed Consolidated Balance Sheets that relate to our EIP BRE:

(in millions)	June 30, 2016	December 31, 2015
Other current assets	\$ 313	\$ 164
Other assets	98	44
Accounts payable and accrued liabilities	—	14
Other long-term liabilities	5	3

In addition, EIP BRE is a separate legal entity with its own separate creditors who will be entitled, prior to any liquidation of EIP BRE, to be satisfied prior to any value in EIP BRE becoming available to us. Accordingly, the assets of EIP BRE may not be used to settle our general obligations and creditors of EIP BRE have limited recourse to our general credit.

Sales of Receivables

The transfers of service receivables and EIP receivables to the non-consolidated entities are accounted for as sales of financial assets. Once identified for sale, the receivable is recorded at the lower of cost or fair value. Upon sale, we derecognize the net carrying amount of the receivables. We recognize the net cash proceeds in Net cash provided by operating activities in our Condensed Consolidated Statements of Cash Flows.

The proceeds are net of the deferred purchase price, consisting of a receivable from the purchasers that entitles us to certain collections on the receivables. We recognize the collection of the deferred purchase price in Net cash provided by operating activities as it is dependent on collection of the customer receivables and is not subject to significant interest rate risk. The

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deferred purchase price represents a financial asset that is primarily tied to the creditworthiness of the customers and which can be settled in such a way that we may not recover substantially all of our recorded investment, due to default by the customers on the underlying receivables. We elected, at inception, to measure the deferred purchase price at fair value with changes in fair value included in Selling, general and administrative expense in our Condensed Consolidated Statements of Comprehensive Income. The fair value of the deferred purchase price is determined based on a discounted cash flow model which uses primarily unobservable inputs (Level 3 inputs), including customer default rates. As of June 30, 2016 and December 31, 2015, our deferred purchase price related to the sales of service receivables and EIP receivables was \$572 million and \$389 million, respectively.

The following table summarizes the impacts of the sale of certain service receivables and EIP receivables in our Condensed Consolidated Balance Sheets:

(in millions)	June 30, 2016	December 31, 2015
Derecognized net service receivables and EIP receivables	\$ 2,383	\$ 1,850
Other current assets	476	370
<i>of which, deferred purchase price</i>	474	345
Other long-term assets	98	44
<i>of which, deferred purchase price</i>	98	44
Accounts payable and accrued liabilities	4	14
Other current liabilities	64	73
Other long-term liabilities	5	3
Net cash proceeds since inception	1,877	1,494
Of which:		
Net cash proceeds during the period	383	884
Net cash proceeds funded by reinvested collections	1,494	610

We recognized losses from sales of receivables of \$46 million and \$48 million for the three months ended June 30, 2016 and 2015, respectively, and \$98 million and \$113 million for the six months ended June 30, 2016 and 2015, respectively. These losses from sales of receivables were recognized in Selling, general and administrative expense in our Condensed Consolidated Statements of Comprehensive Income. Losses from sales of receivables include adjustments to the receivables' fair values and changes in fair value of the deferred purchase price.

Continuing Involvement

Pursuant to the sale arrangements described above, we have continuing involvement with the service receivables and EIP receivables we sell as we service the receivables and are required to repurchase certain receivables, including ineligible receivables, aged receivables and receivables where write-off is imminent. We continue to service the customers and their related receivables, including facilitating customer payment collection, in exchange for a monthly servicing fee. As the receivables are sold on a revolving basis, the customer payment collections on sold receivables may be reinvested in new receivable sales. While servicing the receivables, we apply the same policies and procedures to the sold receivables as we apply to our owned receivables, and we continue to maintain normal relationships with our customers. Pursuant to the EIP sale arrangement, under certain circumstances, we are required to deposit cash or replacement EIP receivables for contracts terminated by customers under our JUMP! Program.

In addition, we have continuing involvement with the sold receivables as we may be responsible for absorbing additional credit losses pursuant to the sale arrangements. Our maximum exposure to loss related to the involvement with the service receivables and EIP receivables sold under the sale arrangements was \$1.0 billion as of June 30, 2016. The maximum exposure to loss, which is a required disclosure under GAAP, represents an estimated loss that would be incurred under severe, hypothetical circumstances whereby we would not receive the deferred purchase price portion of the contractual proceeds withheld by the purchasers and would also be required to repurchase the maximum amount of receivables pursuant to the sale arrangements without consideration for any recovery. As we believe the probability of these circumstances occurring is remote, the maximum exposure to loss is not an indication of our expected loss.

Note 4 – Equipment Installment Plan Receivables

We offer certain retail customers the option to pay for their devices and other purchases in installments over a period of up to 24 months using an EIP.

The following table summarizes the EIP receivables:

(in millions)	June 30, 2016	December 31, 2015
EIP receivables, gross	\$ 2,976	\$ 3,558
Unamortized imputed discount	(177)	(185)
EIP receivables, net of unamortized imputed discount	2,799	3,373
Allowance for credit losses	(137)	(148)
EIP receivables, net	\$ 2,662	\$ 3,225

Classified on the balance sheet as:

Equipment installment plan receivables, net	\$ 1,831	\$ 2,378
Equipment installment plan receivables due after one year, net	831	847
EIP receivables, net	\$ 2,662	\$ 3,225

We use a proprietary credit scoring model that measures the credit quality of a customer at the time of application for mobile communications service using several factors, such as credit bureau information, consumer credit risk scores and service plan characteristics. Based upon customer credit profiles, we classify EIP receivables into the credit categories of “Prime” and “Subprime.” Prime customer receivables are those with lower delinquency risk and Subprime customer receivables are those with higher delinquency risk. Subprime customers may be required to make a down payment on their equipment purchases. In addition, certain customers within the Subprime category are required to pay an advance deposit.

EIP receivables for which invoices have not yet been generated for the customer are classified as Unbilled. EIP receivables for which invoices have been generated but which are not past the contractual due date are classified as Billed – Current. EIP receivables for which invoices have been generated and the payment is past the contractual due date are classified as Billed – Past Due.

The balance and aging of the EIP receivables on a gross basis by credit category were as follows:

(in millions)	June 30, 2016			December 31, 2015		
	Prime	Subprime	Total	Prime	Subprime	Total
Unbilled	\$ 1,177	\$ 1,588	\$ 2,765	\$ 1,593	\$ 1,698	\$ 3,291
Billed – Current	54	80	134	77	91	168
Billed – Past Due	27	50	77	37	62	99
EIP receivables, gross	\$ 1,258	\$ 1,718	\$ 2,976	\$ 1,707	\$ 1,851	\$ 3,558

The increase in subprime EIP receivables as a percentage of total EIP receivables is primarily due to the EIP sale arrangement funding increase during the six months ended June 30, 2016.

Activity for the six months ended June 30, 2016 and 2015 in the unamortized imputed discount and allowance for credit losses balances for the EIP receivables was as follows:

(in millions)	June 30, 2016	June 30, 2015
Imputed discount and allowance for credit losses, beginning of period	\$ 333	\$ 448
Bad debt expense	126	155
Write-offs, net of recoveries	(137)	(159)
Change in imputed discount on short-term and long-term EIP receivables	83	(3)
Impacts from sales of EIP receivables	(91)	—
Imputed discount and allowance for credit losses, end of period	\$ 314	\$ 441

The EIP receivables had weighted average effective imputed interest rates of 9.3% and 8.8% as of June 30, 2016 and December 31, 2015, respectively.

Note 5 – Fair Value Measurements**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

The carrying amounts and fair values of our short-term investments and long-term debt included in our Condensed Consolidated Balance Sheets were as follows:

(in millions)	June 30, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Short-term investments	\$ —	\$ —	\$ 2,998	\$ 2,998
Liabilities:				
Senior Notes to third parties	\$ 18,600	\$ 19,439	\$ 17,600	\$ 18,098
Senior Reset Notes to affiliates	5,600	5,972	5,600	6,072
Senior Secured Term Loans	1,990	2,002	2,000	1,990

Short-term Investments

The fair value of our short-term investments as of December 31, 2015, which consisted of U.S. Treasury securities, was determined based on quoted market prices in active markets, and therefore was classified as Level 1 in the fair value hierarchy. We did not have any short-term investments as of June 30, 2016.

Long-term Debt

The fair value of our Senior Notes to third parties was determined based on quoted market prices in active markets, and therefore was classified as Level 1 in the fair value hierarchy. The fair value of the Senior Secured Term Loans and Senior Reset Notes to affiliates was determined based on a discounted cash flow approach using quoted prices of instruments with similar terms and maturities and an estimate for the stand-alone credit risk of T-Mobile. Accordingly, our Senior Secured Term Loans and Senior Reset Notes to affiliates were classified as Level 2 in the fair value hierarchy.

Although we have determined the estimated fair values using available market information and commonly accepted valuation methodologies, considerable judgment was required in interpreting market data to develop fair value estimates for the Senior Secured Term Loans and Senior Reset Notes to affiliates. The fair value estimates were based on information available as of June 30, 2016 and December 31, 2015. As such, our estimates are not necessarily indicative of the amount we could realize in a current market exchange.

Deferred Purchase Price Assets

In connection with the sales of certain service and EIP receivables pursuant to the sale arrangements, we have deferred purchase price assets measured at fair value that are based on a discounted cash flow model using unobservable Level 3 inputs, including customer default rates. There were no significant changes in fair value for the three and six months ended June 30, 2016. See Note 3 – Sales of Certain Receivables for further information.

Guarantee Liabilities

We offer a device trade-in program, Just Upgrade My Phone (“JUMP!”), which provides eligible customers a specified-price trade-in right to upgrade their device. For customers who enroll in the device trade-in program, we defer the portion of equipment revenues which represents the estimated fair value of the specified-price trade-in right guarantee incorporating the expected probability and timing of the handset upgrade and the fair value of the used handset which is returned. When customers upgrade their device, the difference between the trade-in credit to the customer and the fair value of the returned device is recorded against the guarantee liabilities. Guarantee liabilities were \$138 million and \$163 million as of June 30, 2016 and December 31, 2015, respectively, and are included in Other current liabilities in our Condensed Consolidated Balance Sheets.

The total estimated remaining gross EIP receivable balances of all enrolled handset upgrade program customers, which are the remaining EIP amounts underlying the JUMP! guarantee, including EIP receivables that have been sold, was \$2.0 billion as of

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June 30, 2016. This is not an indication of our expected loss exposure as it does not consider the expected fair value of the used handset or the probability and timing of the trade-in.

Note 6 – Earnings Per Share

Basic earnings per share amounts are computed by dividing net income, after the deduction of preferred stock dividends declared by the weighted average number of common shares outstanding. Diluted earnings per share amounts assume the issuance of common stock potentially dilutive share equivalents outstanding.

The computation of basic and diluted earnings per share was as follows:

(in millions, except shares and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income	\$ 225	\$ 361	\$ 704	\$ 298
Less: Dividends on mandatory convertible preferred stock	(14)	(14)	(28)	(28)
Net income attributable to common stockholders - basic and diluted	\$ 211	\$ 347	\$ 676	\$ 270
Weighted average shares outstanding - basic	822,434,490	811,605,031	820,933,126	810,113,564
Effect of dilutive securities:				
Outstanding stock options and unvested stock awards	7,318,466	9,517,506	8,728,927	9,434,975
Weighted average shares outstanding - diluted	829,752,956	821,122,537	829,662,053	819,548,539
Earnings per share - basic	\$ 0.26	\$ 0.43	\$ 0.82	\$ 0.33
Earnings per share - diluted	\$ 0.25	\$ 0.42	\$ 0.81	\$ 0.33

Potentially dilutive securities:

Outstanding stock options and unvested stock awards	307,573	1,131,643	465,765	1,131,643
Mandatory convertible preferred stock	32,237,266	32,237,266	32,237,266	32,237,266

Potentially dilutive securities were not included in the computation of diluted earnings per share if to do so would have been anti-dilutive.

Note 7 – Commitments and Contingencies

Commitments

Operating Leases and Purchase Commitments

Future minimum payments for non-cancelable operating leases and purchase commitments are summarized below:

(in millions)	Operating Leases	Purchase Commitments
Year Ending June 30,		
2017	\$ 2,449	\$ 4,577
2018	2,275	957
2019	2,085	828
2020	1,925	713
2021	1,630	620
Thereafter	5,508	1,119
Total	\$ 15,872	\$ 8,814

In May 2016, we entered into a purchase agreement with a third party for the acquisition of certain spectrum licenses for \$420 million. See Note 2 – Significant Transactions for further information.

Related-Party Commitments

In March 2016, T-Mobile USA entered into a purchase agreement with Deutsche Telekom under which T-Mobile USA may, at

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its option, issue and sell to Deutsche Telekom \$2.0 billion of 5.300% Senior Notes due 2021 for an aggregate purchase price of \$2.0 billion.

In April 2016, T-Mobile USA entered into a purchase agreement with Deutsche Telekom under which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom up to \$1.35 billion of 6.000% Senior Notes due 2024. The purchase price for the 6.000% Senior Notes to be issued under this purchase agreement will be approximately 103.316% of the outstanding principal balance of the notes issued.

In April 2016, T-Mobile USA entered into a purchase agreement with Deutsche Telekom under which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom up to \$650 million of 6.000% Senior Notes due 2024. The purchase price for the 6.000% Senior Notes will be approximately 104.047% of the outstanding principal balance of the notes issued.

See Note 2 – Significant Transactions for further information.

Contingencies and Litigation

T-Mobile is involved in various lawsuits, claims, government agency investigations and enforcement actions, and other proceedings (“Litigation Matters”) that arise in the ordinary course of business, which include numerous court actions alleging that T-Mobile is infringing various patents. Virtually all of the patent infringement cases are brought by non-practicing entities and effectively seek only monetary damages, although they occasionally seek injunctive relief as well. The Litigation Matters described above have progressed to various stages and some of them may proceed to trial, arbitration, hearing or other adjudication that could include an award of monetary or injunctive relief in the coming 12 months, if they are not otherwise resolved. T-Mobile has established an accrual with respect to certain of these matters, where appropriate, which is reflected in the condensed consolidated financial statements but that T-Mobile does not consider, individually or in the aggregate, material. An accrual is established when T-Mobile believes it is both probable that a loss has been incurred and an amount can be reasonably estimated. For other matters, where the Company has not determined that a loss is probable or because the amount of loss cannot be reasonably estimated, the Company has not recorded an accrual due to various factors typical in contested proceedings, including but not limited to: uncertainty concerning legal theories and their resolution by courts or regulators; uncertain damage theories and demands; and a less than fully developed factual record. While T-Mobile does not expect that the ultimate resolution of these proceedings, individually or in the aggregate will have a material adverse effect on the Company’s financial position, an unfavorable outcome of some or all of these proceedings could have a material adverse impact on results of operations or cash flows for a particular period. This assessment is based on T-Mobile’s current understanding of relevant facts and circumstances. As such, T-Mobile’s view of these matters is subject to inherent uncertainties and may change in the future.

On April 4, 2012, T-Mobile was sued in a patent infringement case by Prism Technologies LLC (“Prism”) in federal court in Nebraska. After a jury trial resulted in a defense verdict, the court entered judgment in favor of T-Mobile. Both parties have appealed. Absent a significant adverse change in the status of the case, the Company does not expect that the ultimate resolution of this case will have a material adverse effect on the Company’s financial position, results of operations or cash flows.

Note 8 – Income Taxes

Income tax expense was \$147 million and \$2 million for the three months ended June 30, 2016 and 2015, respectively. Income tax expense was \$419 million for the six months ended June 30, 2016 and income tax benefit was \$39 million for the six months ended June 30, 2015. The effective tax rate was 39.5% and 0.6% for the three months ended June 30, 2016 and 2015, respectively, and 37.3% and (15.1)% for the six months ended June 30, 2016 and 2015, respectively. The higher effective income tax rates for the 2016 periods compared to 2015 resulted from income tax benefits for discrete income tax items recognized in 2015 that did not impact the 2016 effective income tax rates, including changes in state and local income tax laws and the recognition of certain federal tax credits. The increases in the effective income tax rates were partially offset by the recognition through June 30, 2016 of \$21 million of excess tax benefits related to share-based payments in Income tax (expense) benefit resulting from the adoption of ASU 2016-09 as of January 1, 2016. See Note 1 – Basis of Presentation for further information.

Note 9 – Guarantor Financial Information

Pursuant to the applicable indentures and supplemental indentures, the long-term debt to affiliates and third parties, excluding Senior Secured Term Loans and capital leases, issued by T-Mobile USA (“Issuer”) is fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by T-Mobile (“Parent”) and certain of the Issuer’s 100% owned subsidiaries (“Guarantor Subsidiaries”).

In April 2016, T-Mobile USA and certain of its affiliates, as guarantors, issued \$1.0 billion of public 6.000% Senior Notes due 2024.

The guarantees of the Guarantor Subsidiaries are subject to release in limited circumstances only upon the occurrence of certain customary conditions. The indentures governing the long-term debt contain covenants that, among other things, limit the ability of the Issuer and the Guarantor Subsidiaries to: incur more debt; pay dividends and make distributions; make certain investments; repurchase stock; create liens or other encumbrances; enter into transactions with affiliates; enter into transactions that restrict dividends or distributions from subsidiaries; and merge, consolidate, or sell, or otherwise dispose of, substantially all of their assets. Certain provisions of each of the indentures and the supplemental indentures relating to the long-term debt restrict the ability of the Issuer to loan funds or make payments to Parent. However, the Issuer and Guarantor Subsidiaries are allowed to make certain permitted payments to the Parent under the terms of the indentures and the supplemental indentures.

Presented below is the condensed consolidating financial information as of June 30, 2016 and December 31, 2015 and for the three and six months ended June 30, 2016 and 2015.

Condensed Consolidating Balance Sheet Information
June 30, 2016

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Assets						
Current assets						
Cash and cash equivalents	\$ 367	\$ 2,683	\$ 2,439	\$ 49	\$ —	\$ 5,538
Short-term investments	—	—	—	—	—	—
Accounts receivable, net	—	—	1,634	232	—	1,866
Equipment installment plan receivables, net	—	—	1,831	—	—	1,831
Accounts receivable from affiliates	—	—	39	—	—	39
Inventories	—	—	1,388	—	—	1,388
Asset purchase deposit	—	—	2,203	—	—	2,203
Other current assets	—	—	954	461	—	1,415
Total current assets	367	2,683	10,488	742	—	14,280
Property and equipment, net ⁽¹⁾	—	—	20,156	414	—	20,570
Goodwill	—	—	1,683	—	—	1,683
Spectrum licenses	—	—	25,536	—	—	25,536
Other intangible assets, net	—	—	486	—	—	486
Investments in subsidiaries, net	16,925	33,681	—	—	(50,606)	—
Intercompany receivables	103	7,586	—	—	(7,689)	—
Equipment installment plan receivables due after one year, net	—	—	831	—	—	831
Other assets	—	6	492	266	(182)	582
Total assets	\$ 17,395	\$ 43,956	\$ 59,672	\$ 1,422	\$ (58,477)	\$ 63,968
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable and accrued liabilities	\$ —	\$ 425	\$ 6,316	\$ 244	\$ —	\$ 6,985
Payables to affiliates	—	73	130	—	—	203
Short-term debt	—	20	238	—	—	258
Deferred revenue	—	—	936	—	—	936
Other current liabilities	—	—	291	79	—	370
Total current liabilities	—	518	7,911	323	—	8,752
Long-term debt	—	20,768	806	—	—	21,574
Long-term debt to affiliates	—	5,600	—	—	—	5,600
Tower obligations ⁽¹⁾	—	—	405	2,229	—	2,634
Deferred tax liabilities	—	—	4,609	—	(182)	4,427
Deferred rent expense	—	—	2,548	—	—	2,548
Negative carrying value of subsidiaries, net	—	—	546	—	(546)	—
Intercompany payables	—	—	7,509	180	(7,689)	—
Other long-term liabilities	—	145	888	5	—	1,038
Total long-term liabilities	—	26,513	17,311	2,414	(8,417)	37,821
Total stockholders' equity	17,395	16,925	34,450	(1,315)	(50,060)	17,395
Total liabilities and stockholders' equity	\$ 17,395	\$ 43,956	\$ 59,672	\$ 1,422	\$ (58,477)	\$ 63,968

(1) Assets and liabilities for Non-Guarantor Subsidiaries are primarily included in VIEs related to the 2012 Tower Transaction. See Note 9 – Tower Obligations included in the Annual Report on Form 10-K for the year ended December 31, 2015.

Condensed Consolidating Balance Sheet Information
December 31, 2015

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Assets						
Current assets						
Cash and cash equivalents	\$ 378	\$ 1,767	\$ 2,364	\$ 73	\$ —	\$ 4,582
Short-term investments	—	1,999	999	—	—	2,998
Accounts receivable, net	—	—	1,574	214	—	1,788
Equipment installment plan receivables, net	—	—	2,378	—	—	2,378
Accounts receivable from affiliates	—	—	36	—	—	36
Inventories	—	—	1,295	—	—	1,295
Other current assets	—	—	1,413	400	—	1,813
Total current assets	378	3,766	10,059	687	—	14,890
Property and equipment, net ⁽¹⁾	—	—	19,546	454	—	20,000
Goodwill	—	—	1,683	—	—	1,683
Spectrum licenses	—	—	23,955	—	—	23,955
Other intangible assets, net	—	—	594	—	—	594
Investments in subsidiaries, net	16,184	32,280	—	—	(48,464)	—
Intercompany receivables	—	6,130	—	—	(6,130)	—
Equipment installment plan receivables due after one year, net	—	—	847	—	—	847
Other assets	—	5	387	219	(167)	444
Total assets	\$ 16,562	\$ 42,181	\$ 57,071	\$ 1,360	\$ (54,761)	\$ 62,413
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable and accrued liabilities	\$ —	\$ 368	\$ 7,496	\$ 220	\$ —	\$ 8,084
Payables to affiliates	—	70	65	—	—	135
Short-term debt	—	20	162	—	—	182
Deferred revenue	—	—	717	—	—	717
Other current liabilities	—	—	327	83	—	410
Total current liabilities	—	458	8,767	303	—	9,528
Long-term debt	—	19,797	664	—	—	20,461
Long-term debt to affiliates	—	5,600	—	—	—	5,600
Tower obligations ⁽¹⁾	—	—	411	2,247	—	2,658
Deferred tax liabilities	—	—	4,228	—	(167)	4,061
Deferred rent expense	—	—	2,481	—	—	2,481
Negative carrying value of subsidiaries, net	—	—	628	—	(628)	—
Intercompany payables	5	—	5,959	166	(6,130)	—
Other long-term liabilities	—	142	922	3	—	1,067
Total long-term liabilities	5	25,539	15,293	2,416	(6,925)	36,328
Total stockholders' equity	16,557	16,184	33,011	(1,359)	(47,836)	16,557
Total liabilities and stockholders' equity	\$ 16,562	\$ 42,181	\$ 57,071	\$ 1,360	\$ (54,761)	\$ 62,413

(1) Assets and liabilities for Non-Guarantor Subsidiaries are primarily included in VIEs related to the 2012 Tower Transaction. See Note 9 – Tower Obligations included in the Annual Report on Form 10-K for the year ended December 31, 2015.

Condensed Consolidating Statement of Comprehensive Income Information
Three Months Ended June 30, 2016

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	\$ —	\$ —	\$ 6,574	\$ 517	\$ (203)	\$ 6,888
Equipment revenues	—	—	2,298	—	(110)	2,188
Other revenues	—	—	102	49	(5)	146
Total revenues	—	—	8,974	566	(318)	9,222
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	1,423	6	—	1,429
Cost of equipment sales	—	—	2,477	251	(109)	2,619
Selling, general and administrative	—	—	2,764	217	(209)	2,772
Depreciation and amortization	—	—	1,555	20	—	1,575
Cost of MetroPCS business combination	—	—	59	—	—	59
Total operating expenses	—	—	8,278	494	(318)	8,454
Operating income	—	—	696	72	—	768
Other income (expense)						
Interest expense	—	(304)	(18)	(46)	—	(368)
Interest expense to affiliates	—	(93)	—	—	—	(93)
Interest income	—	8	60	—	—	68
Other expense, net	—	—	(3)	—	—	(3)
Total other income (expense), net	—	(389)	39	(46)	—	(396)
Income (loss) before income taxes	—	(389)	735	26	—	372
Income tax expense	—	—	(138)	(9)	—	(147)
Earnings (loss) of subsidiaries	225	614	(1)	—	(838)	—
Net income	225	225	596	17	(838)	225
Dividends on preferred stock	(14)	—	—	—	—	(14)
Net income attributable to common stockholders	\$ 211	\$ 225	\$ 596	\$ 17	\$ (838)	\$ 211
Net Income	\$ 225	\$ 225	\$ 596	\$ 17	\$ (838)	\$ 225
Other comprehensive income, net of tax						
Other comprehensive income, net of tax	3	3	3	—	(6)	3
Total comprehensive income	\$ 228	\$ 228	\$ 599	\$ 17	\$ (844)	\$ 228

Condensed Consolidating Statement of Comprehensive Income Information
Three Months Ended June 30, 2015

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	\$ —	\$ —	\$ 5,879	\$ 410	\$ (145)	\$ 6,144
Equipment revenues	—	—	2,034	—	(119)	1,915
Other revenues	—	—	82	42	(4)	120
Total revenues	—	—	7,995	452	(268)	8,179
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	1,391	6	—	1,397
Cost of equipment sales	—	—	2,587	193	(119)	2,661
Selling, general and administrative	—	—	2,406	181	(149)	2,438
Depreciation and amortization	—	—	1,054	21	—	1,075
Cost of MetroPCS business combination	—	—	34	—	—	34
Gains on disposal of spectrum licenses	—	—	(23)	—	—	(23)
Total operating expenses	—	—	7,449	401	(268)	7,582
Operating income	—	—	546	51	—	597
Other income (expense)						
Interest expense	—	(201)	(9)	(47)	—	(257)
Interest expense to affiliates	—	(92)	—	—	—	(92)
Interest income	—	—	114	—	—	114
Other income, net	—	—	1	—	—	1
Total other income (expense), net	—	(293)	106	(47)	—	(234)
Income (loss) before income taxes	—	(293)	652	4	—	363
Income tax benefit (expense)	—	—	1	(3)	—	(2)
Earnings (loss) of subsidiaries	361	654	(13)	—	(1,002)	—
Net income	361	361	640	1	(1,002)	361
Dividends on preferred stock	(14)	—	—	—	—	(14)
Net income attributable to common stockholders	\$ 347	\$ 361	\$ 640	\$ 1	\$ (1,002)	\$ 347
Net income	\$ 361	\$ 361	\$ 640	\$ 1	\$ (1,002)	\$ 361
Other comprehensive income, net of tax						
Other comprehensive income, net of tax	—	—	—	—	—	—
Total comprehensive income	\$ 361	\$ 361	\$ 640	\$ 1	\$ (1,002)	\$ 361

Condensed Consolidating Statement of Comprehensive Income Information
Six Months Ended June 30, 2016

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	\$ —	\$ —	\$ 12,861	\$ 980	\$ (375)	\$ 13,466
Equipment revenues	—	—	4,279	—	(240)	4,039
Other revenues	—	—	228	97	(9)	316
Total revenues	—	—	17,368	1,077	(624)	17,821
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	2,838	12	—	2,850
Cost of equipment sales	—	—	4,764	468	(239)	4,993
Selling, general and administrative	—	—	5,488	418	(385)	5,521
Depreciation and amortization	—	—	3,087	40	—	3,127
Cost of MetroPCS business combination	—	—	95	—	—	95
Gains on disposal of spectrum licenses	—	—	(636)	—	—	(636)
Total operating expenses	—	—	15,636	938	(624)	15,950
Operating income	—	—	1,732	139	—	1,871
Other income (expense)						
Interest expense	—	(578)	(35)	(94)	—	(707)
Interest expense to affiliates	—	(172)	—	—	—	(172)
Interest income	—	16	120	—	—	136
Other expense, net	—	—	(5)	—	—	(5)
Total other income (expense), net	—	(734)	80	(94)	—	(748)
Income (loss) before income taxes	—	(734)	1,812	45	—	1,123
Income tax expense	—	—	(401)	(18)	—	(419)
Earnings (loss) of subsidiaries	704	1,438	(11)	—	(2,131)	—
Net income	704	704	1,400	27	(2,131)	704
Dividends on preferred stock	(28)	—	—	—	—	(28)
Net income attributable to common stockholders	\$ 676	\$ 704	\$ 1,400	\$ 27	\$ (2,131)	\$ 676
Net Income	\$ 704	\$ 704	\$ 1,400	\$ 27	\$ (2,131)	\$ 704
Other comprehensive income, net of tax						
Other comprehensive income, net of tax	—	—	—	—	—	—
Total comprehensive income	\$ 704	\$ 704	\$ 1,400	\$ 27	\$ (2,131)	\$ 704

Condensed Consolidating Statement of Comprehensive Income Information
Six Months Ended June 30, 2015

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	\$ —	\$ —	\$ 11,441	\$ 799	\$ (277)	\$ 11,963
Equipment revenues	—	—	3,961	—	(195)	3,766
Other revenues	—	—	151	84	(7)	228
Total revenues	—	—	15,553	883	(479)	15,957
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	2,780	12	—	2,792
Cost of equipment sales	—	—	5,192	343	(195)	5,340
Selling, general and administrative	—	—	4,746	348	(284)	4,810
Depreciation and amortization	—	—	2,119	43	—	2,162
Cost of MetroPCS business combination	—	—	162	—	—	162
Gains on disposal of spectrum licenses	—	—	(23)	—	—	(23)
Total operating expenses	—	—	14,976	746	(479)	15,243
Operating income	—	—	577	137	—	714
Other income (expense)						
Interest expense	—	(401)	(23)	(94)	—	(518)
Interest expense to affiliates	—	(156)	—	—	—	(156)
Interest income	—	—	226	—	—	226
Other income (expense), net	—	(8)	1	—	—	(7)
Total other income (expense), net	—	(565)	204	(94)	—	(455)
Income (loss) before income taxes	—	(565)	781	43	—	259
Income tax benefit (expense)	—	—	49	(10)	—	39
Earnings (loss) of subsidiaries	298	863	(25)	—	(1,136)	—
Net income	298	298	805	33	(1,136)	298
Dividends on preferred stock	(28)	—	—	—	—	(28)
Net income attributable to common stockholders	\$ 270	\$ 298	\$ 805	\$ 33	\$ (1,136)	\$ 270
Net income	\$ 298	\$ 298	\$ 805	\$ 33	\$ (1,136)	\$ 298
Other comprehensive income, net of tax						
Other comprehensive income, net of tax	—	—	—	—	—	—
Total comprehensive income	\$ 298	\$ 298	\$ 805	\$ 33	\$ (1,136)	\$ 298

Condensed Consolidating Statement of Cash Flows Information
Three Months Ended June 30, 2016

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash provided by (used in) operating activities	\$ 3	\$ (1,783)	\$ 3,612	\$ 11	\$ (75)	\$ 1,768
Investing activities						
Purchases of property and equipment	—	—	(1,349)	—	—	(1,349)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(2,245)	—	—	(2,245)
Sales of short-term investments	—	2,000	923	—	—	2,923
Other, net	—	—	4	—	—	4
Net cash provided by (used in) investing activities	—	2,000	(2,667)	—	—	(667)
Financing activities						
Proceeds from issuance of long-term debt	—	997	—	—	—	997
Repayments of capital lease obligations	—	—	(43)	—	—	(43)
Repayments of short-term debt for purchases of inventory, property and equipment, net	—	—	(150)	—	—	(150)
Repayments of long-term debt	—	—	(5)	—	—	(5)
Tax withholdings on share-based awards	—	—	(3)	—	—	(3)
Intercompany dividend paid	—	—	—	(75)	75	—
Dividends on preferred stock	(14)	—	—	—	—	(14)
Other, net	13	—	(5)	—	—	8
Net cash (used in) provided by financing activities	(1)	997	(206)	(75)	75	790
Change in cash and cash equivalents	2	1,214	739	(64)	—	1,891
Cash and cash equivalents						
Beginning of period	365	1,469	1,700	113	—	3,647
End of period	\$ 367	\$ 2,683	\$ 2,439	\$ 49	\$ —	\$ 5,538

Condensed Consolidating Statement of Cash Flows Information
Three Months Ended June 30, 2015

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash (used in) provided by operating activities	\$ (7)	\$ (282)	\$ 1,522	\$ (7)	\$ (65)	\$ 1,161
Investing activities						
Purchases of property and equipment	—	—	(1,191)	—	—	(1,191)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(148)	—	—	(148)
Other, net	—	—	2	—	—	2
Net cash used in investing activities	—	—	(1,337)	—	—	(1,337)
Financing activities						
Repayments of capital lease obligations	—	—	(6)	—	—	(6)
Repayments of short-term debt for purchases of inventory, property and equipment, net	—	—	(185)	—	—	(185)
Tax withholdings on share-based awards	—	—	(70)	—	—	(70)
Intercompany dividend paid	—	—	—	(65)	65	—
Dividends on preferred stock	(14)	—	—	—	—	(14)
Other, net	21	—	40	—	—	61
Net cash provided by (used in) financing activities	7	—	(221)	(65)	65	(214)
Change in cash and cash equivalents	—	(282)	(36)	(72)	—	(390)
Cash and cash equivalents						
Beginning of period	393	1,152	1,352	135	—	3,032
End of period	\$ 393	\$ 870	\$ 1,316	\$ 63	\$ —	\$ 2,642

Condensed Consolidating Statement of Cash Flows Information
Six Months Ended June 30, 2016

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash provided by (used in) operating activities	\$ 3	\$ (2,081)	\$ 4,895	\$ 51	\$ (75)	\$ 2,793
Investing activities						
Purchases of property and equipment	—	—	(2,684)	—	—	(2,684)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(2,839)	—	—	(2,839)
Sales of short-term investments	—	2,000	998	—	—	2,998
Other, net	—	—	(2)	—	—	(2)
Net cash provided by (used in) investing activities	—	2,000	(4,527)	—	—	(2,527)
Financing activities						
Proceeds from issuance of long-term debt	—	997	—	—	—	997
Repayments of capital lease obligations	—	—	(79)	—	—	(79)
Repayments of short-term debt for purchases of inventory, property and equipment, net	—	—	(150)	—	—	(150)
Repayments of long-term debt	—	—	(10)	—	—	(10)
Tax withholdings on share-based awards	—	—	(49)	—	—	(49)
Intercompany dividend paid	—	—	—	(75)	75	—
Dividends on preferred stock	(28)	—	—	—	—	(28)
Other, net	14	—	(5)	—	—	9
Net cash (used in) provided by financing activities	(14)	997	(293)	(75)	75	690
Change in cash and cash equivalents	(11)	916	75	(24)	—	956
Cash and cash equivalents						
Beginning of period	378	1,767	2,364	73	—	4,582
End of period	\$ 367	\$ 2,683	\$ 2,439	\$ 49	\$ —	\$ 5,538

Condensed Consolidating Statement of Cash Flows Information
Six Months Ended June 30, 2015

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash provided by (used in) operating activities	\$ (4)	\$ (3,281)	\$ 4,966	\$ 74	\$ (105)	\$ 1,650
Investing activities						
Purchases of property and equipment	—	—	(2,173)	—	—	(2,173)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(1,844)	—	—	(1,844)
Investment in subsidiaries	(1,905)	—	—	—	1,905	—
Other, net	—	—	(12)	—	—	(12)
Net cash used in investing activities	(1,905)	—	(4,029)	—	1,905	(4,029)
Financing activities						
Proceeds from capital contribution	—	1,905	—	—	(1,905)	—
Repayments of capital lease obligations	—	—	(11)	—	—	(11)
Repayments of short-term debt for purchases of inventory, property and equipment, net	—	—	(248)	—	—	(248)
Tax withholdings on share-based awards	—	—	(98)	—	—	(98)
Intercompany dividend paid	—	—	—	(105)	105	—
Dividends on preferred stock	(14)	—	(14)	—	—	(28)
Other, net	38	—	53	—	—	91
Net cash provided by (used in) financing activities	24	1,905	(318)	(105)	(1,800)	(294)
Change in cash and cash equivalents	(1,885)	(1,376)	619	(31)	—	(2,673)
Cash and cash equivalents						
Beginning of period	2,278	2,246	697	94	—	5,315
End of period	\$ 393	\$ 870	\$ 1,316	\$ 63	\$ —	\$ 2,642

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (“Form 10-Q”) includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, including information concerning our future results of operations, are forward-looking statements. These forward-looking statements are generally identified by the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “could” or similar expressions. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties and may cause actual results to differ materially from the forward-looking statements. The following important factors, along with the Risk Factors included in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015, could affect future results and cause those results to differ materially from those expressed in the forward-looking statements:

- adverse conditions in the U.S. and international economies or disruptions to the credit and financial markets;
- competition in the wireless services market;
- challenges in implementing our business strategies or funding our wireless operations, including payment for additional spectrum, network upgrades and technological advancements;
- the possibility that we may be unable to renew our spectrum licenses on attractive terms or acquire new spectrum licenses at reasonable costs and terms;
- difficulties in managing growth in wireless data services, including network quality;
- material changes in available technology;
- the timing, scope and financial impact of our deployment of advanced network and business technologies;
- the impact on our networks and business from major technology equipment failures;
- breaches of our and/or our third party vendors’ networks, information technology and data security;
- natural disasters, terrorist attacks or similar incidents;
- existing or future litigation;
- any changes in the regulatory environments in which we operate, including any increase in restrictions on the ability to operate our networks;
- any disruption of our key suppliers’ provisioning of products or services;
- material adverse changes in labor matters, including labor negotiations or additional organizing activity, and any resulting financial and/or operational impact;
- the ability to make payments on our debt or to repay our existing indebtedness when due;
- adverse change in the ratings of our debt securities by nationally accredited rating organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing;
- changes in accounting assumptions that regulatory agencies, including the Securities and Exchange Commission (“SEC”), may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; and,
- changes in tax laws, regulations and existing standards and the resolution of disputes with any taxing jurisdictions.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. In this Form 10-Q, unless the context indicates otherwise, references to “T-Mobile,” “T-Mobile US,” “our Company,” “the Company,” “we,” “our,” and “us” refer to T-Mobile US, Inc., a Delaware corporation, and its wholly-owned subsidiaries.

Investors and others should note that we announce material financial and operational information to our investors using our investor relations website, press releases, SEC filings and public conference calls and webcasts. T-Mobile intends to also use the @TMobileIR Twitter account (<https://twitter.com/TMobileIR>) and the @JohnLegere Twitter (<https://twitter.com/JohnLegere>) and Periscope accounts, which Mr. Legere also uses as means for personal communications and observations, as means of disclosing information about the Company, its services and other matters and for complying with its disclosure obligations under Regulation FD. The information we post through these social media channels may be deemed material. Accordingly, investors should monitor these social media channels in addition to following the Company’s press releases, SEC filings and public conference calls and webcasts. The social media channels that T-Mobile intends to use as a means of disclosing the information described above may be updated from time to time as listed on the Company’s investor relations website.

Overview

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide a reader of our financial statements with a narrative explanation from the perspective of management of our financial condition, results of operations, liquidity and certain other factors that may affect future results. The MD&A is provided as a supplement to, and should be read in conjunction with, our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q and audited Consolidated Financial Statements included in Part II, Item 8 of our Form 10-K for the year ended December 31, 2015. Unless expressly stated otherwise, the comparisons presented in this MD&A refer to the same period in the prior year.

Business Overview

In June 2016, we introduced the latest in our Un-carrier initiatives, #GetThanked, a history-making move dedicated exclusively to saying "thank you" to our customers by (i) offering eligible new (through December 31, 2016) or existing (as of June 6, 2016) customers ownership in the Company with a free share of T-Mobile stock or an additional share of T-Mobile stock for every new active account each customer refers through December 31, 2016, subject to a maximum of 100 shares in a calendar year, (ii) enabling eligible customers who download the T-Mobile Tuesday app to redeem products and services offered by participating business partners each Tuesday and (iii) offering a full hour of free in-flight Wi-Fi on all Gogo-equipped domestic flights.

Results of Operations

Highlights for the three and six months ended June 30, 2016

- Total revenues of \$9.2 billion for the three months ended June 30, 2016 increased \$1.0 billion, or 13%, compared to the same period in 2015. Total revenues of \$17.8 billion for the six months ended June 30, 2016 increased \$1.9 billion, or 12%, compared to the same period in 2015. The increases were primarily from growth in service and equipment revenues.
- Service revenues of \$6.9 billion for the three months ended June 30, 2016 increased \$744 million, or 12%, compared to the same period in 2015. Service revenues of \$13.5 billion for the six months ended June 30, 2016 increased \$1.5 billion, or 13%, compared to the same period in 2015. These increases were primarily due to the growth in our average branded customer base for the three and six months ended June 30, 2016, respectively, as a result of the strong customer response to our Un-carrier initiatives and the success of our MetroPCS brand promotional activities and continued growth in new markets.
- Branded postpaid phone churn of 1.27% for the three months ended June 30, 2016 decreased 5 basis points, compared to the same period in 2015. Branded postpaid phone churn of 1.30% for the six months ended June 30, 2016 decreased 1 basis point, compared to the same period in 2015. These decreases were primarily due to increased customer satisfaction and loyalty from ongoing improvements to network quality, customer service and the overall value of our offerings in the marketplace.
- Operating income of \$768 million for the three months ended June 30, 2016 increased \$171 million, or 29%, compared to the same period in 2015. Operating income of \$1.9 billion for the six months ended June 30, 2016 increased \$1.2 billion, compared to the same period in 2015. The increases were primarily due to higher total revenues, partially offset by an increase in depreciation and amortization along with costs to support customer growth and retention initiatives. An additional factor driving the increase for the six months ended June 30, 2016 included a gain on disposal of spectrum licenses of \$636 million recorded in the first quarter of 2016, compared to \$23 million in the second quarter of 2015.
- Net income of \$225 million for the three months ended June 30, 2016 decreased \$136 million compared to the same period in 2015. Net income of \$704 million for the six months ended June 30, 2016 increased \$406 million, compared to the same period in 2015. The changes were primarily a result of increased operating income driven by the factors described above, partially offset by higher interest expense related to higher average debt and higher income taxes due to the impact of income tax benefits for discrete income tax items recognized in 2015 that did not impact the 2016 effective income tax rate.
- Adjusted EBITDA, a non-GAAP financial measure, of \$2.5 billion for the three months ended June 30, 2016 increased \$647 million, or 36%, compared to the same period in 2015. Adjusted EBITDA of \$5.2 billion for the six months

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ended June 30, 2016 increased \$2.0 billion, or 63%, compared to the same period in 2015. The increases were primarily due to higher service revenues and lower losses on equipment, partially offset by increases in selling, general and administrative expenses. An additional factor driving the increase for the six months ended June 30, 2016 included a gain on disposal of spectrum licenses of \$636 million recorded in the first quarter of 2016, compared to \$23 million in the second quarter of 2015.

- Net cash provided by operating activities increased \$607 million, or 52%, for the three months ended June 30, 2016 and \$1.1 billion, or 69%, for the six months ended June 30, 2016, compared to the same periods in 2015. These increases were primarily due to increased operating income from growth of our branded postpaid and branded prepaid revenues and an increase in the net proceeds from the sale of certain EIP receivables, partially offset by higher selling, general and administrative expenses and pay down of accounts payable and accrued liabilities.
- Free Cash Flow, a non-GAAP financial measure, of \$419 million for the three months ended June 30, 2016 increased \$449 million compared to the same period in 2015. Free Cash Flow of \$109 million for the six months ended June 30, 2016 increased \$632 million compared to the same period in 2015. These increases were primarily from higher net cash provided by operating activities as discussed above, partially offset by higher purchases of property and equipment from the build-out of our LTE network.

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Set forth below is a summary of consolidated results:

(in millions)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
Revenues								
Branded postpaid revenues	\$ 4,509	\$ 4,075	\$ 434	11 %	\$ 8,811	\$ 7,849	\$ 962	12 %
Branded prepaid revenues	2,119	1,861	258	14 %	4,144	3,703	441	12 %
Wholesale revenues	207	164	43	26 %	407	322	85	26 %
Roaming and other service revenues	53	44	9	20 %	104	89	15	17 %
Total service revenues	6,888	6,144	744	12 %	13,466	11,963	1,503	13 %
Equipment revenues	2,188	1,915	273	14 %	4,039	3,766	273	7 %
Other revenues	146	120	26	22 %	316	228	88	39 %
Total revenues	9,222	8,179	1,043	13 %	17,821	15,957	1,864	12 %
Operating expenses								
Cost of services, exclusive of depreciation and amortization shown separately below	1,429	1,397	32	2 %	2,850	2,792	58	2 %
Cost of equipment sales	2,619	2,661	(42)	(2)%	4,993	5,340	(347)	(6)%
Selling, general and administrative	2,772	2,438	334	14 %	5,521	4,810	711	15 %
Depreciation and amortization	1,575	1,075	500	47 %	3,127	2,162	965	45 %
Cost of MetroPCS business combination	59	34	25	74 %	95	162	(67)	(41)%
Gains on disposal of spectrum licenses	—	(23)	23	NM	(636)	(23)	(613)	NM
Total operating expenses	8,454	7,582	872	12 %	15,950	15,243	707	5 %
Operating income	768	597	171	29 %	1,871	714	1,157	NM
Other income (expense)								
Interest expense	(368)	(257)	(111)	43 %	(707)	(518)	(189)	36 %
Interest expense to affiliates	(93)	(92)	(1)	1 %	(172)	(156)	(16)	10 %
Interest income	68	114	(46)	(40)%	136	226	(90)	(40)%
Other income (expense), net	(3)	1	(4)	NM	(5)	(7)	2	(29)%
Total other expense, net	(396)	(234)	(162)	69 %	(748)	(455)	(293)	64 %
Income before income taxes	372	363	9	2 %	1,123	259	864	NM
Income tax (expense) benefit	(147)	(2)	(145)	NM	(419)	39	(458)	NM
Net income	\$ 225	\$ 361	\$ (136)	(38)%	\$ 704	\$ 298	\$ 406	NM
Net cash provided by operating activities	\$ 1,768	\$ 1,161	\$ 607	52 %	\$ 2,793	\$ 1,650	\$ 1,143	69 %
Non-GAAP Financial Measures								
Adjusted EBITDA	\$ 2,464	\$ 1,817	\$ 647	36 %	\$ 5,213	\$ 3,205	\$ 2,008	63 %
Free Cash Flow	419	(30)	449	NM	109	(523)	632	NM

NM – Not Meaningful

Revenues

Branded postpaid revenues increased \$434 million, or 11%, for the three months ended and \$962 million, or 12%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to growth in the number of average branded postpaid phone and mobile broadband customers driven by strong customer response to our Un-carrier initiatives and promotions for services and devices. Additional factors driving the increases included the continued growth of our insurance programs, partially offset by lower branded postpaid phone average revenue per user (“ARPU”), primarily due to an increase in the non-cash net revenue deferrals for Data Stash as well as higher regulatory program revenues for the six months ended June 30, 2016.

Branded prepaid revenues increased \$258 million, or 14%, for the three months ended and \$441 million, or 12%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to growth in the number of average branded prepaid customers driven by the success of our MetroPCS brand promotional activities and continued growth in new markets.

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Wholesale revenues increased \$43 million, or 26%, for the three months ended and \$85 million, or 26%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to growth in customers of certain Mobile Virtual Network Operator (“MVNO”) partners and an increase in data usage per customer.

Equipment revenues increased \$273 million, or 14%, for the three months ended and \$273 million, or 7%, for the six months ended June 30, 2016 compared to the same periods in 2015. The increases were primarily due to the following:

- Increases of \$367 million and \$709 million in lease revenues for the three and six months ended June 30, 2016, respectively, which are recognized over the lease term, resulting from the launch of our JUMP! On Demand program at the end of the second quarter of 2015; partially offset by
- A decline of \$94 million in device sales revenues for the three months ended June 30, 2016, primarily due to a lower average revenue per device sold resulting from promotions for devices, partially offset by a 3% increase in the number of devices sold.
- A decline of \$436 million in device sales revenues for the six months ended June 30, 2016 primarily due to a lower average revenue per device sold as well as a 2% decline in the number of devices sold primarily due to promotions for devices and the impact of our JUMP! On Demand program launched at the end of the second quarter of 2015. Device sales revenue is recognized at the time of sale.

During the three and six months ended June 30, 2016, we provided \$1.6 billion and \$2.8 billion, respectively, in EIP device financing to our customers, which decreased by \$135 million and \$372 million, respectively, compared to the same periods in 2015. The decreases were primarily due to promotions for devices and the impact of our JUMP! On Demand program launched at the end of the second quarter of 2015.

Other revenues increased \$26 million, or 22%, for the three months ended and \$88 million, or 39%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to higher non-service revenues from revenue share agreements with third parties. Higher lease income associated with reciprocal spectrum license lease agreements also contributed to the increase for the six months ended June 30, 2016.

Operating Expenses

Cost of services increased \$32 million, or 2%, for the three months ended and \$58 million, or 2%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to higher regulatory program costs and expenses associated with network expansion and the build-out of our network to utilize our 700 MHz A-Block spectrum licenses, including higher employee-related costs. In addition, higher lease expense associated with reciprocal spectrum license lease agreements contributed to the increase for the six months ended June 30, 2016. The increases were partially offset by synergies realized from the decommissioning of the MetroPCS Code Division Multiple Access (“CDMA”) network and lower long distance and toll costs.

Cost of equipment sales decreased \$42 million, or 2%, for the three months ended and \$347 million, or 6%, for the six months ended June 30, 2016, compared to the same periods in 2015.

- The decrease for the three months ended June 30, 2016 was primarily due to a lower average cost per device sold due in part to the impact from the JUMP! On Demand program launched at the end of the second quarter of 2015, partially offset by a 3% increase in devices sold.
- The decrease for the six months ended June 30, 2016 was primarily due to a lower average cost per device sold and a 2% decline in the number of devices sold, due in part to the impact of our JUMP! On Demand program launched at the end of the second quarter of 2015. With JUMP! On Demand, the cost of the leased wireless device is capitalized and recognized as depreciation expense over the term of the lease rather than recognized as cost of equipment sales when the device is delivered to the customer.

Selling, general and administrative increased \$334 million, or 14%, for the three months ended and \$711 million, or 15%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily attributable to strategic investments to support our growing customer base, including higher employee-related costs, higher commissions driven by an increase in branded customer additions and promotions, and higher promotional costs.

Depreciation and amortization increased \$500 million, or 47%, for the three months ended and \$965 million, or 45%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to \$397 million and \$800 million,

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respectively, in depreciation expense related to devices leased under our JUMP! On Demand program launched at the end of the second quarter of 2015, as well as increases from the build-out of our LTE network. With JUMP! On Demand, the cost of the leased wireless device is depreciated to its estimated residual value.

Cost of MetroPCS business combination of \$59 million for the three months ended and \$95 million for the six months ended June 30, 2016, primarily reflects network decommissioning costs associated with the business combination. We do not expect to incur significant additional network decommissioning costs as cell site assets are removed in 2016.

Gains on disposal of spectrum licenses of \$636 million for the six months ended June 30, 2016, primarily consisted of a gain from a spectrum license transaction with AT&T Inc. recorded in the first quarter of 2016. Gains on disposal of spectrum licenses of \$23 million for the six months ended June 30, 2015 consisted of a gain from a spectrum license transaction with Verizon recorded in the second quarter of 2015. See Note 2 – Significant Transactions of the Notes to the Condensed Consolidated Financial Statements.

Other Income (Expense)

Interest expense increased \$111 million, or 43%, for the three months ended and \$189 million, or 36%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to higher debt balances with third parties for the three and six months ended June 30, 2016, compared to the same periods in 2015, as well as lower capitalized interest costs associated with the build out of our network to utilize our 700 MHz A-Block spectrum licenses.

Interest expense to affiliates increased \$1 million, or 1%, for the three months ended and \$16 million, or 10%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to an increase in interest rates on certain Senior Reset Notes issued to Deutsche Telekom AG (“Deutsche Telekom”), which were adjusted at reset dates in the second quarter of 2016 and in 2015, as well as lower capitalized interest costs associated with the build out of our network to utilize our 700 MHz A-Block spectrum licenses. The increases were partially offset by changes in the fair value of embedded derivative instruments associated with Senior Reset Notes issued to Deutsche Telekom.

Interest income decreased \$46 million, or 40%, for the three months ended and \$90 million, or 40%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to a decline in imputed interest income associated with devices financed through EIP following the launch of our JUMP! On Demand program at the end of the second quarter of 2015 and from sales of certain EIP receivables. Interest associated with EIP receivables, which is imputed at the time of a device sale and then recognized over the financed installment term, was \$65 million and \$130 million for the three and six months ended June 30, 2016, respectively, compared to \$113 million and \$223 million for the same periods in 2015. See Note 4 – Equipment Installment Plan Receivables of the Notes to the Condensed Consolidated Financial Statements.

Income Taxes

Income tax expense was \$147 million and \$2 million for the three months ended June 30, 2016 and 2015, respectively. Income tax expense was \$419 million for the six months ended June 30, 2016 and income tax benefit was \$39 million for the six months ended June 30, 2015. The effective tax rate was 39.5% and 0.6% for the three months ended June 30, 2016 and 2015, respectively, and 37.3% and (15.1)% for the six months ended June 30, 2016 and 2015, respectively. The higher effective income tax rates for the 2016 periods compared to 2015 resulted from income tax benefits for discrete income tax items recognized in 2015 that did not impact the 2016 effective income tax rates, including changes in state and local income tax laws and the recognition of certain federal tax credits. The increases in the effective income tax rates were partially offset by the recognition through June 30, 2016 of \$21 million of excess tax benefits related to share-based payments in Income tax (expense) benefit resulting from the adoption of ASU 2016-09 as of January 1, 2016. See Note 1 – Basis of Presentation of the Notes to the Condensed Consolidated Financial Statements.

Net Income

Net income decreased \$136 million, or 38%, for the three months ended and increased \$406 million for the six months ended June 30, 2016, compared to the same periods in 2015, as a result of the factors described above. The six months ended June 30, 2016 included a \$389 million net, after-tax gain on disposal of spectrum licenses recorded during the first quarter of 2016.

Guarantor Subsidiaries

The financial condition and results of operations of the Parent, Issuer and Guarantor Subsidiaries is substantially similar to the Company's consolidated financial condition.

The most significant components of the financial condition of our Non-Guarantor Subsidiaries were as follows:

(in millions)	June 30, 2016	December 31, 2015	Change	
	\$	\$	\$	%
Other current assets	\$ 461	\$ 400	\$ 61	15 %
Property and equipment, net	414	454	(40)	(9)%
Tower obligations	2,229	2,247	(18)	(1)%
Total stockholders' deficit	(1,315)	(1,359)	44	3 %

The most significant components of the results of operations of our Non-Guarantor Subsidiaries were as follows:

(in millions)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
	\$	\$	\$	%	\$	\$	\$	%
Service revenues	\$ 517	\$ 410	\$ 107	26%	\$ 980	\$ 799	\$ 181	23 %
Cost of equipment sales	251	193	58	30%	468	343	125	36 %
Selling, general and administrative	217	181	36	20%	418	348	70	20 %
Total comprehensive income	17	1	16	NM	27	33	(6)	(18)%

NM - Not Meaningful

The increases in Service revenues, Cost of equipment sales and Selling, general and administrative were primarily the result of an increase in activity of the non-guarantor subsidiary that provides handset insurance, primarily driven by growth in our customer base. All other results of operations of the Parent, Issuer and Guarantor Subsidiaries are substantially similar to the Company's consolidated results of operations. See Note 9 – Guarantor Financial Information of the Notes to the Condensed Consolidated Financial Statements.

Performance Measures

In managing our business and assessing financial performance, we supplement the information provided by our financial statements with other operating or statistical data and non-GAAP financial measures. These operating and financial measures are utilized by our management to evaluate our operating performance and, in certain cases, our ability to meet liquidity requirements. Although companies in the wireless industry may not define each of these measures in precisely the same way, we believe that these measures facilitate key operating performance comparisons with other companies in the wireless industry.

Total Customers

A customer is generally defined as a SIM card with a unique T-Mobile identity number which is associated with an account that generates revenue. Branded customers generally include customers that are qualified either for postpaid service utilizing phones or mobile broadband devices (including tablets), where they generally pay after receiving service, or prepaid service, where they generally pay in advance. Wholesale customers include Machine-to-Machine ("M2M") and MVNO customers that operate on our network, but are managed by wholesale partners.

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The following table sets forth the number of ending customers:

(in thousands)	June 30, 2016	June 30, 2015	Change	
			#	%
Customers, end of period				
Branded postpaid phone customers	30,878	27,595	3,283	12%
Branded postpaid mobile broadband customers	2,748	1,723	1,025	59%
Total branded postpaid customers	33,626	29,318	4,308	15%
Branded prepaid customers	18,914	16,567	2,347	14%
Total branded customers	52,540	45,885	6,655	15%
Wholesale customers	14,844	13,023	1,821	14%
Total customers, end of period	67,384	58,908	8,476	14%

The following table sets forth the number of net customer additions:

(in thousands)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	#	%	2016	2015	#	%
	Net customer additions							
Branded postpaid phone customers	646	760	(114)	(15)%	1,523	1,751	(228)	(13)%
Branded postpaid mobile broadband customers	244	248	(4)	(2)%	408	382	26	7%
Total branded postpaid customers	890	1,008	(118)	(12)%	1,931	2,133	(202)	(9)%
Branded prepaid customers	476	178	298	NM	1,283	251	1,032	NM
Total branded customers	1,366	1,186	180	15%	3,214	2,384	830	35%
Wholesale customers	515	886	(371)	(42)%	888	1,506	(618)	(41)%
Total net customer additions	1,881	2,072	(191)	(9)%	4,102	3,890	212	5%

NM – Not Meaningful

Net customer additions were 1,881,000 for the three months ended June 30, 2016, compared to 2,072,000 for the same period in 2015. Net customer additions were 4,102,000 for the six months ended June 30, 2016, compared to 3,890,000 for the same period in 2015. At June 30, 2016, we had 67.4 million total customers, a 14% increase from the total as of June 30, 2015, as a result of growth in the customer categories described below.

Branded Customers

Total branded net customer additions increased 180,000, or 15%, for the three months ended and 830,000, or 35%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to the following:

- Higher branded prepaid net customer additions due to the success of our MetroPCS brand promotional activities and continued growth in new markets; partially offset by
- Lower branded postpaid phone net customer additions due to higher deactivations resulting from a growing branded postpaid phone customer base, partially offset by lower branded postpaid phone churn.

Wholesale

Wholesale net customer additions decreased 371,000, or 42%, for the three months ended and 618,000, or 41%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to higher MVNO deactivations resulting from a growing customer base and lower MVNO gross customer additions.

Customers Per Account

Customers per account is calculated by dividing the number of branded postpaid customers as of the end of the period by the number of branded postpaid accounts as of the end of the period. An account may include branded postpaid phone and mobile broadband customers. We believe branded postpaid customers per account provides management with useful information to evaluate our branded postpaid customer base on a per account basis.

	June 30, 2016	June 30, 2015	Change	
			#	%
Branded postpaid customers per account	2.64	2.43	0.21	9%

Branded postpaid customers per account increased primarily due to ongoing service promotions targeting families and increased penetration of mobile broadband devices.

Churn

Churn represents the number of customers whose service was disconnected as a percentage of the average number of customers during the specified period. The number of customers whose service was disconnected is presented net of customers that subsequently have their service restored within a certain period of time. We believe that churn provides management with useful information to evaluate customer retention and loyalty.

	Three Months Ended June 30,		Bps Change	Six Months Ended June 30,		Bps Change
	2016	2015		2016	2015	
Branded postpaid phone churn	1.27%	1.32%	-5 bps	1.30%	1.31%	-1 bps
Branded prepaid churn	3.91%	4.93%	-102 bps	3.88%	4.78%	-90 bps

Branded postpaid phone churn decreased 5 basis points for the three months ended and 1 basis point for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to increased customer satisfaction and loyalty from ongoing improvements to network quality, customer service and the overall value of our offerings in the marketplace and from a reduction in promotional activity across the industry in the second quarter of 2016. A lower branded postpaid phone churn rate applied to a growing branded postpaid phone customer base resulted in higher deactivations.

Branded prepaid churn decreased 102 basis points for the three months ended and 90 basis points for the six months ended June 30, 2016, compared to the same periods in 2015, and was primarily impacted by strong performance at the MetroPCS brand and a methodology change in the third quarter of 2015 that had no impact on our reported branded prepaid ending customers or net customer additions, but resulted in computationally lower gross customer additions and deactivations. Revision of prior periods in 2015 was not practicable because certain historical data was no longer available.

In June 2016, we entered into an agreement under which we have agreed to sell our marketing and distribution rights to certain existing T-Mobile co-branded customers to a current MVNO partner. The transaction, expected to close late third quarter of 2016, is subject to regulatory approval and other closing conditions. Assuming closing, approximately 1.4 million branded postpaid phone customers and approximately 0.3 million branded prepaid customers would transition to being reported as wholesale customers. The customer transition is expected to have a significant impact on reported branded postpaid phone churn following closing. For example, on a pro-forma basis as if the transaction closed at the beginning of the second quarter of 2016, reported branded postpaid phone churn would have been 18 basis points lower at 1.09%.

Average Revenue Per User, Average Billings Per User

ARPU represents the average monthly service revenue earned from customers. We believe ARPU provides management, investors and analysts with useful information to assess and evaluate our service revenue realization per customer and assist in forecasting our future service revenues generated from our customer base. Branded postpaid phone ARPU excludes mobile broadband customers and related revenues.

Average Billings Per User (“ABPU”) represents the average monthly customer billings, including monthly lease revenues and EIP billings, per customer. We believe branded postpaid ABPU provides management, investors and analysts with useful information to evaluate average branded postpaid customer billings as it is indicative of estimated cash collections, including device financing payments, from our customers each month.

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The following tables illustrate the calculation of ARPU and ABPU and reconcile these measures to the related service revenues, which we consider to be the most directly comparable GAAP financial measure to ARPU and ABPU:

(in millions, except average number of customers, ARPU and ABPU)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	#	%	2016	2015	#	%
Calculation of Branded Postpaid Phone ARPU								
Branded postpaid service revenues	\$ 4,509	\$ 4,075	\$ 434	11 %	\$ 8,811	\$ 7,849	\$ 962	12 %
Less: Branded postpaid mobile broadband revenues	(193)	(135)	(58)	43 %	(375)	(244)	(131)	54 %
Branded postpaid phone service revenues	\$ 4,316	\$ 3,940	\$ 376	10 %	\$ 8,436	\$ 7,605	\$ 831	11 %
Divided by: Average number of branded postpaid phone customers (in thousands) and number of months in period	30,537	27,250	3,287	12 %	30,128	26,781	3,347	12 %
Branded postpaid phone ARPU	\$ 47.11	\$ 48.19	\$ (1.08)	(2)%	\$ 46.67	\$ 47.33	\$ (0.66)	(1)%
Calculation of Branded Postpaid ABPU								
Branded postpaid service revenues	\$ 4,509	\$ 4,075	\$ 434	11 %	\$ 8,811	\$ 7,849	\$ 962	12 %
EIP billings	1,344	1,393	(49)	(4)%	2,668	2,685	(17)	(1)%
Lease revenues	367	—	367	NM	709	—	709	NM
Total billings for branded postpaid customers	\$ 6,220	\$ 5,468	\$ 752	14 %	\$ 12,188	\$ 10,534	\$ 1,654	16 %
Divided by: Average number of branded postpaid customers (in thousands) and number of months in period	33,125	28,797	4,328	15 %	32,633	28,257	4,376	15 %
Branded postpaid ABPU	\$ 62.59	\$ 63.29	\$ (0.70)	(1)%	\$ 62.25	\$ 62.14	\$ 0.11	NM
Calculation of Branded Prepaid ARPU								
Branded prepaid service revenues	\$ 2,119	\$ 1,861	\$ 258	14 %	\$ 4,144	\$ 3,703	\$ 441	12 %
Divided by: Average number of branded prepaid customers (in thousands) and number of months in period	18,662	16,396	2,266	14 %	18,312	16,317	1,995	12 %
Branded prepaid ARPU	\$ 37.86	\$ 37.83	\$ 0.03	NM	\$ 37.72	\$ 37.82	\$ (0.10)	NM

NM – Not Meaningful

Branded postpaid phone ARPU decreased \$1.08, or 2%, for the three months ended and \$0.66, or 1%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to an increase in the non-cash net revenue deferrals for Data Stash, dilution from the continued growth of customers on promotions targeting families, and Un-carrier initiatives. The decreases were partially offset by continued growth of our insurance programs and higher and data attach rates as well as higher regulatory program revenues for the six months ended June 30, 2016.

Branded postpaid ABPU decreased \$0.70, or 1%, for the three months ended and increased \$0.11 for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to lower branded postpaid phone ARPU, as described above, and lower EIP billings, partially offset by increases in lease revenues. The decreases in EIP billings were primarily due to promotions for devices and the impact of our JUMP! On Demand program launched at the end of the second quarter of 2015.

Branded prepaid ARPU increased \$0.03 for the three months ended and decreased \$0.10 for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to dilution from growth of customers on rate plan promotions, partially offset by higher data attach rates.

Adjusted EBITDA

Adjusted EBITDA represents earnings before interest expense (net of interest income), tax, depreciation, amortization, stock-based compensation and expenses not reflective of T-Mobile's operating performance. Adjusted EBITDA margin represents Adjusted EBITDA divided by service revenues.

Adjusted EBITDA is a non-GAAP financial measure utilized by our management to monitor the financial performance of our operations. We use Adjusted EBITDA internally as a metric to evaluate and compensate our personnel and management for their performance, and as a benchmark to evaluate our operating performance in comparison to our competitors. Management believes analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate overall operating performance and facilitate comparisons with other wireless communications companies because it is more indicative of our ongoing performance

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and trends by excluding certain expenses which are either nonrecurring or may not be indicative of our directly controllable operating results. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for income from operations, net income or any other measure of financial performance reported in accordance with GAAP.

The following table illustrates the calculation of Adjusted EBITDA and reconciles Adjusted EBITDA to net income, which we consider to be the most directly comparable GAAP financial measure:

(in millions)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
Net income	\$ 225	\$ 361	\$ (136)	(38)%	\$ 704	\$ 298	\$ 406	NM
Adjustments:								
Interest expense	368	257	111	43 %	707	518	189	36 %
Interest expense to affiliates	93	92	1	1 %	172	156	16	10 %
Interest income	(68)	(114)	46	(40)%	(136)	(226)	90	(40)%
Other expense (income), net	3	(1)	4	NM	5	7	(2)	(29)%
Income tax expense (benefit)	147	2	145	NM	419	(39)	458	NM
Operating income	768	597	171	29 %	1,871	714	1,157	NM
Depreciation and amortization	1,575	1,075	500	47 %	3,127	2,162	965	45 %
Cost of MetroPCS business combination	59	34	25	74 %	95	162	(67)	(41)%
Stock-based compensation ⁽¹⁾	61	71	(10)	(14)%	114	127	(13)	(10)%
Other, net	1	40	(39)	(98)%	6	40	(34)	(85)%
Adjusted EBITDA	\$ 2,464	\$ 1,817	\$ 647	36 %	\$ 5,213	\$ 3,205	\$ 2,008	63 %
Adjusted EBITDA margin	36%	30%	NM	600 bps	39%	27%	NM	1,200 bps

NM – Not Meaningful

(1) Stock-based compensation includes payroll tax impacts and may not agree to stock-based compensation expense in the condensed consolidated financial statements.

Adjusted EBITDA increased \$647 million, or 36%, for the three months ended and \$2.0 billion, or 63%, for the six months ended June 30, 2016, compared to the same periods in 2015, primarily due to the following:

- Increased branded postpaid and prepaid revenues primarily due to strong customer response to our Un-carrier initiatives and the ongoing success of our promotional activities;
- A gain of \$636 million from a spectrum license transaction during the first quarter of 2016, compared to \$23 million during the second quarter of 2015;
- Lower losses on equipment primarily due to the impact of customers leasing devices with JUMP! On Demand, as the costs of leased devices, which are capitalized and depreciated over the lease term, are excluded from Adjusted EBITDA. In connection with JUMP! On Demand, we had lease revenues of \$367 million and \$709 million for the three and six months ended June 30, 2016, respectively, and depreciation expense of \$397 million and \$800 million related to leased wireless devices for the three and six months ended June 30, 2016, respectively; and
- Focused cost control and synergies realized from the MetroPCS business combination, especially in cost of services; partially offset by
- Higher selling, general and administrative expenses primarily attributable to strategic investments to support our growing customer base, including higher employee-related costs, higher commissions driven by an increase in branded customer additions and promotions, and higher promotional costs.

Free Cash Flow

Free Cash Flow represents net cash provided by operating activities less payments for purchases of property and equipment. Free Cash Flow is a non-GAAP financial measure utilized by our management, investors and analysts of T-Mobile's financial information to evaluate cash available to pay debt and provide further investment in the business.

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The following table illustrates the calculation of Free Cash Flow and reconciles Free Cash Flow to Net cash provided by operating activities, which we consider to be the most directly comparable GAAP financial measure:

(in millions)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
Net cash provided by operating activities	\$ 1,768	\$ 1,161	\$ 607	52%	\$ 2,793	\$ 1,650	\$ 1,143	69%
Cash purchases of property and equipment	(1,349)	(1,191)	(158)	13%	(2,684)	(2,173)	(511)	24%
Free Cash Flow	\$ 419	\$ (30)	\$ 449	NM	\$ 109	\$ (523)	\$ 632	NM

NM – Not Meaningful

Free Cash Flow increased \$449 million for the three months ended and \$632 million for the six months ended June 30, 2016, compared to the same periods in 2015. These increases were primarily due to higher net cash provided by operating activities, partially offset by higher purchases of property and equipment from the build-out of our LTE network. See Liquidity and Capital Resources for further information.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents and cash generated from operations, proceeds from issuance of long-term debt, capital leases, common and preferred stock, the sale of certain receivables, financing arrangements of vendor payables which effectively extend payment terms and an unsecured revolving credit facility with Deutsche Telekom.

Cash Flows

The following is an analysis of our year-to-date cash flows:

(in millions)	Six Months Ended June 30,		Change	
	2016	2015	\$	%
Net cash provided by operating activities	\$ 2,793	\$ 1,650	\$ 1,143	69%
Net cash used in investing activities	(2,527)	(4,029)	1,502	37%
Net cash provided by (used in) financing activities	690	(294)	984	NM

NM – Not Meaningful

Operating Activities

Cash provided by operating activities increased \$1.1 billion, or 69%, primarily due to the following:

- \$800 million reduction in net non-cash income and expenses included in net income primarily due to changes in Depreciation and amortization, Gains on disposal of spectrum licenses and Deferred income tax expense (benefit); and
- \$406 million increase in net income; partially offset by
- \$63 million decrease in net cash outflows from changes in working capital primarily due to changes in Equipment installment plan receivables, including inflows from the EIP sale arrangement funding increase, Inventories, Accounts payable and accrued liabilities and Other current and long-term liabilities.

Investing Activities

Cash used in investing activities increased \$1.5 billion, or 37%, primarily due to the following:

- \$3.0 billion in sales of short-term investments; partially offset by
- \$2.8 billion for the purchase of spectrum licenses and other intangible assets, including \$2.2 billion made to a third party in connection with a potential asset purchase; partially offset by
- \$2.7 billion for the purchase of property and equipment primarily related to the build out of our LTE network.

Financing Activities

Cash provided by financing activities increased \$984 million primarily due to net proceeds of \$997 million from the issuance of long-term debt, offset by repayments of short-term debt for purchases of inventory, property and equipment, net and

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repayments of capital lease obligations.

Cash and Cash Equivalents

As of June 30, 2016, our cash and cash equivalents were \$5.5 billion.

Debt

As of June 30, 2016, our total debt was \$27.4 billion, excluding our tower obligations, of which \$27.2 billion was classified as long-term debt. Significant debt-related activity during 2016 included:

- In March 2016, T-Mobile USA, Inc. (“T-Mobile USA”), a subsidiary of T-Mobile US, Inc., and certain of its affiliates, as guarantors, entered into a purchase agreement with Deutsche Telekom AG (“Deutsche Telekom”), our majority stockholder, under which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom \$2.0 billion of 5.300% Senior Notes due 2021 (the “5.300% Senior Notes”) for an aggregate purchase price of \$2.0 billion. If T-Mobile USA does not elect to issue the 5.300% Senior Notes on or prior to November 30, 2016, the commitment under the purchase agreement terminates and T-Mobile USA must reimburse Deutsche Telekom for the cost of its hedging arrangements (if any) related to the transaction.
- In April 2016, T-Mobile USA issued \$1.0 billion of public 6.000% Senior Notes due 2024.
- In April 2016, T-Mobile USA entered into a purchase agreement with Deutsche Telekom, under which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom up to \$1.35 billion of 6.000% Senior Notes due 2024 and (iii) entered into another purchase agreement with Deutsche Telekom, under which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom up to an additional \$650 million of 6.000% Senior Notes due 2024.
- The purchase price for the 6.000% Senior Notes that may be issued under the \$1.35 billion purchase agreement will be approximately 103.316% of the outstanding principal balance of the notes issued. If T-Mobile USA does not elect to issue the 6.000% Senior Notes under the \$1.35 billion purchase agreement on or prior to November 5, 2016 or elects to issue less than \$1.35 billion of 6.000% Senior Notes, any unused portion of the commitment under the purchase agreement terminates and T-Mobile USA must reimburse Deutsche Telekom for the cost of its hedging arrangements (if any) related to the transaction.
- In April 2016, T-Mobile USA entered into another purchase agreement with Deutsche Telekom, in which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom up to an additional \$650 million of 6.000% Senior Notes due 2024. The purchase price for the 6.000% Senior Notes that may be issued under the \$650 million purchase agreement will be approximately 104.047% of the outstanding principal balance of the notes issued. If T-Mobile USA does not elect to issue the 6.000% Senior Notes under the \$650 million purchase agreement on or prior to November 5, 2016 or elects to issue less than \$650 million Senior Notes, any unused portion of the commitment under the purchase agreement terminates and T-Mobile USA must reimburse Deutsche Telekom for the cost of its hedging arrangements (if any) related to the transaction.
- We have entered into uncommitted capital lease facilities with certain partners, which provide us with the ability to enter into capital leases for network equipment and services. As of June 30, 2016, we have committed to \$762 million of capital leases under these capital lease facilities, of which \$295 million was executed during the six months ended June 30, 2016. We expect to enter into an additional \$505 million in capital lease commitments during 2016.
- As of June 30, 2016, there was no outstanding balance on our unsecured revolving credit facility with Deutsche Telekom that allows for up to \$500 million in borrowings.

See Note 2 – Significant Transactions of the Notes to the Condensed Consolidated Financial Statements for additional details.

We could seek additional sources of liquidity, including through the issuance of additional long-term debt in 2016, to continue to opportunistically acquire spectrum licenses in private party transactions and future FCC spectrum license auctions, including the broadcast incentive auction in 2016, or for the refinancing of existing long-term debt on an opportunistic basis. Excluding any additional liquidity needed to acquire spectrum, we expect our principal sources of funding to be sufficient to meet our anticipated liquidity requirements in the next 12 months and intend to use our principal sources of funding for general corporate purposes, including capital investments other than spectrum licenses, and enhancing our financial flexibility.

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We determine future liquidity requirements, for both operations and capital expenditures, based in large part upon projected financial and operating performance, and opportunities to acquire additional spectrum. We regularly review and update these projections for changes in current and projected financial and operating results, general economic conditions, the competitive landscape and other factors. There are a number of risks and uncertainties that could cause our financial and operating results and capital requirements to differ materially from our projections, which could cause future liquidity to differ materially from our assessment.

The indentures and credit facilities governing our long-term debt to affiliates and third parties, excluding capital leases, contain covenants that, among other things, limit the ability of the Issuer and the Guarantor Subsidiaries to: incur more debt; pay dividends and make distributions on our common stock; make certain investments; repurchase stock; create liens or other encumbrances; enter into transactions with affiliates; enter into transactions that restrict dividends or distributions from subsidiaries; and merge, consolidate, or sell, or otherwise dispose of, substantially all of their assets. Certain provisions of each of the credit facilities, indentures and supplemental indentures relating to the long-term debt to affiliates and third parties restrict the ability of the Issuer to loan funds or make payments to the Parent. However, the Issuer is allowed to make certain permitted payments to the Parent under the terms of each of the credit facilities, indentures and supplemental indentures relating to the long-term debt to affiliates and third parties. We were in compliance with all restrictive debt covenants as of June 30, 2016.

Capital Expenditures

Our liquidity requirements have been driven primarily by capital expenditures for spectrum licenses and the construction, expansion and upgrading of our network infrastructure. Property and equipment capital expenditures primarily relate to our network modernization, including the build out of LTE 700 MHz A-Block spectrum licenses. We expect cash capital expenditures for property and equipment to be in the range of \$4.5 billion to \$4.8 billion in 2016. This does not include property and equipment obtained through capital lease agreements, leased wireless devices transferred from inventory or purchases of spectrum licenses.

Contractual Obligations

The following table summarizes our contractual obligations and borrowings as of June 30, 2016 and the timing and effect that such commitments are expected to have on our liquidity and capital requirements in future periods:

(in millions)	Less Than 1 Year	1 - 3 Years	4 - 5 Years	More Than 5 Years	Total
Long-term debt ⁽¹⁾	\$ 20	\$ 3,040	\$ 7,790	\$ 15,340	\$ 26,190
Interest on long-term debt	1,682	3,363	2,829	2,410	10,284
Capital lease obligations, including interest	279	474	218	239	1,210
Tower obligations ⁽²⁾	180	360	362	1,227	2,129
Operating leases	2,449	4,360	3,555	5,508	15,872
Purchase obligations ⁽³⁾	4,577	1,785	1,333	1,119	8,814
Network decommissioning ⁽⁴⁾	115	195	99	64	473
Total contractual obligations	\$ 9,302	\$ 13,577	\$ 16,186	\$ 25,907	\$ 64,972

- (1) Represents principal amounts of long-term debt to affiliates and third parties at maturity, excluding unamortized premium from purchase price allocation fair value adjustment, capital lease obligations and vendor financing arrangements.
- (2) Future minimum payments, including principal and interest payments and imputed lease rental income, related to the tower obligations.
- (3) T-Mobile calculated the minimum obligation for certain agreements to purchase goods or services based on termination fees that can be paid to exit the contract. Termination penalties are included in the above table as payments due in less than one year, as this is the earliest T-Mobile could exit these contracts. For certain contracts that include fixed volume purchase commitments and fixed prices for various products, the purchase obligations are calculated using fixed volumes and contractually fixed prices for the products that are expected to be purchased. This table does not include open purchase orders as of June 30, 2016 under normal business purposes.
- (4) Represents future undiscounted cash flows related to decommissioned MetroPCS CDMA network and certain other redundant cell sites as of June 30, 2016.

Certain commitments and obligations are included in the table based on the year of required payment or an estimate of the year of payment. Other long-term liabilities, excluding network decommissioning, have been omitted from the table above due to the uncertainty of the timing of payments, combined with the absence of historical trending to be used as a predictor of such payments. In addition, because dividends on preferred stock are subject to approval by our Board of Directors, amounts are not included in the preceding table unless such authorization has occurred and the dividend has not been paid.

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The purchase obligations reflected in the table above are primarily commitments to purchase handsets and accessories, equipment, software, programming and network services, and marketing activities, which will be used or sold in the ordinary course of business. These amounts do not represent T-Mobile's entire anticipated purchases in the future, but represent only those items for which T-Mobile is contractually committed. Where T-Mobile is committed to make a minimum payment to the supplier regardless of whether it takes delivery, T-Mobile has included only that minimum payment as a purchase obligation. Additionally, included within purchase obligations are amounts for the acquisition of spectrum licenses, which are subject to regulatory approval and other customary closing conditions.

Spectrum License Agreement

In May 2016, we entered into an agreement with a third party for the purchase of certain spectrum licenses covering approximately 11 million people for approximately \$420 million. The transaction is expected to close in the fourth quarter of 2016, subject to regulatory approval and other customary closing conditions.

Off-Balance Sheet Arrangements

In 2015, we entered into an arrangement, as amended, to sell certain EIP accounts receivable on a revolving basis through November 2017 as an additional source of liquidity. In June 2016, the arrangement was amended to increase the maximum funding commitment to \$1.3 billion with a scheduled expiration date in November 2017. In 2014, we entered into an arrangement, as amended, to sell certain service accounts receivable on a revolving basis through March 2017 as an additional source of liquidity. As of June 30, 2016, T-Mobile derecognized net receivables of \$2.4 billion upon sale through these arrangements. See Note 3 – Sales of Certain Receivables of the Notes to the Condensed Consolidated Financial Statements.

Related-Party Transactions

In March 2016, T-Mobile USA entered into a purchase agreement with Deutsche Telekom under which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom \$2.0 billion of 5.300% Senior Notes due 2021 for an aggregate purchase price of \$2.0 billion.

In April 2016, T-Mobile USA entered into a purchase agreement with Deutsche Telekom under which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom up to \$1.35 billion of 6.000% Senior Notes due 2024. The purchase price for the 6.000% Senior Notes that may be issued under the \$1.35 billion purchase agreement will be approximately 103.316% of the outstanding principal balance of the notes issued.

In April 2016, T-Mobile USA entered into a purchase agreement with Deutsche Telekom under which T-Mobile USA may, at its option, issue and sell to Deutsche Telekom up to \$650 million of 6.000% Senior Notes due 2024. The purchase price for the 6.000% Senior Notes that may be issued under the \$650 million purchase agreement will be approximately 104.047% of the outstanding principal balance of the notes issued.

See Note 2 – Significant Transactions of the Notes to the Condensed Consolidated Financial Statements.

Disclosure of Iranian Activities under Section 13(r) of the Securities Exchange Act of 1934

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Exchange Act of 1934, as amended ("Exchange Act"). Section 13(r) requires an issuer to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with designated natural persons or entities involved in terrorism or the proliferation of weapons of mass destruction. Disclosure is required even where the activities, transactions or dealings are conducted outside the U.S. by non-U.S. affiliates in compliance with applicable law, and whether or not the activities are sanctionable under U.S. law.

As of the date of this report, we are not aware of any activity, transaction or dealing by us or any of our affiliates for the three months ended June 30, 2016 that requires disclosure in this report under Section 13(r) of the Exchange Act, except as set forth below with respect to affiliates that we do not control and that are our affiliates solely due to their common control with Deutsche Telekom. We have relied upon Deutsche Telekom for information regarding their activities, transactions and dealings.

Deutsche Telekom, through certain of its non-U.S. subsidiaries, is party to roaming and interconnect agreements with the following mobile and fixed line telecommunication providers in Iran, some of which are or may be government-controlled

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entities: Gostaresh Ertebatat Taliya, Irancell Telecommunications Services Company (“MTN Irancell”), Telecommunication Kish Company, Mobile Telecommunication Company of Iran, and Telecommunication Infrastructure Company of Iran. For the three months ended June 30, 2016, gross revenues of all Deutsche Telekom affiliates generated by roaming and interconnection traffic with Iran were less than \$1.0 million and estimated net profits were less than \$1.0 million.

In addition, Deutsche Telekom, through certain of its non-U.S. subsidiaries, operating a fixed line network in their respective European home countries (in particular Germany), provides telecommunications services in the ordinary course of business to the Embassy of Iran in those European countries. Gross revenues and net profits recorded from these activities for the three months ended June 30, 2016 were less than \$0.1 million. We understand that Deutsche Telekom intends to continue these activities.

Critical Accounting Policies and Estimates

Preparation of our consolidated financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues and expenses, as well as related disclosure of contingent assets and liabilities. There have been no material changes to the critical accounting policies and estimates as previously disclosed in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2015.

Recently Issued Accounting Standards

See Note 1 – Basis of Presentation of the Notes to the Condensed Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the interest rate risk as previously disclosed in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2015.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure information required to be disclosed in our periodic reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Our disclosure controls are also designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this report.

The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits 31.1 and 31.2, respectively, to this Form 10-Q.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act, during our most recently completed fiscal quarter that materially affected or are reasonably likely to materially affect internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 7 – Commitments and Contingencies of the Notes to the Condensed Consolidated Financial Statements.

Item 1A. Risk Factors

There have been no material changes in our risk factors as previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
4.1	Twenty-First Supplemental Indenture, dated as of April 1, 2016, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 6.000% Senior Note due 2024.	8-K	4/1/2016	4.1	
10.1	Purchase Agreement, dated as of April 25, 2016, among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Telekom AG.	8-K	4/26/2016	1.1	
10.2	Purchase Agreement, dated as of April 29, 2016, among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Telekom AG.	8-K	4/29/2016	1.1	
10.3	Amended and Restated Receivables Sale Agreement, dated as of June 6, 2016, by and between T-Mobile Financial LLC, as seller, and T-Mobile Handset Funding LLC, as purchaser.	8-K	6/8/2016	10.1	
10.4	Amended and Restated Receivables Purchase and Administration Agreement, dated as of June 6, 2016, among T-Mobile Handset Funding LLC, as transferor, T-Mobile Financial LLC, as servicer, T-Mobile US, Inc., as performance guarantor, Royal Bank of Canada, as administrative agent, and certain financial institutions party thereto from time to time.	8-K	6/8/2016	10.2	
10.5	First Amended and Restated Master Receivables Purchase Agreement, dated as of June 6, 2016, among T-Mobile Airtime Funding LLC, as funding seller, Billing Gate One LLC, as purchaser, Landesbank Hessen-Thüringen Girozentrale, as bank purchasing agent, the Bank of Tokyo-Mitsubishi UFJ, Ltd., Düsseldorf Branch, as bank collections agent, T-Mobile PCS Holdings LLC, as servicer, and T-Mobile US, Inc., as performance guarantor.				X
10.6*	Amended Director Compensation Program effective as of May 1, 2013 (amended June 4, 2014 and further amended on June 1, 2015 and June 16, 2016).				X
31.1	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1**	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2**	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	XBRL Instance Document.				X
101.SCH	XBRL Taxonomy Extension Schema Document.				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.				X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.				X

* Indicates management contract or compensatory plan or arrangement.

** Furnished herein.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

T-MOBILE US, INC.

July 27, 2016

/s/ J. Braxton Carter

J. Braxton Carter
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

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Section 2: EX-10.5 (TMUS EXHIBIT 10.5)

EXHIBIT 10.5

EXECUTION COPY

DATED AS OF JUNE 6, 2016

T-MOBILE AIRTIME FUNDING LLC

as Funding Seller

BILLING GATE ONE LLC

as Purchaser

LANDESBANK HESSEN-THÜRINGEN Girozentrale

as Bank Purchasing Agent

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., DÜSSELDORF BRANCH

as Bank Collections Agent

T-MOBILE PCS HOLDINGS LLC

as Servicer

and

T-MOBILE US, INC.

as Performance Guarantor

**FIRST AMENDED AND RESTATED
MASTER RECEIVABLES PURCHASE AGREEMENT**

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THIS FIRST AMENDED AND RESTATED MASTER RECEIVABLES PURCHASE AGREEMENT (this “**Agreement**”) is dated as of June 6, 2016 (the “**June 2016 Amendment Signing Date**”), and made

AMONG:

- (1) **T-Mobile Airtime Funding LLC**, a limited liability company organized under the laws of the State of Delaware, with its principal place of business at 12920 SE 38th Street, Bellevue, Washington, USA 98006 (“**T-Mobile Funding**” or the “**Funding Seller**”);
- (2) **Billing Gate One LLC**, a limited liability company organized under the laws of the State of Delaware, with its principal place of business at 919 N. Market Street, Suite 1600, Wilmington, Delaware, USA 19801 (the “**Purchaser**”);
- (3) **Landesbank Hessen-Thüringen Girozentrale**, a public law corporation incorporated under the laws of Germany, registered in the commercial register kept at the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRA 29821 and the local court (*Amtsgericht*) of Jena under registration number HRA 102181, with its business address at Neue Mainzer Straße 52-58, 60311 Frankfurt am Main, Germany (“**Helaba**” or the “**Bank Purchasing Agent**” and a “**Co-Agent**”);
- (4) **The Bank of Tokyo-Mitsubishi UFJ, Ltd., Düsseldorf branch**, a bank incorporated under the laws of Japan, operating through its Düsseldorf Branch, which is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under registration number HRB 34094, with its seat at Breite Straße 34, 40213 Düsseldorf, Germany (“**BTMU**” or the “**Bank Collections Agent**” and a “**Co-Agent**”);
- (5) **T-Mobile PCS Holdings LLC**, a Delaware limited liability company, with its business address at 12920 SE 38th Street, Bellevue, Washington, USA 98006, as Servicer (“**T-Mobile PCS Holdings**” or the “**Servicer**”); and
- (6) **T-Mobile US, Inc.**, a Delaware corporation, with its business address at 12920 SE 38th Street, Bellevue, Washington, USA 98006 (the “**Performance Guarantor**” or “**TMUS**”).

PREAMBLE

- (A) On or about February 26, 2014 (the “**Original Signing Date**”):
 - (i) T-Mobile PCS Holdings and the Originators entered into a receivables sale and conveyancing agreement, as amended from time to time (the “**Conveyancing Agreement**”), pursuant to which T-Mobile PCS Holdings (in such capacity, the “**Initial Purchaser**”) agreed to purchase Receivables and Related Rights from the Originators, and the Originators have agreed to sell certain Receivables and Related Rights to the Initial Purchaser;
 - (ii) T-Mobile Funding and the Initial Purchaser entered into a receivables sale and contribution agreement, as amended from time to time (the “**Contribution Agreement**”), pursuant to which T-Mobile Funding agreed to purchase Receivables and Related Rights from the Initial Purchaser, and the Initial Purchaser agreed to sell or contribute Receivables and Related

Rights to T-Mobile Funding that the Initial Purchaser has acquired pursuant to the Conveyancing Agreement;

- (iii) in order to enable the Funding Seller to purchase such Receivables and Related Rights from the Initial Purchaser pursuant to the Contribution Agreement, the Funding Seller and the Purchaser entered into the Master Receivables Purchase Agreement, as amended from time to time (the “**Master Receivables Purchase Agreement**”), pursuant to which the Funding Seller sold to the Purchaser, and the Purchaser purchased from the Funding Seller, the Receivables and Related Rights that the Funding Seller had acquired pursuant to the Contribution Agreement;
 - (iv) in order to enable the Purchaser to purchase the Receivables and Related Rights from the Funding Seller pursuant to the Master Receivables Purchase Agreement, the Bank Purchasing Agent, the Bank Purchasers and the Purchaser entered into the Onward Receivables Purchase Agreement (as amended and restated on the June 2016 Amendment Signing Date and as otherwise amended, restated, supplemented or otherwise modified from time to time, the “**Onward Receivables Purchase Agreement**”), pursuant to which the Purchaser agreed to sell to the Bank Purchasers, and the Bank Purchasers agreed to purchase from the Purchaser, undivided percentage ownership interests in such Receivables and Related Rights;
 - (v) Helaba was requested and was willing to act as Bank Purchasing Agent on behalf of the Bank Purchasers and their assigns in accordance with the terms of the Onward Receivables Purchase Agreement;
 - (vi) T-Mobile PCS Holdings was requested, and was willing, to act as the Servicer in accordance with the terms of the Master Receivables Purchase Agreement; and
 - (vii) in order to induce the Purchaser to enter into the Master Receivables Purchase Agreement, the Performance Guarantor agreed to guaranty certain of the obligations of the Servicer, the Initial Purchaser and the Originators under the Transaction Documents.
- (B) On the June 2016 Amendment Signing Date, BTMU has been requested and is willing to act as Bank Collections Agent on behalf of the Bank Purchasers and their assigns in accordance with the terms of the Onward Receivables Purchase Agreement.
- (C) The parties hereto desire to amend, restate and replace the Master Receivables Purchase Agreement in its entirety as provided herein.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 DEFINITIONS

In this Agreement (including recitals hereto):

“Account Bank Required Rating” means a short-term debt rating of at least A-1 by S&P and at least P-1 by Moody’s.

“Account Control Agreement” means the agreement dated on or about the Original Signing Date, as amended and restated on the June 2016 Amendment Effective Date and as otherwise amended, restated, supplemented or otherwise modified from time to time, among the Bank Collections Agent, the Bank Purchasing Agent, the Purchaser, the Funding Seller and the Collection Account Bank entered into to perfect the security interest of the Bank Purchasing Agent and the Purchaser in the Collection Account.

“Accrual Period” means (A) initially, the period beginning on the Closing Date and ending on the first Settlement Date and (B) the period beginning on any Settlement Date and ending on the subsequent Settlement Date.

“Administration Fee” means the amount set forth in the applicable Fee Letter.

“Adverse Claim” means a lien, security interest, trust, mortgage, hypothecation, charge, floating charge, pledge, assignment, deposit arrangement, easement, right of way, or any promise or irrevocable mandate or other encumbrance (including any lien by attachment, conditional sale, capital lease, retention of title, and any form of extended retention of title), or other right, claim, preference, priority, or other preferential arrangement in the nature of a security interest of any kind or nature whatsoever under the laws of any jurisdiction in, of or on any asset or property of a Person (including any UCC financing statement or any similar instrument of any jurisdiction filed against such Person, its assets or properties) and any financing lease having substantially the same economic effect as any of the foregoing.

“Affiliate” means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or is a director or officer of such Person.

“Aged Receivable” means a Purchased Receivable (other than a Written-Off Receivable) that has not been paid in full by the related Obligor more than 120 days after its original Due Date.

“Aged Receivables Ratio” means, for any Settlement Date, a fraction, expressed as a percentage, the numerator of which is the aggregate Outstanding Balance of all Receivables that first became Aged Receivables or Written-Off Receivables during the most recently ended Collection Period, and the denominator of which is the Settlement Date Receivables Balance for the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been the Closing Date Receivables Balance).

“Aged Receivables Write-Off Amount” shall have the meaning specified in Section 5.3

“Aggregate Level 3 Excess Loss Sharing Payment Amount” shall have the meaning specified in Section 5.3.

“Aggregate Level 3 Loss Sharing Payment Amount” shall have the meaning specified in Section 5.3.

“Agreement” shall have the meaning specified in the preamble hereto. For the avoidance of doubt, this “Agreement” shall include the Performance Guarantee.

“Allocated Write-Off Amount” means, with respect to each Batch, for each Settlement Date, the aggregate amount of Write-Offs that occurred with respect to the Purchased Receivables included in such Batch during the most recently ended Collection Period.

“Bank Collections Agent” has the meaning specified in the preamble hereto.

“Bank Purchaser” shall mean each of (A) Helaba and BTMU, in their respective capacities as a “Bank Purchaser” under the Onward Receivables Purchase Agreement, and (B) any other Person that becomes party to the Onward Receivables Purchase Agreement as a “Bank Purchaser” in accordance with the terms thereof.

“Bank Purchasing Agent” means Helaba in its capacity as Bank Purchasing Agent under the Onward Receivables Purchase Agreement.

“Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. §§ 101 et seq.

“Bankruptcy Event” means, for any Person, any of the following events:

- (a) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or any substantial part of its assets, or any similar action with respect to such Person under the Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and, except in the case of the Funding Seller, such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of 60 days; or an order for relief in respect of such Person shall be entered in an involuntary case under the Bankruptcy Code or other similar laws now or hereafter in effect; or
- (b) such Person shall commence a voluntary case or other proceeding under the Bankruptcy Code or any other applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestration or the like, for such Person or any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due; or
- (c) such Person shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors or file a notice of intention to make a proposal to some or all of its creditors.

“Batch” refers to the Closing Date Batch or any Collection Period Batch.

“Batch Receivables Amount” means the aggregate Nominal Value of all of the Purchased Receivables that belong to such Batch as at their respective Purchase Dates.

“Billing Gate One Trust” means Billing Gate One Trust, a Delaware statutory trust.

“Bloomberg Screen” means the display which appears on the Bloomberg page “USOOO1M” (or such other page as may replace that page on that service).

“BTMU” has the meaning specified in the recitation preceding the preamble hereto.

“Business Day” means a day (other than a Saturday or Sunday) on which banks in Düsseldorf, Germany; Frankfurt am Main, Germany; London, England, U.K.; New York City, New York, U.S.A.; Seattle, Washington, U.S.A.; Wilmington, Delaware, U.S.A.; and the Collection Account Bank are open for business.

“CCPC” means, with respect to a Receivable, the Cost Center Profit Center identified by the Servicer on its related books and records and collections systems.

“Change in Law” means (i) any change after the date of this Agreement in (a) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, or (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States (including the Federal Republic of Germany), including, in each case, transition rules, and any amendments to such regulations adopted prior to the date of this Agreement, or (ii) any adoption or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) or in the interpretation, promulgation, implementation or administration thereof after the date of this Agreement which affects the amount of capital required or expected to be maintained by any of the Purchasing Entities or any corporation controlling any of them. Notwithstanding the foregoing, for purposes of this Agreement, all requests, rules, guidelines or directives in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act shall be deemed to be a Change in Law regardless of the date enacted, adopted or issued and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States financial regulatory authorities shall be deemed to be a Change in Law regardless of the date adopted, issued, promulgated or implemented.

“Change of Control” means an event that shall be deemed to occur if Deutsche Telekom shall no longer (i) be the direct or indirect “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act, of more than 50% of the Voting Shares of TMUS (or any successor entity) or (ii) have the ability to elect a majority of the Board of Directors of TMUS (or any successor entity).

“Charges” means, with respect to an Obligor, the amounts billed to such Obligor as reflected on the corresponding Invoice.

“Clean-up Call” shall have the meaning specified in Section 11.9.

“Closing Cut-Off Date” means February 26, 2014, at 12:00 a.m., Pacific standard time.

“Closing Date” means March 3, 2014.

“Closing Date Batch” refers, in the aggregate, to all of the Receivables sold by the Funding Seller to the Purchaser on the Closing Date.

“Closing Date Deferred Purchase Price” means an amount equal to the sum of (i) the Closing Date Dilution Reserve Amount, (ii) the Closing Date Mandatory Repurchase Reserve Amount, and (iii) the Closing Date Yield Reserve Amount, (iv) the Closing Date Excess Funding Amount and (v) the Closing Date Level 4 Reserve Amount.

“Closing Date Dilution Reserve Amount” means an amount equal to the product of (i) the Closing Date Receivables Balance and (ii) the Dilution Discount Amount Percentage for the Closing Date.

“Closing Date Excess Funding Amount” means the amount (if any) by which the Closing Date Funded Amount would exceed the Funding Limit, after giving effect to the determination of the Closing Date Dilution Reserve Amount, the Closing Date Mandatory Repurchase Reserve Amount, the Closing Date Yield Reserve Amount and the Closing Date Level 4 Reserve Amount.

“Closing Date Funded Amount” means the amount that equals (A) the product of the Funding Advance Rate and the Closing Date Receivables Balance minus (B) the Closing Date Deferred Purchase Price.

“Closing Date Level 4 Reserve Amount” means the Level 4 Reserve Percentage multiplied by the Closing Date Receivables Balance.

“Closing Date Mandatory Repurchase Reserve Amount” means an amount equal to the product of (i) the Closing Date Receivables Balance and (ii) the Maximum Mandatory Repurchase Percentage on the Closing Date.

“Closing Date Receivables Balance” means an amount equal to the aggregate Outstanding Balance of all Purchased Receivables purchased by the Purchaser from the Funding Seller on the Closing Date, as of the close of business on the Closing Cut-Off Date.

“Closing Date Yield Reserve Amount” means an amount equal to \$3,000,000.

“Co-Agent” means each of the Bank Collections Agent and the Bank Purchasing Agent.

“Code” means the United States Internal Revenue Code of 1986, as amended from time to time (and any successor statute thereto), and the regulations promulgated and rulings issued thereunder. Section references to the Code are to the Code as in effect on the Closing Date, and any subsequent provisions of the Code, amendments thereto or substituted therefrom.

“Collections” means, with respect to any Purchased Receivable, any cash payments (or equivalent) made by or on behalf of the related Obligor with respect to such Purchased Receivable as a payment thereon and any other cash proceeds of such Purchased Receivables, including cash proceeds of Related Rights with respect to such Purchased Receivables.

“Collection Account” means the deposit account identified as the Collection Account in the Master Receivables Purchase Agreement Side Letter and any successor deposit account.

“**Collection Account Bank**” means the depository institution at which the Collection Account is maintained, which depository institution shall satisfy the Account Bank Required Rating.

“**Collection Period**” means (A) initially, the period beginning on the Closing Cut-Off Date and ending on March 31, 2014, and (B) each calendar month that shall occur thereafter.

“**Collection Period Batch**” refers, in the aggregate, to all of the Receivables (other than Receivables in the Closing Date Batch) that have been sold by the Funding Seller to the Purchaser within the same Collection Period, it being understood (for the avoidance of doubt) that each Collection Period in which Receivables are so sold shall give rise to a separate and distinct Batch.

“**Commingling Loss**” has the meaning set forth in Section 5.6.

“**Commitment**” has the meaning specified in the Onward Receivables Purchase Agreement.

“**Commitment Fee**” has the meaning specified in Section 4.1.

“**Commitment Fee Rate**” has the meaning specified in the applicable Fee Letter.

“**Competitor**” means any Person that is a telecommunications, internet or comparable service provider or otherwise a commercial competitor of the Performance Guarantor or one of its material Affiliates.

“**Confidential Information**” has the meaning specified in Section 12.1.

“**Consolidated Debt**” means, as of any date of determination, for the Performance Guarantor and its consolidated Subsidiaries, an amount equal to (a) the amount of long-term debt, plus (b) the amount of short-term debt, minus (c) cash and cash equivalents, each as of the end of the preceding calendar quarter, each as determined in accordance with GAAP and shown in the consolidated balance sheets of the Performance Guarantor as of such date.

“**Consolidated EBITDA**” means, (I) for any fiscal quarter ending after June 30, 2013, an amount equal to the Consolidated Net Income for such period plus (a) each of the following to the extent deducted in calculating such Consolidated Net Income: (i) interest expense (net of interest income) payable by the Performance Guarantor and its Subsidiaries for such period, (ii) the provision for Federal, state, local and foreign income taxes payable (including those deferred) by the Performance Guarantor and its Subsidiaries for such period, (iii) depreciation and amortization expenses of the Performance Guarantor and its Subsidiaries for such period, (iv) other deducted income and expenses, (v) expenses constituting stock-based compensation and (vi) other non-recurring expenses of the Performance Guarantor and its Subsidiaries reducing such Consolidated Net Income which are not reflective of ongoing operations and (II) for any periods prior to or ending on June 30, 2013, the pro-forma statements shown in the *Investor Quarterly* (3rd quarter 2013) as filed with the Securities and Exchange Commission on November 5, 2013, for the Performance Guarantor and its predecessor companies.

“**Consolidated Equity Ratio**” means, as of any date of determination, a fraction, expressed as a percentage, the numerator of which is (a) Consolidated Shareholders’ Equity and the denominator of which is (b) Consolidated Total Assets.

“Consolidated Leverage Ratio” means, as of any date of determination, a fraction, expressed as a percentage, the numerator of which is (a) Consolidated Debt as of such date and the denominator of which is (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended.

“Consolidated Net Income” means, for any fiscal quarter for the Performance Guarantor and its consolidated Subsidiaries, the net income of the Performance Guarantor and its consolidated Subsidiaries as of the end of such fiscal quarter, determined in the accordance with GAAP and shown in the consolidated statements of income of the Performance Guarantor and its consolidated Subsidiaries for such date.

“Consolidated Shareholders’ Equity” means, as of any date of determination, the stockholders’ equity of the Performance Guarantor and its consolidated Subsidiaries on a consolidated basis as of the end of the prior calendar quarter determined in accordance with GAAP and shown in the consolidated balance sheets of the Performance Guarantor as of such date.

“Consolidated Total Assets” means, as of any date of determination, the total assets of the Performance Guarantor and its consolidated Subsidiaries on a consolidated basis as of the end of the prior calendar quarter, determined in accordance with GAAP and shown in the consolidated balance sheets of the Performance Guarantor as of such date.

“Contract” means with respect to any Receivable, an agreement or arrangement pursuant to agreed upon terms and conditions between an Originator and any Obligor, pursuant to or under which such Obligor shall be obligated to pay for goods or services from time to time.

“Contribution Agreement” has the meaning specified in the Preamble hereto.

“Conveyancing Agreement” has the meaning specified in the Preamble hereto.

“Credit and Collection Policy” means, with respect to the Receivables and Related Rights, those policies and procedures of T-Mobile PCS Holdings (or one of its Affiliates) with respect to receivables credit, servicing, administering, originating and collection in effect as of the Closing Date and as modified from time to time in accordance with this Agreement.

“Debt” of any Person shall mean, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (iii) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (iv) all obligations of such Person issued or assumed as the deferred purchase price of property or services purchased by such Person (other than trade debt incurred in the ordinary course of business and due within twelve months of the incurrence thereof) which would appear as liabilities on a balance sheet of such Person, (v) all obligations of such Person under take-or-pay or similar arrangements or under commodities agreements, (vi) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Adverse Claim on, or payable out of the proceeds of production from, property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed; provided that for purposes hereof the amount of

such indebtedness shall be limited to the greater of (A) the amount of such indebtedness as to which there is recourse to such Person and (B) the fair market value of the property which is subject to the Adverse Claim, (vii) all guarantees of such Person, (viii) the principal portion of all obligations of such Person under capitalized leases, (ix) all obligations of such Person in respect of interest rate protection agreements, foreign currency exchange agreements, commodity purchase or option agreements or other interest or exchange rate or commodity price hedging agreements, (x) the maximum amount of all standby letters of credit issued or bankers' acceptances facilities created for the account of such Person and, without duplication, all drafts drawn thereunder (to the extent unreimbursed), (xi) all preferred stock issued by such Person and required by the terms thereof to be redeemed, or for which mandatory sinking fund payments are due by a fixed date, and (xii) the principal balance outstanding under any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product to which such Person is a party, where such transaction is considered borrowed money indebtedness for tax purposes. The Debt of any Person shall include the indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, but only to the extent to which there is recourse to such Person for payment of such indebtedness.

"Deferred Purchase Price" means, for each Settlement Date, the sum of (i) the Dilution Reserve Amount, (ii) the Mandatory Repurchase Reserve Amount, (iii) the Yield Reserve Amount, (iv) the Excess Funding Reserve Amount and (v) the Level 4 Reserve Amount, in each case, determined for such Settlement Date.

"Delinquency Ratio" means a fraction, expressed as a percentage, computed as of the last day of each Collection Period, the numerator of which is (a) the aggregate Outstanding Balance of all Purchased Receivables that were Delinquent Receivables as of the close of business on such day, and the denominator of which is (b) the Settlement Date Receivables Balance as of the Settlement Date immediately preceding such day (which, for purposes of the first Collection Period, shall be deemed to have been the Closing Date Receivables Balance).

"Delinquent Receivable" means a Purchased Receivable that is not an Aged Receivable and for which any payment, or part thereof, remains unpaid for more than 60 and less than 91 days from the original Due Date for such payment.

"Designated November 2014 Receivable" means a receivable originated by either of the November 2014 Joining Originators in November 2014 on or before the November 2014 Amendment Effective Date.

"Designated State" means the states referred to in paragraph (dd) of Annex 3, or such other states designated by the Servicer from time to time and consented to by the Bank Purchasing Agent.

"Designated SunCom Receivable" means a receivable originated by the January 2015 Joining Originator in November 2014, December 2014, or January 2015 on or before the January 2015 Amendment Effective Date.

"Deutsche Telekom" means Deutsche Telekom AG, a public law corporation incorporated under the laws of Germany.

“Dilutions” means, with respect to any Purchased Receivable, the aggregate amount of any reductions or adjustments in the Outstanding Balance of such Receivable as a result of any defective, rejected, returned, repossessed or foreclosed goods or services, any failure to provide services or any credit, rebate, sales allowance, discount or other adjustment or setoff.

“Dilution Discount Amount Percentage” means:

(A) for each Settlement Date other than the first Settlement Date, a percentage equal to the greater of (i) the Dilution Peak Ratio multiplied by (x) 1.1, if TMUS shall then be rated at least BB by S&P and Ba3 by Moody’s, or (y) 1.5, otherwise, and (ii) 8%; and

(B) for the Closing Date and the first Settlement Date, 15%.

“Dilution Peak Ratio” means, (A) for the second and third Settlement Dates, the highest Dilution Ratio after the first Settlement Date, (B) for the fourth to fifteenth Settlement Dates, the highest three-month rolling average of the Dilution Ratios since the second Settlement Date, and (C) for any other Settlement Date, a percentage equal to the highest three-month rolling average of the Dilution Ratio over the 12 immediately preceding Settlement Dates.

“Dilution Ratio” means, for any Settlement Date, a fraction, expressed as a percentage, the numerator of which is (a) the amount of Dilutions that occurred during the most recently ended Collection Period, and the denominator of which is (b) the aggregate Nominal Value of all Receivables sold to the Purchaser hereunder during the most recent Collection Period.

“Dilution Reserve Amount” means, (A) for each Settlement Date prior to the Facility Termination Date, an amount equal to the product of (i) the Settlement Date Receivables Balance on such Settlement Date and (ii) the Dilution Discount Amount Percentage for such Settlement Date, (B) for each Settlement Date on or following the Facility Termination Date on which the Funded Amount is greater than zero, an amount equal to the lesser of (i) the Dilution Reserve Payment Amount and (ii) (a) the Settlement Date Receivables Balance minus (b) the Mandatory Repurchase Reserve Amount, and (C) for each other Settlement Date, zero, provided that, following the Facility Termination Date, the Bank Purchasing Agent at any time may reduce the Dilution Reserve Amount and increase either or both of the Mandatory Repurchase Reserve Amount and the Yield Reserve Amount by a corresponding total amount, whereupon the Dilution Reserve Amount, the Mandatory Repurchase Reserve Amount and the Yield Reserve Amount shall be adjusted accordingly.

“Dilution Reserve Payment Amount” means, for each Settlement Date, the amount equal to the higher of (A) (i) the Dilution Reserve Amount for the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been the Closing Date Dilution Reserve Amount), minus (ii) the product of (a) the Funding Advance Rate, multiplied by (b) the aggregate amount of all Dilutions that occurred during the most recently ended Collection Period, and (B) zero.

“Discount” means, with respect to each Purchased Receivable, the Outstanding Balance of such Purchased Receivable on the related Purchase Date multiplied by the Discount Rate.

“Discount Ledger” means a book-entry ledger that shall be maintained by the Bank Purchasing Agent, in which the Bank Purchasing Agent shall record the Discount Ledger Balance in accordance with the terms of this Agreement.

“Discount Ledger Adjusted Balance” shall mean, for any Settlement Date, the amount equal to the sum of (A) the Discount Ledger Balance as of the end of the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been zero) plus (B) the aggregate of amounts that were required to have been added to the Discount Ledger Balance on such Settlement Date pursuant to Sections 2.7 and 5.4 hereof, which amount shall be determined by the Bank Purchasing Agent.

“Discount Ledger Balance” shall mean, as of any Settlement Date, the amount, which shall be determined by the Bank Purchasing Agent, equal to the following:

- (a) the Discount Ledger Adjusted Balance for such Settlement Date; minus
- (b) the sum of (i) the aggregate amount, if any, by which the Discount Ledger Balance is required to be reduced pursuant to Section 5.3(b)(ii) on such Settlement Date plus (ii) the aggregate amount, if any, payable by the Purchaser to the Funding Seller pursuant to Section 5.3(c)(ii) on such Settlement Date.

“Discount Rate” means (i) with respect to the Closing Date Batch and the Batches related to the first three consecutive Collection Periods following the Closing Cut-Off Date, 0.40%, (ii) with respect to the June 2014 Batch until the December 2015 Batch (inclusive), 0.05%, and (iii) with respect to the January 2016 Batch and all subsequent Batches thereafter, 0.40%, as such percentage may be adjusted from time to time in accordance with the terms hereof.

“DT Payment Guarantee” means a guarantee for the benefit of the Purchasing Entities, substantially in the form attached hereto as Annex 9.

“Due Date” means, with respect to any Receivable, the date on which such Receivable becomes due and payable pursuant to the corresponding Invoice.

“Eligible Receivable” means any Receivable that satisfies all of the criteria specified in Annex 3.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statutes.

“Excess Funding Amount” means, for each Settlement Date, the amount (if any) by which the Funded Amount would exceed the Funding Limit, after giving effect to the determination of the Dilution Reserve Amount, the Mandatory Repurchase Reserve Amount, the Yield Reserve Amount and the Level 4 Reserve Amount and the making of all payments, on such Settlement Date.

“Excess Funding Reserve Amount” means, (A) for each Settlement Date prior to the Facility Termination Date, an amount equal to the Excess Funding Amount for such Settlement Date or such higher amount as may be related to the Funding Seller’s request in accordance with Section 2.2, (B) for each Settlement Date on or following the Facility Termination Date on which the Funded Amount is greater than zero, an amount equal to the lesser of (i) the Excess Funding Reserve

Payment Amount and (ii) (a) the Settlement Date Receivables Balance minus (b) the Mandatory Repurchase Reserve Amount minus (c) the Dilution Reserve Amount minus (d) the Yield Reserve Amount minus (e) the Level 4 Reserve Amount, and (C) for each other Settlement Date, zero.

“Excess Funding Reserve Payment Amount” means, for each Settlement Date, the Excess Funding Reserve Amount for the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been zero).

“Excess Level 3A Amount” has the meaning specified in Section 5.3(b)(v).

“Excess Level 3A Excess Amount” has the meaning specified in Section 5.3(c)(v).

“Exchange Act” means the Securities Exchange Act of 1934, as amended or supplemented from time to time.

“Excluded Taxes” means any of the following Taxes (A) imposed on, or with respect to, (i) the Bank Purchasing Agent or any Bank Purchaser or (ii) only for purposes of Section 3.11, any Special Indemnified Party (as such term is defined therein) or (B) required to be withheld or deducted from a payment to any Purchasing Entity:

- (I) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, imposed as a result of the Bank Purchasing Agent or any Bank Purchaser being organized under the laws of, or having its principal office located in, the jurisdiction imposing such Tax (or any political subdivision thereof); and
- (II) Taxes attributable to any Purchasing Entity’s failure to comply with Section 4.7(b) or 4.7(c).

For the avoidance of doubt, Excluded Taxes shall not include any Taxes payable by the Purchasing Entities contemplated by Section 3.11, 9.1(i), 19.8(a) or 19.8(b).

“Excluded Receivable” has the meaning specified in Section 2.1(c).

“Facility Termination Date” means the earliest of (a) the Scheduled Termination Date, (b) the date upon which the commitment of the Purchaser is terminated pursuant to Section 11.3, or (c) the date upon which the commitment of the Purchaser is terminated in connection with a Termination Event hereunder.

“Factoring Fee” has the meaning specified in Section 4.2.

“Factoring Fee Margin” has the meaning specified in the applicable Fee Letter.

“FATCA” means Sections 1471 through 1474 of the Code as of the date of this Agreement and any regulations or official interpretations thereof (or any amended or successor version thereof), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or official practices adopted pursuant to any published intergovernmental agreements entered into in connection with the implementation of such Sections of the Code.

“FATCA Deductions” means any deductions or withholdings required by FATCA from any payments made by the Funding Seller, the Originators or the Initial Purchaser in connection with this Agreement or any of the other Transaction Documents.

“Fee Letter” means (i) that certain fee letter dated as of the Original Signing Date among the Funding Seller, the Purchaser and the Bank Purchasers and (ii) each other agreement among any of the parties hereto identified as a “Fee Letter” and entered into in connection herewith, each as amended, restated, supplemented or otherwise modified from time to time.

“Final Termination Date” means the first date after the Facility Termination Date on which (a) the Funded Amount has been reduced to zero and (b) all other obligations of the Funding Seller, the Servicer and the Performance Guarantor then payable have been paid in full in cash or otherwise satisfied and (c) all the Receivables previously sold to the Purchaser have been either paid, written-off by the Servicer or repurchased by the Funding Seller.

“Fitch” means Fitch Ratings, Inc.

“Funded Amount” means, for each Settlement Date, (a) (i) the product of (A) the Funding Advance Rate and (B) the Settlement Date Receivables Balance for such Settlement Date minus (ii) the Deferred Purchase Price as of such Settlement Date or (b) such lesser amount as the Funding Seller may request in accordance with Section 2.2.

“Funding Advance Rate” means, for any Batch, a percentage equal to (a) 100% minus (b) the Discount Rate for such Batch.

“Funding Limit” means \$750,000,000, as the same may be increased pursuant to Section 2.13 or decreased pursuant to Section 2.14.

“Funding Seller” shall have the meaning specified in the recitation preceding the Preamble hereof.

“Funding Seller Termination Event” shall have the meaning specified in Section 11.2.

“Funding Seller’s Fees” means, for any Settlement Date, the sum of the Commitment Fee, the Factoring Fee, the Administration Fee, all fees payable to Wells Fargo in its capacity as the trustee of the manager of the Purchaser, and all Servicer Fees.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board, the American Institute of Certified Public Accountants and the Financial Accounting Standards Board, consistently applied.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“Helaba” has the meaning specified in the recitation preceding the preamble hereof.

“IASB” means the International Accounting Standards Board.

“**IFRS**” means the International Financial Reporting Standards as issued and amended by the IASB.

“**Immediate Write-Off Amount**” shall have the meaning specified in Section 5.3.

“**Increased Costs**” has the meaning specified in Section 4.4.

“**Indemnified Amounts**” has the meaning specified in Section 9.1.

“**Indemnified Party**” has the meaning specified in Section 9.1.

“**Indemnified Taxes**” means all Taxes that are not Excluded Taxes.

“**Initial Purchaser**” shall have the meaning specified in the Preamble hereof.

“**Invoice**” means, with respect to any Receivable, the original bill in relation to such Receivable as issued by an Originator to the Obligor with respect to such Receivable.

“**Invoice Date**” means, with respect to any Invoice, the date on which such Invoice was originally issued.

“**January 2015 Amendment Effective Date**” means January 9, 2015.

“**January 2015 Joining Originator**” means the January 2015 Joining Seller, as such term is defined in the Conveyancing Agreement.

“**June 2016 Amendment Effective Date**” means the June 2016 Settlement Date.

“**June 2016 Amendment Signing Date**” has the meaning specified in the preamble hereto.

“**KfW**” means KfW IPEX-Bank Gesellschaft mit beschränkter Haftung and its successors.

“**KfW Guarantees**” means, collectively, the KfW Second Amended and Restated Level 3 Guarantee and the KfW First Amended and Restated Level 3A Guarantee.

“**KfW First Amended and Restated Level 3A Guarantee**” means that certain guarantee provided by KfW to the Bank Purchasers on the November 2014 Amendment Effective Date, as amended and restated on October 30, 2015, and as may be amended, supplemented or otherwise modified from time to time.

“**KfW Second Amended and Restated Level 3 Guarantee**” means that certain guarantee provided by KfW to the Bank Purchasers on March 3, 2014, as amended and restated on the November 2014 Amendment Effective Date and on October 30, 2015, and as may be further amended, supplemented or otherwise modified from time to time.

“**Late Collection**” means any Collection received by the Funding Seller, the Servicer and/or any Originator with respect to an Aged Receivable after such Aged Receivable shall have been transferred to the Funding Seller pursuant to Section 5.1, until such Aged Receivable shall have (i) been paid in full or (ii) become a Written-Off Receivable.

“**Level 3 Maximum Amount**” means, for any Settlement Date, the following amount, as may be adjusted from time to time in accordance with the terms hereof: (a) \$50,000,000 minus (b) the sum of the amounts by which the Level 3 Maximum Amount was required to be reduced (whether or not such amounts were actually paid) pursuant to Section 5.3 (b)(iii) and Section 5.3(c)(iii) on all prior Settlement Dates plus (c) the aggregate amount of all Recoveries paid to the Funding Seller and the Purchaser pursuant to Section 5.4(iv) on such Settlement Date and all prior Settlement Dates.

“**Level 3A Maximum Amount**” means, for any Settlement Date, the following amount, as may be adjusted from time to time in accordance with the terms hereof: (a) \$40,000,000 minus (b) the sum of the amounts by which the Level 3A Maximum Amount was required to be reduced (whether or not such amounts were actually paid) pursuant to Section 5.3 (b)(iv) and Section 5.3(c)(iv) on all prior Settlement Dates plus (c) the aggregate amount of all Recoveries paid to the Funding Seller and the Purchaser pursuant to Section 5.4(iii) on such Settlement Date and all prior Settlement Dates.

“**Level 4 Reserve Amount**” means, for any Settlement Date, an amount equal to:

- (A) the Level 4 Reserve Percentage multiplied by:
 - (I) for the initial three Settlement Dates, the Batch Receivables Amount for the Closing Date Batch plus the sum of the Level 4 Reserve Batch Amounts for all Collection Periods preceding such Settlement Date; and
 - (II) thereafter, the sum of the Level 4 Reserve Batch Amounts for the four Collection Periods immediately preceding such Settlement Date;
- minus
- (B) the sum of the amounts by which the Level 4 Reserve Amount was required to be reduced pursuant to Section 5.3(b)(v) and Section 5.3(c)(v) on all prior Settlement Dates; plus
- (C) the aggregate amount of all Recoveries paid to the Funding Seller pursuant to Section 5.4(ii) on such Settlement Date and all prior Settlement Dates.

“**Level 4 Reserve Batch Amount**” means, for each Collection Period Batch, the greater of (A) its Batch Receivables Amount and (B) the amount equal to (i) before November 30, 2014, \$875,000,000, and (ii) on and after November 30, 2014, \$985,000,000.

“**Level 4 Reserve Percentage**” means (A) with respect to the Closing Date and each Settlement Date until the June 2016 Settlement Date, as described on Annex 11 attached hereto, and (B) with respect to the June 2016 Settlement Date and each Settlement Date thereafter, 2.91%, as such percentage may be adjusted from time to time in accordance with the terms hereof.

“**LIBOR**” means, for each Accrual Period, the percentage rate per annum for deposits in USD in a principal amount equal to not less than USD 1,000,000 having a maturity of one month displayed on the Bloomberg Screen two Business Days prior to the first day of such Accrual Period. If such rate is unavailable for any reason on such day, “LIBOR” shall be determined on the basis of the rates at which one month deposits in USD are offered by four prime banks in the London interbank

market reasonably selected by the Co-Agents (the “**Reference Banks**”) at approximately 11:00 a.m. (London time) on such date, to prime banks in the London interbank market in an amount determined by the Co-Agents. If at least two such quotations are provided, “LIBOR” will be the arithmetic mean of the quotations rounded to four decimal places. If fewer than two quotations are provided, “LIBOR” will be the arithmetic mean of rates quoted by at least two major banks in New York City, reasonably selected by the Co-Agents, at approximately 11:00 a.m., New York City time, on such date for one month loans in USD to leading European banks in a principal amount equal to not less than USD 1,000,000; provided, however, that if fewer than two Reference Banks selected as aforesaid by the Co-Agents are quoting rates as mentioned above, “LIBOR” shall be the rate in effect for the previous Accrual Period. Notwithstanding the foregoing, with respect to the initial Accrual Period, “LIBOR” shall be determined through the use of straight-line interpolation by reference to two rates based on the relevant rates displayed on the Bloomberg Screen, one of which shall be determined as if the initial Accrual Period were one month in duration and the other of which shall be determined as if the initial Accrual Period were two months in duration. Any determination or selection required to be made by the Co-Agents pursuant to this paragraph shall be made by the Co-Agents acting in concert or, if the Co-Agents cannot agree to act in concert by the time prescribed, by either one of the Co-Agents acting at the direction of the Majority Bank Purchasers.

“**Mandatory Repurchase Reserve**” means, for any Batch on each Settlement Date, an amount equal to the Maximum Batch Mandatory Repurchase Amount.

“**Mandatory Repurchase Reserve Amount**” means, (A) for each Settlement Date prior to the Facility Termination Date, an amount equal to the sum of the Mandatory Repurchase Reserves for (x) for the initial four Settlement Dates, the Closing Date Batch and all Collection Period Batches preceding such Settlement Date and (y) thereafter, the five Collection Period Batches immediately preceding such Settlement Date, (B) for each Settlement Date on or following the Facility Termination Date on which the Funded Amount is greater than zero, an amount equal to the lesser of (i) the Mandatory Repurchase Reserve Payment Amount and (ii) the Settlement Date Receivables Balance, and (C) for each other Settlement Date, zero, provided that, following the Facility Termination Date, the Bank Purchasing Agent may at any time reduce the Mandatory Repurchase Reserve Amount and increase either or both of the Dilution Reserve Amount and the Yield Reserve Amount by a corresponding total amount, whereupon the Dilution Reserve Amount, the Mandatory Repurchase Reserve Amount and the Yield Reserve Amount shall be adjusted accordingly.

“**Mandatory Repurchase Reserve Payment Amount**” means, for each Settlement Date, the amount equal to (i) the Mandatory Repurchase Reserve Amount for the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been the Closing Date Mandatory Repurchase Reserve Amount), minus (ii) the amount equal to the losses to be borne by the Funding Seller pursuant to Section 5.3(b)(i) on such Settlement Date, minus (iii) the amount of the payment deemed to have been made by the Funding Seller to the Purchaser pursuant to Section 5.1 on such Settlement Date.

“**Majority Bank Purchasers**” means Bank Purchasers having Ratable Shares exceeding 50%.

“**Master Receivables Purchase Agreement Side Letter**” means that certain side letter dated as of the Original Signing Date among the parties hereto.

“Material Adverse Change” means a material adverse change in, or a material adverse effect on:

- (a) the financial condition, assets or business of the Performance Guarantor and its Subsidiaries, taken as a whole; or
- (b) the ability of the Funding Seller, the Servicer, the Initial Purchaser, the Performance Guarantor or the Originators to perform and comply with their respective obligations under any Transaction Document.

“Maximum Batch Mandatory Repurchase Amount” means, with respect to a Batch and a Settlement Date, the following:

- (a) the product of (i) the Maximum Mandatory Repurchase Percentage for the Collection Period to which such Batch relates times (ii) its Batch Receivables Amount; minus
- (b) the aggregate amount of reductions (in connection with the allocation of the Allocated Write-Off Amount) that were required to be made to the Mandatory Repurchase Reserve Payment Amount with respect to such Batch on all prior Settlement Dates pursuant to Sections 5.3(b)(i) and 5.3(c)(i).

“Maximum Mandatory Repurchase Percentage” means, (i) with respect to the Closing Date Batch and the Batches related to the first three consecutive Collection Periods following the Closing Cut-Off Date, 2.20%, (ii) with respect to the June 2014 Batch, the July 2014 Batch and the August 2014 Batch, 1.95%, (iii) with respect to the September 2014 Batch until the July 2015 Batch (inclusive), 1.60%, (iv) with respect to the August 2015 Batch until the December 2015 Batch (inclusive), 1.00%, and (v) with respect to the January 2016 Batch and each subsequent Batch thereafter, 1.40%, as amended from time to time pursuant to the provisions of Section 5.5, or any other percentage to which the Funding Seller and the Bank Purchasing Agent may agree in writing from time to time.

“Maximum Sales Amount” means (i) through November 30, 2014, \$1,200,000,000, (ii) on and after December 1, 2014, through April 30, 2015, \$1,250,000,000 and (iii) on and after May 1, 2015, \$1,450,000,000, or such other amount agreed from time to time between the Funding Seller and the Bank Purchasing Agent.

“Monthly Report” means a report in the form of Annex 6.

“Moody’s” means Moody’s Investors Service, Inc., and any successor thereto.

“Netting Provisions” means the provisions of Section 10.3 hereof.

“Nominal Value” means, for any Receivable, the full face amount (*i.e.*, the nominal value) owed by the Obligor of such Receivable as evidenced by the corresponding Invoice.

“Notice of Assignment” means a notice, executed in blank by each Originator and delivered to the Bank Collections Agent on or before the June 2016 Amendment Effective Date, informing the Obligors with respect to Purchased Receivables that such Purchased Receivables have been assigned to the Bank Collections Agent for the benefit of the Bank Purchasers.

“November 2014 Amendment Effective Date” means November 30, 2014.

“November 2014 Joining Originators” means the November 2014 Joining Sellers, as such term is defined in the Conveyancing Agreement.

“Obligor” means any Person with respect to whom/which an Originator has originated a claim for payment (receivable) for the provision of goods and/or services which claim has subsequently been acquired by the Funding Seller pursuant to the Contribution Agreement.

“Onward Receivables Purchase Agreement” has the meaning specified in the Preamble hereto.

“Original Signing Date” has the meaning specified in the recitation preceding the preamble hereof.

“Originator” means each of the parties to the Conveyancing Agreement as “Sellers” thereunder (as such term is defined therein) from time to time.

“Other Corporations” means the T-Mobile Group other than the Funding Seller.

“Outstanding Balance” with respect to any Purchased Receivable, means the Nominal Value of such Purchased Receivable, after giving effect to (i) all Collections received (or deemed to be received) with respect thereto by the Servicer, the Funding Seller, the Initial Purchaser and/or any Originator, and (ii) all Write-Off amounts with respect thereto.

“Overdue Receivable” means any Purchased Receivable which remains unpaid in whole or in part at any time after its Due Date.

“Payment Account” means each of the deposit accounts identified and listed as a “Payment Account” in the Master Receivables Purchase Agreement Side Letter and any successor deposit account, as such list may be supplemented by the Servicer from time to time.

“Payment Account Bank” means any depository institution at which a Payment Account is maintained.

“Performance Guarantee” means the guarantee provided by the Performance Guarantor for the benefit of the Purchaser and the Bank Purchasers pursuant to Article 19.

“Performance Guarantor” has the meaning specified in the recitation preceding the preamble hereof.

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, limited liability company, unincorporated association, trust, joint venture or other entity, or a government or any political subdivision or agency thereof.

“Purchase Date” means, with respect to a Purchased Receivable, the date on which such Purchased Receivable is acquired, or purported to be acquired, by the Purchaser from the Funding Seller in accordance with the terms of this Agreement.

“Purchase Price” means, with respect to each Purchased Receivable on its Purchase Date, (a) the Outstanding Balance of such Purchased Receivable on such date minus (b) the Discount with respect to such Purchased Receivable.

“Purchased Receivable” means any Receivable (other than an Excluded Receivable) which has been acquired, or purported to be acquired, by the Purchaser from the Funding Seller in accordance with the terms of this Agreement. For the avoidance of doubt, on and after the November 2014 Amendment Effective Date, the term “Purchased Receivable” shall be interpreted to include any and all Designated November 2014 Receivables deemed to have been sold, transferred, assigned, set over or otherwise conveyed to the Purchaser pursuant to Section 2.1(b), as amended as of the November 2014 Amendment Effective Date. For the avoidance of doubt, on and after the January 2015 Amendment Effective Date, the term “Purchased Receivable” shall be interpreted to include any and all Designated SunCom Receivables deemed to have been sold, transferred, assigned, set over or otherwise conveyed to the Purchaser pursuant to Section 2.1(b), as amended as of the January 2015 Amendment Effective Date.

“Purchaser” has the meaning specified in the recitation preceding the Preamble hereof.

“Purchasing Entity” means each of (A) the Purchaser, (B) each of the Bank Purchasers and (C) the Bank Purchasing Agent.

“Ratable Share” has the meaning specified in the Onward Receivables Purchase Agreement.

“Receivable” means any “account” or “general intangible” (as such terms are defined in the UCC) or other indebtedness or payment obligation of an Obligor, in each case, resulting from the provision or sale of merchandise, goods or services by an Originator, including, without limitation, the right to payment of interest or finance charges, taxes, delinquency or late-payment charges, delivery charges, extension or collection fees and all other obligations related thereto.

“Recharacterization” has the meaning specified in Section 2.10.

“Recoveries” means all Collections with respect to Written-Off Receivables, provided that the parties agree that tax refunds, whether in the form of cash or otherwise, with respect to Receivables shall not constitute Collections or Recoveries.

“Related Rights” means all of the Funding Seller’s right, title and interest in, to and under (a) the Transaction Documents, (b) the Collection Account and (c) without limiting the foregoing, with respect to any Receivable, all of the related Originators’, the Initial Purchaser’s and the Funding Seller’s respective right, title and interest in, to and under:

- (A) all security interests, hypothecations, reservations of ownership, liens or other adverse claims and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the contract pursuant to which such Receivable was originated, together with all financing statements, registrations, hypothecations, charges or other similar filings or instruments against an Obligor and all security agreements describing any collateral securing such Receivable, if any;

- (B) all guarantees, insurance policies and other agreements or arrangements of whatsoever character from time to time supporting of such Receivable whether pursuant to the contract pursuant to which such Receivable was originated, including any obligation of any party under the Transaction Documents to promptly deposit amounts received in respect of Collections to an account;
- (C) all Collections with respect to such Receivable; and
- (D) all proceeds of the foregoing.

“**Reporting Date**” means the fourth Business Day immediately preceding each Settlement Date.

“**Required Amount**” means the aggregate of the amounts needed for full payments pursuant to Section 2.7(b)(i)-(vii).

“**Requirement of Law**” means, as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“**Restricted Receivable**” means any Receivable which is not freely assignable, which arose under a Contract the terms of which require notice to, or the consent of, the related Obligor to the assignment of that Receivable or which purports to restrict the ability of the Purchaser or its assignees to exercise their rights under this Agreement, including, without limitation, their right to review the Contract.

“**S&P**” means Standard & Poor’s Ratings Service and any successor thereto.

“**Scheduled Termination Date**” means the March 2017 Settlement Date.

“**Securitization Obligation**” of any Person shall mean the amount outstanding under any securitization transaction or similar off-balance sheet financing product to which such Person is a party, where such transaction is considered borrowed money indebtedness for tax purposes.

“**Servicer**” has the meaning specified in the recitation preceding the Preamble hereof.

“**Servicer Event**” means a Servicer Replacement Event or a Servicer Termination Event, as applicable.

“**Servicer Fee**” has the meaning specified in Section 4.3.

“**Servicer Replacement Event**” has the meaning specified in Section 3.1.

“**Servicer Termination Event**” means:

- (a) any failure by the Servicer to make any payment, transfer or deposit pursuant to this Agreement, which failure continues unremedied for a period of five (5) days; or

- (b) failure on the part of the Servicer duly to observe or perform in any material manner any other covenants or agreements of the Servicer set forth in this Agreement, which continues unremedied for a period of ten (10) days after the first to occur of (i) the date on which written notice of such failure requiring the same to be remedied shall have been given to the Servicer by the Bank Purchasing Agent or any Bank Purchaser, and (ii) the date on which the Servicer becomes aware thereof; or
- (c) any representation, warranty or certification made by the Servicer in this Agreement or in any certificate delivered pursuant hereto shall prove to have been incorrect or untrue in any material respect when made or deemed made which, if capable of cure, continues to be incorrect in any material respect for a period of thirty (30) days after the first to occur of (i) the date on which written notice of such incorrectness shall have been given to the Servicer by the Bank Purchasing Agent or any Bank Purchaser, and (ii) the date on which the Servicer becomes aware thereof; or
- (d) a Bankruptcy Event shall occur with respect to the Servicer.

“Settlement Date” means the 12th day of each calendar month, or, if such day is not a Business Day, the next succeeding Business Day, with the first such Settlement Date being April 14, 2014, provided that, after the occurrence and continuance of a Termination Event, such other Business Day designated by the Bank Collections Agent (which, for the avoidance of doubt, may occur with any frequency and more frequently than monthly) pursuant to Section 2.4(d) of the Onward Receivables Purchase Agreement. For the avoidance of doubt, whenever a reference is made herein to a Settlement Date that is “related to” a Collection Period, the referenced Settlement Date shall be understood to refer to the first Settlement Date to occur after the end of such Collection Period.

“Settlement Date Receivables Balance” means, for each Settlement Date, an amount equal to (A) the aggregate Outstanding Balance of all of the Purchased Receivables which are Eligible Receivables as of the last day of the most recently ended Collection Period minus (B) the aggregate Outstanding Balance of all of the Purchased Receivables transferred pursuant to Section 5.1(a) or 5.1(b) on such Settlement Date.

“Special Indemnified Amount” has the meaning specified in Section 3.11.

“Special Indemnified Party” has the meaning specified in Section 3.11.

“Subject to Defenses” means subject to affirmative or absolute defenses of any type and based on any grounds, including nullity, voidability, assignability, rights of retention or set-off.

“Subsidiary” means, as to any Person, any other Person that is controlled, directly or indirectly by such Person; and for purposes of this definition, the term **“control”** means: (A) the direct or indirect ownership of a majority of the Voting Shares of such Person, (B) having the right to appoint a majority of the board of directors or supervisory board or like board or body, or (C) having the power to direct the management and policies of such Person, whether through the ownership of such Voting Shares, by contract or otherwise.

“**T-Mobile Group**” means the Performance Guarantor, T-Mobile PCS Holdings, the Funding Seller, the Originators and each of the other Affiliates of the Performance Guarantor, excluding, for the avoidance of doubt, the Purchaser.

“**T-Mobile Information**” means, with respect to each Receivable sold hereunder from time to time, the following: (i) billing account number, (ii) invoice number, (iii) invoice due date, (iv) invoice amount and (v) the related Originator.

“**T-Mobile PCS Holdings**” has the meaning specified in the recitation preceding the Preamble hereof.

“**Taxes**” means any and all present and future taxes, duties, deductions, withholdings, tax liability or tax commitment amounts, or other charges of any nature imposed by any Governmental Authority, including (A) any and all stamp or documentary taxes or any sales, value-added, goods and services or transfer taxes or similar levies arising from any payment made under, or in connection with, the Receivables, any of the Related Rights, or the transactions contemplated by any and all of the Transaction Documents and (B) any and all interest, surcharges, additions to tax or penalties applicable thereto (which taxes, duties, deductions, withholdings or other charges, for the avoidance of doubt, shall include those imposed by the laws of the United States of America, the Federal Republic of Germany and/or any political subdivisions thereof).

“**Termination Event**” has the meaning specified in Section 11.4.

“**Transaction Documents**” means, collectively, the Onward Receivables Purchase Agreement, this Agreement, the Contribution Agreement, the Conveyancing Agreement, the Account Control Agreement, the KfW Guarantees, each Fee Letter and the Master Receivables Purchase Agreement Side Letter, together with any other agreement or document entered into or delivered by any party hereto or thereto in connection herewith or therewith (including, but not limited to, the DT Payment Guarantee, if, as and when executed), as the same may be amended, supplemented or otherwise modified from time to time.

“**UCC**” means the Uniform Commercial Code as in effect in the State of New York; *provided that*, if, according to such statute, the effect of the perfection or the non-perfection of the security interest in any property contemplated by this Agreement is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term “UCC” in that context shall refer to the Uniform Commercial Code as in effect in such jurisdiction.

“**Unpaid Repurchased Receivable**” means any receivable that (A) has been transferred to the Funding Seller pursuant to Section 5.1, (B) has not yet become a Written-Off Receivable and (C) has not been otherwise paid in full.

“**Unused Part of the Funding Limit**” means, for purposes of determining the amount of the Commitment Fee payable pursuant to Section 4.1 by the Funding Seller to the Purchaser on any Settlement Date, the amount by which the Funding Limit exceeded the Funded Amount on the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been the Closing Date Funded Amount).

“**USD**” or “**\$**” means United States Dollars, the lawful currency of the United States of America.

“Voting Shares” means, with respect to any Person, any class or classes of capital stock or other ownership interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect directors, managers or trustees of such Person (irrespective of whether or not, at the time, stock of any other class or classes has, or might have, voting power by reason of the happening of any contingency).

“Wells Fargo” means Wells Fargo Delaware Trust Company, National Association.

“Write-Off” means, with respect to any Purchased Receivable other than an Aged Receivable that has not been repurchased by the Funding Seller in accordance with Section 5.1(b), the portion of the Nominal Value thereof, if any, that has been “written off” in accordance with the Credit and Collection Policy, and, with respect to an Aged Receivable that has not been repurchased by the Funding Seller in accordance with Section 5.1(b), an amount equal to the product of (A) the Funding Advance Rate times (B) the Outstanding Balance of such Receivable.

“Write-Off Horizon” means, (A) for each Written-Off Receivable, the number of days (rounded up to the next integral number) between its due date and the date of the applicable Write-Off, and (B) for each Unpaid Repurchased Receivable, the greater of (i) the number of days (rounded up to the next integral number) that have passed since its due date and (ii) 155.

“Write-Off Ratio” means, for any Settlement Date, the percentage equivalent of a fraction, the numerator of which shall be (a) the Outstanding Balance of Purchased Receivables that first became Written-Off Receivables during the immediately preceding Collection Period, and the denominator of which shall be (b) the Settlement Date Receivables Balance as of the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been the Closing Date Receivables Balance).

“Written-Off Receivable” means any Purchased Receivable with regard to which a Write-Off has occurred.

“Yield Reserve Amount” means: (A) for each Settlement Date prior to the Facility Termination Date, an amount equal to the greater of (i) 6 times the aggregate of all of the Funding Seller’s Fees that shall become payable by the Funding Seller to the Purchaser or any other Person during the period beginning on the day following such Settlement Date and ending on the immediately succeeding Settlement Date and (ii) \$3,000,000; (B) for each Settlement Date on or following the Facility Termination Date on which the Funded Amount is greater than zero, an amount equal to the lesser of (i) the Yield Reserve Payment Amount and (ii) (a) the Settlement Date Receivables Balance minus (b) the Mandatory Repurchase Reserve Amount minus (c) the Dilution Reserve Amount, and (C) for each other Settlement Date, zero, provided that, following the Facility Termination Date, the Bank Purchasing Agent at any time may reduce the Yield Reserve Amount and increase either or both of the Mandatory Repurchase Reserve Amount and the Dilution Reserve Amount by a corresponding total amount, whereupon the Dilution Reserve Amount, the Mandatory Repurchase Reserve Amount and the Yield Reserve Amount shall be adjusted accordingly.

“Yield Reserve Payment Amount” means, for any Settlement Date, the amount equal to (i) the Yield Reserve Amount for the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been the Closing Date Yield Reserve Amount) minus

(ii) all of the Funding Seller's Fees that were payable by the Funding Seller to the Purchaser or any other Person since the immediately preceding Settlement Date.

1.2 Construction. The index to and the headings in this Agreement are for ease of reference only and are to be ignored in construing this Agreement.

1.3 Application of Revised Allocation Levels. The parties hereto agree that following any amendment or revision to the definition of Discount Rate, Funding Advance Rate or Level 4 Reserve Percentage:

(A) for any amount whose determination (or calculation) hereunder is based upon the application of the Discount Rate or the Funding Advance Rate to a particular Batch, to certain Purchased Receivables in a Batch, or to quantities associated with certain Purchased Receivables (including, but not necessarily limited to, Dilutions, Settlement Date Receivables Balances, Collections, Late Collections and Outstanding Balances), the Discount Rate and the Funding Advance Rate that is associated with such Batch (or related to such Purchased Receivables) when such Batch (or related Purchased Receivables) was sold by the Funding Seller to the Purchaser hereunder shall apply when making such determination (or calculation), irrespective of the date of when such determination (or calculation) is in fact made; and

(B) in the event that an amount to be determined hereunder relates to multiple Batches and varying Discount Rates, Funding Advance Rates or Level 4 Reserve Percentages, such aggregate amount shall be determined by (1) applying each applicable Discount Rate, Funding Advance Rate or Level 4 Reserve Percentage, as the case may be, separately to the related Batch or Batches and then (2) aggregating the results obtained by application of the preceding clause.

2. SALE AND ASSIGNMENT

2.1 Sale.

(a) On the Closing Date, subject to the terms and conditions of this Agreement, all of the Funding Seller's right, title and interest in and to all existing Receivables and associated Related Rights that the Funding Seller, immediately prior to the sale contemplated hereunder, acquired from the Initial Purchaser pursuant to the terms of the Contribution Agreement on the Closing Date shall be, and hereby are, sold, transferred, assigned, set-over and otherwise conveyed to the Purchaser.

(b) (i) Except as provided in clauses (ii) and (iii) below, after the Closing Date, on each Business Day prior to the Facility Termination Date, all of the Funding Seller's right, title and interest in and to all newly created Receivables and associated Related Rights that the Funding Seller, immediately prior to the sales contemplated hereunder, acquires from the Initial Purchaser on each such Business Day pursuant to the terms of the Contribution Agreement, shall be, and hereby are, sold, transferred, assigned, set over and otherwise conveyed to the Purchaser without any further action by the Funding Seller or any other Person.

(ii) Notwithstanding any of the foregoing set forth in clause (i) above, on the November 2014 Amendment Effective Date and solely with respect to Designated November 2014 Receivables and associated Related Rights, all of the Funding Seller's right, title and interest

in and to such Designated November 2014 Receivables and associated Related Rights that the Funding Seller, immediately prior to the sales contemplated hereunder, acquires from the Initial Purchaser on the November 2014 Amendment Effective Date pursuant to the terms of the Contribution Agreement, shall be, and hereby are, sold, transferred, assigned, set over and otherwise conveyed to the Purchaser without any further action by the Funding Seller or any other Person; and, in connection with the foregoing, the parties hereto, for all purposes, shall account for each Designated November 2014 Receivable as if it had been sold by the applicable November 2014 Joining Originator (and further conveyed to the Purchaser pursuant to the Transaction Documents) on the date it was originated.

(iii) Notwithstanding any of the foregoing set forth in clauses (i) and (ii) above, the parties hereto confirm and ratify, and the Funding Seller represents and warrants, that all of the Funding Seller's right, title and interest in and to the Designated SunCom Receivables and associated Related Rights that the Funding Seller acquired from the Initial Purchaser pursuant to the terms of the Contribution Agreement, have been sold, transferred, assigned, set over and otherwise conveyed to the Purchaser as of the date of such acquisition without any further action by the Funding Seller or any other Person; and, in connection with the foregoing, the parties hereto, for all purposes, shall account for each Designated SunCom Receivable as if it had been sold by the January 2015 Joining Originator (and further conveyed to the Purchaser pursuant to the Transaction Documents) on the date it was originated.

(c) Notwithstanding the foregoing clauses (a) and (b), the Funding Seller may, at any time, cease to sell all Receivables related to one or more specific CCPCs or one or more Designated States in order to avoid the concentration limits on Eligible Receivables set forth in clauses (t), (u), (v), (cc) or (dd) in Annex 3 being exceeded (each such Receivable, an "**Excluded Receivable**"), provided that, at all times, Receivables relating to at least eight Designated States shall not be so excluded. The Funding Seller shall notify each of the Purchasing Entities of any such exclusions and such exclusions shall remain in effect until the Funding Seller shall otherwise notify the Purchasing Entities. Each such notice shall be given in writing no less than one (1) Business Day prior to the beginning of a Collection Period and shall be effective, prospectively, from the beginning of the immediately succeeding Collection Period.

2.2 Increases or Decreases to the Funded Amount. On any Reporting Date, the Funding Seller may provide each of the Purchasing Entities with written notice included within the Monthly Report delivered on such Reporting Date of its request for an increase or a decrease in the Funded Amount (to be effected by a decrease or increase in the Excess Funding Reserve Amount), which notice shall be irrevocable and shall specify the amount of such requested increase or decrease (which shall not be less than \$10,000,000); provided, however, that (A) no such request by the Funding Seller shall cause either (i) the Funded Amount to be less than 80% or greater than 100% of the Funding Limit or (ii) the Excess Funding Reserve Amount to be less than zero at any time and (B) the Funded Amount shall remain as requested on the immediately following Settlement Date unless the Funding Seller shall have requested a further increase or decrease in the Funded Amount for such Settlement Date in accordance with this Section 2.2.

2.3 (Reserved)

2.4 Payment of Purchase Price.

- (a) The amount payable by the Purchaser to the Funding Seller for each Purchased Receivable shall be the Purchase Price for such Receivable and associated Related Rights. The Purchase Price for the Receivables and associated Related Rights sold hereunder shall be paid or provided for in the manner provided below on each Business Day. The Funding Seller hereby appoints the Servicer as its agent to receive payment of the Purchase Price for Receivables sold by it to the Purchaser hereunder and hereby authorizes the Purchaser to make all payments due to the Funding Seller directly to, or as directed by, the Servicer. The Servicer hereby accepts and agrees to such appointment.
- (b) The Purchase Price for Receivables and associated Related Rights purchased by the Purchaser from the Funding Seller shall be paid by the Purchaser on each Purchase Date as follows:
 - (i) to the extent available for such purpose in accordance with Section 2.6(b), in cash from Collections of Purchased Receivables; and
 - (ii) to the extent that the Purchase Price on such Purchase Date exceeds the amount available from Collections (as contemplated by clause (i) above) on such Purchase Date, by an increase in the deferred payments owed by the Purchaser to the Funding Seller hereunder.
- (c) Following each sale of Receivables, the Funding Seller shall have no retained right, title or interest in the Purchased Receivables or any rights with respect to the Obligors thereof and will look solely to the Purchaser for payment of the Deferred Purchase Price in accordance with the terms hereof. The Purchaser and the Servicer will apply Collections with respect to the Receivables in accordance with the terms hereof.
- (d) The parties hereto agree that the cash component of the Purchase Price of the Receivables paid to the Funding Seller from time to time shall be allocated, upon receipt, first to payment with of the Purchase Price of Receivables that, at such time, have been appropriately categorized as “earned” by the applicable Originator for accounting purposes.

2.5 Excess Dilutions; Breaches of Representations.

- (a) If the product of (A) the aggregate amount of Dilutions for any Collection Period and (B) the Funding Advance Rate exceeds (C) the Dilution Reserve Amount for the immediately succeeding Settlement Date, the Funding Seller shall deposit an amount equal to such excess into the Collection Account on or before the Business Day immediately prior to such Settlement Date.
- (b) If there is a breach of any representation in Section 6.3 relating to a Purchased Receivable, the Funding Seller shall deposit cash equal to the Funding Advance Rate times the Outstanding Amount of such Purchased Receivable into the Collection Account on or before the Business Day immediately prior to the immediately following Settlement Date.

2.6 Deposit of Collections.

- (a) Collection of the Purchased Receivables shall be administered by the Servicer in accordance with the terms of Article 3 and other terms of this Agreement.
- (b) During each Collection Period on each Business Day prior to the Facility Termination Date on which Collections of Purchased Receivables are received by the Servicer, the Servicer shall pay the Purchase Price to the Funding Seller pursuant to Section 2.4(b)(i) from Collections received on such day to the extent any new Receivables have been acquired by the Funding Seller; provided, however, that such Purchase Price shall not be paid in cash from Collections to the extent that the payment thereof would cause the Servicer not to have sufficient funds to pay the full Required Amount pursuant to clause (c) below on the next Settlement Date.
- (c) No later than the Business Day immediately prior to each Settlement Date, the Servicer shall deposit cash in an amount equal to the Required Amount into the Collection Account to the extent not previously deposited thereto by the Funding Seller pursuant to the terms of this Agreement. On each Business Day prior to the Facility Termination Date, the Servicer shall transfer the Collections not required to be deposited into the Collection Account pursuant to the preceding sentence to the Funding Seller in partial payment of the amounts owed by the Purchaser to the Funding Seller hereunder.
- (d) On and after the Facility Termination Date, all Collections shall be deposited by the Servicer into the Collection Account immediately following a determination that such Collections relate to Purchased Receivables, but in each case within two (2) Business Days after receipt thereof.

2.7 Settlement Date Procedures.

- (a) On each Settlement Date, the following amounts shall be deposited to the Collection Account by the Purchaser:
 - (i) the higher of (i) the Funded Amount for such Settlement Date minus the Funded Amount for the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been the Closing Date Funded Amount), and (ii) zero; and
 - (ii) the amount of all payments required to be made by the Purchaser on such Settlement Date in respect of Immediate Write-Off Amounts in accordance with Section 5.3(b)(ii) and (iii).
- (b) All amounts on deposit in the Collection Account shall be applied by the Servicer on each Settlement Date (in accordance with the Monthly Report provided by the Servicer to the Bank Purchasing Agent prior to such Settlement Date) for the related Collection Period in the following order of priority:
 - (i) to the Servicer in payment of the monthly Servicer Fee;
 - (ii) to Wells Fargo, in payment of any other amounts, including indemnification amounts, payable to it in accordance with the organizational documents of the

Purchaser or the organizational documents of the Purchaser's manager, Billing Gate One Trust;

- (iii) to the Purchaser, first to the payment of the Factoring Fee and then to the payment of the Commitment Fee;
 - (iv) to the Purchaser, (A) the Administration Fee and (B) all indemnities and other amounts payable by the Funding Seller to any of the Purchasing Entities pursuant to the Transaction Documents;
 - (v) to the Purchaser, an amount equal to the product of (x) the Discount Rate and (y) the Collections on Purchased Receivables owned by the Purchaser during the prior Collection Period;
 - (vi) to the Purchaser, an amount equal to the product of (x) the Discount Rate and (y) the amount of all Late Collections that occurred during the prior Collection Period;
 - (vii) if the Funded Amount for such Settlement Date is less than the Funded Amount for the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been the Closing Date Funded Amount), the amount of such decrease in the Funded Amount (excluding a decrease in the Funded Amount pursuant to Section 5.3(b)(vi)) to the Purchaser; and
 - (viii) the remainder, if any, to the Funding Seller.
- (c) Immediately upon the application of the payments disbursed pursuant to Sections 2.7(b)(v) and 2.7(b)(vi) above, the Bank Purchasing Agent shall increase the Discount Ledger Balance by such amounts. Following the Final Termination Date, any amounts relating to the Discount Ledger Balance shall be retained by the Purchaser in accordance with this Agreement.
- (d) The Servicer shall make available the amounts due to the Purchaser pursuant to Section 2.7(b) by wire transfer in U.S. dollars in same day funds to the accounts designated by the Bank Purchasing Agent no later than 3:00 p.m. (New York City time) on the related Settlement Date.

2.8 UCC Filings.

- (a) On or before the Closing Date, the Funding Seller shall cause to be filed:
- (i) with the Secretary of State of Delaware a UCC financing statement, naming the Funding Seller as debtor, the Purchaser as secured party, and the Bank Purchasing Agent as the assignee of the secured party;
 - (ii) with respect to each Originator, with the Secretary of State of the state in which such Originator is organized or otherwise "located" for purposes of the UCC, a UCC financing statement, naming such Originator as debtor, the Initial Purchaser as secured party, and the Funding Seller as the assignee of the secured party; and

- (iii) with respect to each Originator, with the Secretary of State of the state in which such Originator is organized or otherwise “located” for purposes of the UCC, UCC Amendments (Form UCC-3) assigning each UCC financing statement described in the foregoing clause (ii) to the Purchaser as the assignee of the Funding Seller, to the Bank Purchasing Agent as the assignee of the Purchaser;

in each case as may be necessary or desirable under the UCC in order to perfect the respective interests of the Purchaser and the Bank Purchasing Agent in the Receivables sold, or purported to be sold, by the Funding Seller to the Purchaser hereunder.

- (b) On or before the November 2014 Amendment Effective Date, the Funding Seller shall cause to be filed, with respect to each November 2014 Joining Originator, with the Secretary of State of the state in which such November 2014 Joining Originator is organized or otherwise “located” for purposes of the UCC:
 - (i) a UCC financing statement naming such November 2014 Joining Originator as debtor and the Initial Purchaser as secured party;
 - (ii) a UCC financing statement amendment assigning such financing statement to the Funding Seller;
 - (iii) a UCC financing statement amendment assigning such amended financing statement to the Purchaser; and
 - (iv) a UCC financing statement amendment assigning such amended financing statement to the Bank Purchasing Agent;

in each case as may be necessary or desirable under the UCC in order to perfect the respective interests of the Purchaser and the Bank Purchasing Agent in the Receivables sold, or purported to be sold, by the Funding Seller to the Purchaser hereunder.

- (c) On or before the January 2015 Amendment Effective Date, the Funding Seller shall cause to be filed, with the Secretary of State of the state in which the January 2015 Originator is organized or otherwise “located” for purposes of the UCC:
 - (i) a UCC financing statement naming the January 2015 Joining Originator as debtor and the Initial Purchaser as secured party;
 - (ii) a UCC financing statement amendment assigning such financing statement to the Funding Seller;
 - (iii) a UCC financing statement amendment assigning such amended financing statement to the Purchaser; and
 - (iv) a UCC financing statement amendment assigning such amended financing statement to the Bank Purchasing Agent;

in each case as may be necessary or desirable under the UCC in order to perfect the respective interests of the Purchaser and the Bank Purchasing Agent in the Receivables sold, or purported to be sold, by the Funding Seller to the Purchaser hereunder.

- (d) On or before the June 2016 Amendment Effective Date, the Funding Seller shall cause to be filed with the Secretary of State of Delaware UCC financing statement amendments amending each previously filed UCC financing statement that named the Funding Seller, the Initial Purchaser or any Originator as debtor and the Bank Purchasing Agent as secured party (or as the assignee of a secured party) so that each of the Bank Purchasing Agent and the Bank Collections Agent is named as a secured party (or as the assignee of a secured party, if applicable) in their respective agency capacities.
- (e) The Funding Seller hereby irrevocably authorizes the Bank Collections Agent to file all such UCC financing statements (and amendments thereto and continuations thereof) and agrees to cooperate with the Bank Collections Agent in providing the necessary documents, signatures or further consents reasonably required therefor. If any further declarations or action be required to perfect the sale, assignment and transfer of the Receivables in accordance with this Agreement, the Funding Seller shall, at the Bank Collections Agent's request, make any such declarations or take any such action.
- (f) The Funding Seller (and the Servicer) are hereby authorized to file all necessary UCC financing statements (and amendments thereto and continuations thereof) and UCC termination statements, in each case in form and substance satisfactory to the Bank Collections Agent, to reflect the transfers of Aged Receivables, Written-Off Receivables and Purchased Receivables from the Purchaser to the Funding Seller permitted hereunder.

2.9 Responsibilities. The parties hereto agree that:

- (a) except as expressly contemplated by this Agreement, the Funding Seller shall have no liability with respect to any Purchased Receivable;
- (b) subject to and in accordance with Article 3, the Servicer shall be responsible for the servicing and collection of Purchased Receivables on behalf of each of the Bank Purchasers in accordance with the terms hereof;
- (c) except as may be expressly permitted by this Agreement, the Purchaser shall not notify any Obligor of the sale and assignment of the Receivable made under this Agreement; it being understood that the disclosure of this Agreement or the existence of this Agreement to the public generally shall not constitute such a notification;
- (d) in the event that the Purchaser wishes to sell, transfer or assign all or part of the Purchased Receivables to a third party prior to the Facility Termination Date, the Purchaser shall offer the Funding Seller a right of first refusal to purchase such Purchased Receivables at a purchase price equal to the greater of (a) the price at which the Purchaser has agreed to sell such Purchased Receivables or (b) an amount equal to the (i) the Funding Advance Rate times (ii) the Outstanding Balance of such Purchased Receivables; provided, however, that the Purchaser may sell undivided percentage interests in the Purchased Receivables and

Related Rights to the Bank Purchasers pursuant to the Onward Receivables Purchase Agreement without initiating such right of first refusal if the Bank Purchasers agree to grant a similar right of first refusal to the Funding Seller with respect to any subsequent sale of such Purchased Receivables;

- (e) the Purchaser shall have the sole right to retain any gains or profits created by buying, selling or holding the Purchased Receivables; and except as otherwise expressly contemplated by this Agreement, the Purchaser shall have the sole risk of, and responsibility for, losses or damages created by such buying, selling or holding of such Purchased Receivables;
- (f) except as otherwise expressly contemplated by this Agreement, the sale and purchase of Purchased Receivables under this Agreement shall be without recourse to the Funding Seller; it being understood that the Funding Seller shall be liable to the Purchaser for all representations, warranties, covenants and indemnities made by the Funding Seller pursuant to the terms of this Agreement, all of which obligations are, except as otherwise expressly contemplated by this Agreement, limited so as not to constitute recourse to the Funding Seller for the credit risk of the Obligors; and
- (g) the Purchaser shall have no obligation or liability to any Obligor (including any obligation to perform any of the obligations of the Originators under any Receivable, related contracts or any other related purchase orders or other agreements). No such obligation or liability is intended to be assumed by the Purchaser hereunder, and any assumption is expressly disclaimed.

2.10 Intention of the Parties. It is the intention of the parties hereto that the sale of the Purchased Receivables hereunder shall constitute a “sale of accounts”, as such term is used in Section 9-109(a) of the UCC and therefore this Agreement is intended to create a “security interest” in the Purchased Receivables within the meaning of the UCC in favor of the Purchaser. The Funding Seller and the Purchaser intend the sales of Purchased Receivables hereunder to be considered to be “true sales” of the Purchased Receivables and Related Rights by the Funding Seller to the Purchaser that (A) shall constitute irrevocable, absolute transfers of the same by the Funding Seller to the Purchaser and (B) provide the Purchaser with the full benefits of ownership of the Purchased Receivables and Related Rights. If, notwithstanding such intent, any Purchased Receivables or Related Rights are determined to be property of the Funding Seller’s estate and the conveyance of such property hereunder shall be characterized as a loan secured by such property (any of the foregoing being referred to herein as a “**Recharacterization**”), then (i) this Agreement also shall be deemed to be, and hereby is, a “security agreement” within the meaning of the UCC, and (ii) the conveyance by the Funding Seller provided for in this Agreement shall be deemed to be a grant by the Funding Seller to the Purchaser, and the Funding Seller hereby grants to the Purchaser, a security interest in, to and under all of the Funding Seller’s right, title and interest in, to and under the Purchased Receivables and Related Rights conveyed by the Funding Seller to the Purchaser, hereunder, whether now or hereafter existing or created, to secure (1) the rights of the Purchaser hereunder, (2) a loan by the Purchaser to the Funding Seller in the amount of the Funded Amount from time to time and (3) without limiting any of the foregoing, the payment and performance of the obligations (whether monetary or otherwise) from time to time owing by the Funding Seller to the Purchaser hereunder. The Funding Seller shall take such actions as may be necessary to ensure that a security interest in such Purchased Receivables will be a perfected security interest of first priority in favor

of the Purchaser under the UCC and all other applicable law and shall be maintained as such throughout the term of this Agreement. If a Recharacterization were to occur, after the occurrence of any Termination Event, the Purchaser and its permitted assignees (including each of the Co-Agents, to the extent contemplated by the Onward Receivables Purchase Agreement) shall have, in addition to the rights and remedies contemplated by this Agreement and the other Transaction Documents, all other rights and remedies against the Funding Seller and the Originators provided to a secured creditor under the UCC and other applicable law, and the parties hereto agree that each remittance of Collections to the Purchaser hereunder shall be, or have been, in payment of debt incurred by the Funding Seller in the ordinary course of its business.

- 2.11 Tax Treatment. Notwithstanding anything to the contrary contained herein, the Funding Seller and the Purchaser agree that, except as otherwise required by applicable law, the transfer of the Purchased Receivables and Related Rights by the Funding Seller to the Purchaser shall be treated as a loan to the Funding Seller of the proceeds of such transfer for U.S. federal income tax purposes and state or local income tax and transactional tax purposes.
- 2.12 Records. The Funding Seller shall mark its accounting records regarding the Purchased Receivables conveyed by it hereunder to indicate the sale, transfer, set-off and assignment of the Purchased Receivables to the Purchaser.
- 2.13 Increase in Funding Limit. The Funding Seller may, at any time and from time to time, request in writing, with a copy to each of the Purchasing Entities, that the Bank Purchasers increase the Funding Limit (a “**Funding Limit Increase Request**”), provided that:
- (a) any such requested increase shall be in an amount not less than \$20,000,000 and would not, if effected, cause the Funding Limit to exceed \$750,000,000;
 - (b) each Bank Purchaser shall make a determination whether or not to accept any request to increase the Funding Limit and shall notify the Funding Seller and the other Purchasing Entities in writing of such determination within thirty (30) Business Days of receipt of a Funding Limit Increase Request; and
 - (c) if any Bank Purchaser fails to so notify the Funding Seller or the Bank Purchasing Agent, such Bank Purchaser shall be deemed to have refused to consent to such Funding Limit Increase Request.
- 2.14 Decrease in Funding Limit. The Funding Seller may, at any time and from time to time, request in writing, with a copy to each of the Purchasing Entities, that the Bank Purchasers decrease the Funding Limit (a “**Funding Limit Decrease Request**”); provided that no such requested decrease shall be in an amount less than \$10,000,000 and the aggregate of all of such requested decreases shall not exceed 20% of the greatest Funding Limit at any time since the Closing Date. Any such decrease shall take effect on the Settlement Date following such Funding Limit Decrease Request.

3. **SERVICING OF PURCHASED RECEIVABLES**

- 3.1 Appointment of Servicer. The servicing, administration and collection of the Purchased Receivables shall be conducted by the Servicer so designated hereunder from time to time. Until either of the Co-Agents gives prior notice to the Funding Seller and the other Co-Agent of the designation of a

new Servicer in accordance with the terms hereof, T-Mobile PCS Holdings is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms hereof. Each of (i) the Bank Collections Agent, at any time after the occurrence of a Servicer Termination Event, and (ii) the Bank Purchasing Agent, following receipt by the Funding Seller of three months' prior written notice of the Bank Purchasing Agent's election to designate a new Servicer (an event under this clause (ii), a "**Servicer Replacement Event**"), may designate as Servicer any Person (including, in each case, either of the Co-Agents) to succeed T-Mobile PCS Holdings or any successor Servicer, if such Person shall consent and agree to the terms hereof, and so long as such Person is not a Competitor. The Servicer may subcontract with an Affiliate of the Servicer for the servicing, administration or collection of the Purchased Receivables. Any such subcontract shall not affect the Servicer's liability for performance of its duties and obligations pursuant to the terms hereof. Any termination of the Servicer shall also terminate such subcontract.

3.2 Servicing of Receivables; Standard of Care.

- (a) The Servicer shall take or cause to be taken all such actions as may be necessary or advisable to collect each Purchased Receivable from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Credit and Collection Policy. The Funding Seller and the Purchaser hereby appoint the Servicer, from time to time designated pursuant to Section 3.1, as agent for themselves to enforce their respective rights and interests in the Purchased Receivables and the Related Rights. In performing its duties as Servicer, the Servicer shall exercise the same care and apply the same policies as it would exercise and apply if it owned such Purchased Receivables.
- (b) If no Termination Event shall have occurred and be continuing, the Servicer, may, in accordance with the Credit and Collection Policy, extend the maturity or adjust the Outstanding Balance or otherwise modify the payment terms of any Purchased Receivable as it deems appropriate; provided that such modification shall not (i) modify or alter the status of any Purchased Receivable as an Aged Receivable or Delinquent Receivable or (ii) limit the rights of the Purchaser, the Bank Collections Agent or the Bank Purchasing Agent.
- (c) The Servicer shall, as soon as practicable following receipt, turn over to the owner thereof any cash collections or other cash proceeds received with respect to receivables not constituting Purchased Receivables.
- (d) The Funding Seller, the Initial Purchaser and the Originators shall perform their respective obligations under the Contracts related to the Purchased Receivables to the same extent as if Purchased Receivables had not been sold and the exercise by the Purchaser of its rights under this Agreement shall not release the Servicer, any Originator, the Initial Purchaser or the Funding Seller from any of their duties or obligations with respect to any Purchased Receivables or related Contracts. The Purchaser shall have no obligation or liability with respect to any Purchased Receivables or related Contracts, nor shall it be obligated to perform the obligations of the Funding Seller, the Initial Purchaser or the Originators thereunder.

- (e) Subject to Section 3.2(b), the Servicer shall not, without the prior written consent of the Bank Purchasing Agent, make any change to its Credit and Collection Policy that would have a material adverse effect on the Bank Purchasers or the credit quality of the Purchased Receivables.

3.3 Reporting.

- (a) On or before each Reporting Date, the Servicer shall prepare and forward to each of the Purchasing Entities a Monthly Report relating to the Purchased Receivables outstanding on the last day of the immediately preceding Collection Period.
- (b) On or before each Reporting Date, the Servicer shall prepare and provide to the Bank Purchasing Agent the T-Mobile Information relating to the Purchased Receivables outstanding on the last day of the immediately preceding Collection Period. The parties hereto acknowledge and agree that such T-Mobile Information shall be maintained by the Bank Purchasing Agent in the United States of America and such T-Mobile Information may be viewed, but cannot be shared or distributed outside the United States of America.

3.4 Cooperation of the Funding Seller, the Initial Purchaser, and the Originators. The Funding Seller will, and will cause each of the Initial Purchaser and the Originators to, from time to time, at its own expense, promptly execute and deliver all further instruments and documents and take all further actions that may be reasonably necessary or desirable, or that the Bank Collections Agent may reasonably request, to perfect, protect or more fully evidence the transfers and/or ownership of the Purchased Receivables under the Transaction Documents, or to enable the Purchaser to exercise and enforce its rights and remedies hereunder.

3.5 Rights of the Co-Agents following a Servicer Event.

- (a) At any time after a Servicer Termination Event, unless the Final Termination Date has occurred:
 - (i) the Bank Collections Agent may direct the Obligor of Purchased Receivables that all payments thereunder be made directly to the Purchaser or one or more of the other Purchasing Entities (as directed by the Bank Collections Agent);
 - (ii) at the Funding Seller's expense, the Bank Collections Agent may, and, at the request of the Bank Collections Agent, the Servicer shall, deliver a Notice of Assignment to each Obligor of Purchased Receivables and direct that payments be made directly to the Purchaser or any Person or Persons otherwise acceptable to the Bank Purchasers; and
 - (iii) after the replacement of T-Mobile PCS Holdings as Servicer, at the Bank Collections Agent's request and at the Funding Seller's expense, the Funding Seller and the Servicer shall (x) assemble all of the documents, instruments and other records (including, without limitation, computer tapes and disks) that evidence or relate to the Purchased Receivables and the related Contracts and Related Rights, or that are otherwise necessary or desirable to collect the Purchased Receivables, and shall make the same available to the Purchaser and the Bank Collections Agent at a place

selected by the Bank Collections Agent, (y) segregate all cash, checks and other instruments received by it from time to time constituting Collections of Purchased Receivables in a manner acceptable to the Bank Collections Agent, and (z) promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Purchaser or one or more of the other Purchasing Entities (as directed by the Bank Collections Agent).

- (b) At any time before a Servicer Termination Event but after a Servicer Replacement Event, unless the Final Termination Date has occurred:
 - (i) the Bank Purchasing Agent may direct the Obligor of Purchased Receivables that all payments thereunder be made directly to the Purchaser or one or more of the other Purchasing Entities (as directed by the Bank Purchasing Agent);
 - (ii) at the Funding Seller's expense, the Bank Purchasing Agent may, and, at the request of the Bank Purchasing Agent, the Servicer shall, deliver a Notice of Assignment to each Obligor of Purchased Receivables and direct that payments be made directly to the Purchaser or any Person or Persons otherwise acceptable to the Bank Purchasers; and
 - (iii) after the replacement of T-Mobile PCS Holdings as Servicer, at the Bank Purchasing Agent's request and at the Funding Seller's expense, the Funding Seller and the Servicer shall (x) assemble all of the documents, instruments and other records (including, without limitation, computer tapes and disks) that evidence or relate to the Purchased Receivables and the related Contracts and Related Rights, or that are otherwise necessary or desirable to collect the Purchased Receivables, and shall make the same available to the Purchaser and the Bank Purchasing Agent at a place selected by the Bank Purchasing Agent, (y) segregate all cash, checks and other instruments received by it from time to time constituting Collections of Purchased Receivables in a manner acceptable to the Bank Purchasing Agent, and (z) promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Purchaser or one or more of the other Purchasing Entities (as directed by the Bank Purchasing Agent).

3.6 Rights of the Bank Collections Agent following a Termination Event.

- (a) The Bank Collections Agent is authorized at any time after the occurrence of a Termination Event to deliver to the Collection Account Bank the notice of effectiveness provided for in the Account Control Agreement. The Funding Seller hereby transfers to the Bank Collections Agent the exclusive control of the Collection Account, subject only to the Bank Collections Agent's delivery of such notice of effectiveness. The Funding Seller shall take any actions reasonably requested by the Bank Collections Agent to effect such transfer of control of the Collection Account to the Purchaser. All amounts in the Collection Account will be distributed on each Settlement Date in accordance with Section 2.7.
- (b) Following a Termination Event, the Funding Seller authorizes the Bank Collections Agent to take any and all steps in the Funding Seller's name and on behalf of the Funding Seller

that are necessary or desirable, in the determination of the Bank Collections Agent, to collect amounts due under the Purchased Receivables to the Bank Purchasers under the Onward Receivables Purchase Agreement, including, without limitation, endorsing the Funding Seller's name on checks and other instruments representing Collections of Purchased Receivables and enforcing the Purchased Receivables and the Related Rights.

3.7 Periodic Audits by the Bank Purchasing Agent.

- (a) The Servicer will, and will cause each of the Initial Purchaser and each of the Originators to, from time to time during regular business hours as may be reasonably requested by the Bank Purchasing Agent or any Bank Purchaser, permit the Bank Purchasing Agent or such Bank Purchaser:
 - (i) to conduct periodic audits of the Purchased Receivables, the Related Rights and the related books and records and collections systems of the Servicer, the Funding Seller, the Initial Purchaser and the Originators, provided that information relating to specific Receivables shall be limited to the T-Mobile Information;
 - (ii) upon reasonable prior notice, to examine all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of the Servicer, the Funding Seller, the Initial Purchaser or the Originators relating to Purchased Receivables and the Related Rights, including, without limitation, the Contracts, provided that information relating to specific Receivables shall be limited to the T-Mobile Information; and
 - (iii) upon reasonable prior notice, to visit the offices and properties of the Servicer, the Funding Seller, the Initial Purchaser or the Originators for the purpose of examining such materials described in Section 3.7(a)(ii) above, and to discuss matters relating to Purchased Receivables and the Related Rights or the Servicer's performance hereunder with any of the officers or employees of the Servicer, the Funding Seller, the Initial Purchaser or the Originators having knowledge of such matters; provided that, unless a Termination Event shall have occurred and be continuing, neither the Funding Seller nor the Servicer shall be liable for the cost of any of the actions contained in this Section 3.7(a)(iii) more often than once every twelve months.
- (b) The Servicer shall assist each Bank Purchaser (including its auditors and supervisory authorities, which may include the *Bundesanstalt für Finanzdienstleistungsaufsicht*) and provide them with information readily available to the Servicer upon a reasonable request, subject to applicable data protection laws and banking secrecy duty, provided that information with respect to any individual Receivables shall be limited to the T-Mobile Information.

3.8 Accountant's Report. Upon request by the Bank Purchasing Agent or any of the Bank Purchasers (which, at any time prior to the occurrence of a Termination Event, shall be no more frequent than once every twelve months and may be performed contemporaneously with the annual audit of the Funding Seller), the Funding Seller shall at its expense appoint independent public accountants (which may be the audit firm of the Performance Guarantor) to prepare and deliver to the Bank

Purchasing Agent a written report with respect to the Purchased Receivables and the Credit and Collection Policy (including, in each case, the systems, procedures and records relating thereto) of a scope substantially as described on Annex 7 attached hereto with such changes as may be reasonably requested by the Bank Purchasing Agent and in the format to be agreed between the Bank Purchasing Agent and the Funding Seller.

- 3.9 Payment of Taxes. The Servicer will, and will cause each Originator to, pay all sales, excise or other taxes with respect to the Purchased Receivables to the applicable taxing authority when due, and will, upon the request of the Bank Purchasing Agent or any Bank Purchaser, provide it with evidence of such payment.
- 3.10 Segregation of Collections. From and after the occurrence, and during the continuation, of a Termination Event, the Servicer shall cause all Collections with respect to the Purchased Receivables to be deposited to deposit accounts of the Servicer or of the related Originator which contain no cash other than Collections of Purchased Receivables and collections of other Receivables. The Servicer shall, within 2 Business Days of their receipt, identify all Collections received into such deposit accounts and shall deposit such Collections to the Collection Account. The Servicer shall not transfer any funds, and shall not permit any funds to be transferred, out of such deposit accounts and shall not allow such funds to be commingled with any other cash prior to the identification of such funds as Collections or otherwise.
- 3.11 Servicer Indemnity. Without limiting any other rights that any of the Purchasing Entities or any of their respective Affiliates or agents (each, a “**Special Indemnified Party**”) may have hereunder or under applicable law, and in consideration of its appointment as Servicer, the Servicer hereby agrees to indemnify each Special Indemnified Party from and against any and all claims, damages, costs, expenses, losses and liabilities (including reasonable attorneys’ fees) (all of the foregoing being collectively referred to as “**Special Indemnified Amounts**”) arising out of or resulting from any of the following, excluding, however, (a) Special Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of a Special Indemnified Party, (b) recourse for uncollectible Receivables and (c) any Excluded Taxes:
- (a) any representation or warranty or statement made by the Servicer under or in connection with this Agreement or the Transaction Documents that shall have been incorrect in any material respect when made or deemed made;
 - (b) the failure by the Servicer to comply with any applicable law, rule or regulation with respect to any Purchased Receivable or Contract, including payment of all unpaid sales, excise or other taxes when due;
 - (c) any failure of the Servicer to perform its duties or obligations in accordance with the provisions of this Agreement;
 - (d) the commingling of Collections of Purchased Receivables at any time by the Servicer with other funds;

- (e) any action or omission by the Servicer not in compliance with the Credit and Collection Policy that has the effect of reducing or impairing the rights of any of the Purchasing Entities with respect to any Purchased Receivable or the value of any Purchased Receivable;
- (f) any claim brought by any Person arising from any activity by the Servicer or its Affiliates in servicing, administering or collecting any Purchased Receivable; or
- (g) any dispute, claim, offset or defense of the Obligor to the payment of any Purchased Receivable as a result of the collection activities with respect to such Purchased Receivable by the Servicer.

3.12 Representations of the Servicer. The Servicer hereby represents and warrants to each of the Purchasing Entities that, as of the June 2016 Amendment Signing Date and each Purchase Date:

- (a) the Servicer (i) is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, (ii) is duly qualified to do business and (iii) has all corporate or other organizational power and all licenses, authorizations, consents, approvals and qualifications, of and from all third parties required to execute and deliver and perform its obligations under the Transaction Documents to which it is a party and to carry on its business in each jurisdiction in which its business is now conducted except where the failure to so qualify could not be expected to have a material adverse effect on the Servicer's ability to perform its duties or obligations with respect to the Purchased Receivables;
- (b) the execution, delivery and performance by the Servicer of this Agreement and any other Transaction Document to which it is a party, (i) are within the Servicer's corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) do not, with respect to execution and delivery, and will not, with respect to the performance of its obligations, contravene or constitute a default under (A) the Servicer's organic documents, (B) any applicable law, (C) any contractual restriction binding on or affecting the Servicer or its property or (D) any order, writ, judgment, award, injunction or decree binding on or affecting the Servicer or its property;
- (c) each Transaction Document to which the Servicer is a party has been duly executed and delivered by the Servicer;
- (d) no authorization, approval, license, consent, qualification or other action by, and no notice to or filing or registration with, any governmental body or agency or official thereof or any third party is required for the due execution, delivery and performance by the Servicer of this Agreement or any other Transaction Document to which the Servicer is a party or any other document to be delivered by the Servicer hereunder or thereunder, all of which have been duly made or taken, as the case may be, and are in full force and effect;
- (e) each Transaction Document to which the Servicer is a party constitutes the legal, valid and binding obligations of the Servicer enforceable against the Servicer in accordance with its terms, subject to any limitation on the enforceability thereof against the Funding Seller arising from the application of any applicable bankruptcy law or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

- (f) (i) there are no actions, suits, investigations by any governmental body or agency, litigation or proceedings at law or in equity or by or before any governmental body or agency or in arbitration now pending, or credibly threatened, against or affecting the Servicer or any of its businesses, properties or revenues that could reasonably be expected to result in a Material Adverse Change; and (ii) the Servicer is not in default or violation of any order, judgment or decree of any governmental body or agency or arbitrator that could reasonably be expected to result in a Material Adverse Change;
- (g) no Bankruptcy Event has occurred with respect to the Servicer;
- (h) the Servicer (i) is not overdue in the filing of any income tax returns or any other material tax returns required to be filed; and (ii) has made adequate provision for the payment of all income taxes and all other material taxes, assessments and other government charges;
- (i) the Servicer has the capability to identify each Purchased Receivable sold and assigned hereunder on a daily basis and the Collections received with respect thereto within 2 Business Days after receipt;
- (j) the Servicer has not breached any laws applicable to it or its business or property that could reasonably be expected to result in a Material Adverse Change;
- (k) each Monthly Report, information, exhibit, financial statement, document, book, record or report furnished at any time by or on behalf of the Servicer to the Purchaser or the Bank Purchasing Agent in connection with this Agreement is true, complete and accurate in all material respects as of its date or as of the date so furnished, and, as of such date, no such document contains any untrue statement of a material fact or (taken as a whole) omits to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;
- (l) each Purchased Receivable is an Eligible Receivable as of its Purchase Date;
- (m) all sales, excise or other taxes with respect to the goods, insurance or services that are the subject of any Contract for a Purchased Receivable have been paid as and when due unless such amounts are being disputed in good faith; and
- (n) the name and address of the Payment Account Banks, together with the account names and numbers of the Payment Accounts, are specified in the Master Receivables Purchase Agreement Side Letter;

4. FEES AND PAYMENTS; INCREASED COSTS; SET-OFF

- 4.1 Commitment Fee. On each Settlement Date, the Purchaser shall be entitled to receive from Collections a commitment fee (the “**Commitment Fee**”) in an amount equal to the product of (a) the Commitment Fee Rate, (b) the Unused Part of the Funding Limit as of such Settlement Date, and (c) a fraction, (i) the numerator of which is the actual number of days elapsed during the most recently ended Accrual Period and (ii) the denominator of which is 360.

- 4.2 Factoring Fee. On each Settlement Date, the Purchaser shall be entitled to receive from Collections a fee (the “**Factoring Fee**”) in an amount equal to the product of (a) LIBOR for the immediately preceding Accrual Period plus the Factoring Fee Margin in effect during such Accrual Period, (b) the Funded Amount on the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been the Closing Date Funded Amount), and (c) a fraction, (i) the numerator of which is the actual number of days that elapsed during the most recently ended Accrual Period and (ii) the denominator of which is 360.
- 4.3 Servicer Fee.
- (a) On each Settlement Date, the Servicer shall be entitled to receive a fee (the “**Servicer Fee**”) in an amount equal to the product of (a) 0.20%, (b) the Funded Amount on the immediately preceding Settlement Date (which, for purposes of the first Settlement Date, shall be deemed to have been the Closing Date Funded Amount), and (c) a fraction, (i) the numerator of which is the actual number of days elapsed during the most recently ended Accrual Period and (ii) the denominator of which is 360. If the Servicer shall at any time cease to be a member of the T-Mobile Group, the Bank Purchasing Agent and such Servicer may agree to a different percentage per annum, but in no event in excess of 110% of the reasonable costs and expenses of the Servicer in administering and collecting the Purchased Receivables.
- (b) The Servicer shall issue a separate invoice to each of the Bank Purchasers on the services rendered during any month and the Servicer Fee thereon by the Settlement Date in the following month. Such invoices shall be materially in the form specified in Annex 10. The Bank Purchasing Agent shall inform the Servicer of any required change to the invoicing should the relevant statutory VAT provisions or their interpretation change. Notwithstanding the receipt of invoices by the Bank Purchasers from the Servicer, the Servicer Fee shall be payable only from Collections pursuant to Section 2.7.
- 4.4 Increased Costs. If the Bank Purchasing Agent or any of the Bank Purchasers shall have determined that any Change in Law shall have the effect of reducing the rate of return on such party’s respective capital or assets as a consequence of its obligations or the purchases of Purchased Receivables hereunder or under the Onward Receivables Purchase Agreement to a level below that which such party could have achieved but for such adoption, change or compliance (taking into consideration such party’s policies with respect to capital adequacy) by an amount deemed by such party to be material, then from time to time, within 15 days of submission by such party to the Funding Seller of a written request therefor, the Funding Seller shall pay to such party such additional amount or amounts as will compensate such party for such reduction (the “**Increased Costs**”). A certificate as to any additional amounts payable pursuant to this Section 4.4 submitted by such party to the Funding Seller shall be conclusive in the absence of manifest error. The obligations of the Funding Seller pursuant to this Section 4.4 shall survive the termination of this Agreement and the payment of all other amounts owing by the Funding Seller to such party hereunder.
- 4.5 Set-Off. No Purchasing Entity shall have any right of set-off with respect to the obligations of the parties to the Transaction Documents other than those rights arising under applicable law.

4.6 Obligations of Funding Seller, Servicer and Performance Guarantor. Except as otherwise expressly provided herein, the obligations of the Funding Seller, the Servicer and the Performance Guarantor to make the deposits and other payments contemplated by this Agreement are absolute and unconditional and all payments to be made by the Funding Seller, the Servicer or the Performance Guarantor under or in connection with this Agreement shall be made free and clear of, and each of the Funding Seller, the Servicer and the Performance Guarantor hereby irrevocably and unconditionally waives all rights of, any counterclaim, set-off, deduction or other analogous rights or defenses, in connection with such obligations, which it may have against any of the Purchasing Entities (including any obligation of any Purchasing Entity in respect of payment of the Deferred Purchase Price). All stamp, documentary, registration or similar duties or taxes, including withholding taxes and any penalties, additions, fines, surcharges or interest relating thereto, which are imposed or chargeable in connection with this Agreement shall be paid by the Funding Seller; provided that each of the Purchasing Entities shall be entitled but not obliged to pay any such duties or taxes whereupon the Funding Seller shall on demand indemnify such party against those duties or taxes and against any costs and expenses so incurred by it in discharging them.

4.7 Taxes.

- (a) Any and all payments and distributions made by, or on behalf of, the Funding Seller in respect of the Purchased Receivables and the Related Rights that shall be conveyed by the Funding Seller to the Purchaser hereunder or otherwise, and all payments and distributions required to be made or deemed to have been made by, or on behalf of, the Funding Seller or any other Person (including the Purchaser) to any of the Purchasing Entities pursuant to any Transaction Document shall be made free and clear of, and without deduction for, any Indemnified Taxes, provided that:
- (i) if the Funding Seller or any other Person shall be required to deduct any Indemnified Taxes from such payments, then (1) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 4.7) such Purchasing Entity receives an amount equal to the sum it would have received had no such deductions been made, (2) the Funding Seller or such Person shall make such deductions, and (3) the Funding Seller or such Person shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law; and
 - (ii) the Funding Seller shall not be obligated to make a payment under this Section 4.7 in respect of penalties, interest, and additions to Tax attributable to any Indemnified Taxes (and, for the avoidance of doubt, reasonable expenses arising therefrom or with respect thereto), if (1) such penalties, interest or additions to Tax are attributable to the failure of the Purchaser to pay the relevant Governmental Authority amounts received by it from the Funding Seller or any other Person, as the case may be in respect of Indemnified Taxes within 30 days after receipt of such amount from the Funding Seller or any such other Person or (2) such penalties, interest or additions to Tax are attributable to the gross negligence or willful misconduct of the Purchaser.

Notwithstanding anything to the contrary contained in this Agreement, none of the Funding Seller, the Servicer, the Originators or the Performance Guarantor shall have any obligation

to make a “gross-up” payment of taxes or indemnification under this Section 4.7 to the Purchaser or the Bank Purchasers related to a FATCA Deduction.

- (b) Notwithstanding any other provision of this Agreement, the Funding Seller shall comply with all federal and state withholding requirements with respect to payments to any of the Purchasing Entities of amounts that the Funding Seller reasonably believes are applicable under the Code, the treasury regulations or any applicable state or local law. The Funding Seller will withhold on payments to each of the Purchasing Entities unless such Purchasing Entity provides at such time or times as required by law (i) a correct, complete and properly executed U.S. Internal Revenue Service Form W-8BEN claiming eligibility of such Purchasing Entity for benefits of an income tax treaty to which the United States is a party, (ii) a correct, complete and properly executed U.S. Internal Revenue Service Form W-8ECI, (iii) a correct, complete and properly executed U.S. Internal Revenue Service Form W-8BEN and a certificate of a duly authorized officer of such Purchasing Entity to the effect that such Purchasing Entity is not (A) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of the Funding Seller within the meaning of Section 881(c)(3)(B) of the Code, or (C) a controlled foreign corporation receiving interest from a related person within the meaning of Section 881(c)(3)(C) of the Code, or (iv) a correct, complete and properly executed U.S. Internal Revenue Service Form W-8IMY, with appropriate attachments from each of the beneficial owners that either (a) satisfies one of the clauses (i) through (iii) above or (b) is a correct, complete and properly executed U.S. Internal Revenue Service Form W-9. For any period with respect to which any of the Purchasing Entities has failed to provide the Funding Seller with the appropriate, complete and accurate form or other relevant document pursuant to this Section 4.7 establishing a complete exemption from U.S. federal withholding tax, such Purchasing Entity shall not be entitled to any “gross-up” of taxes or indemnification under this Section 4.7.
- (c) If a payment made to any of the Purchasing Entities under any Transaction Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such party were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such party shall deliver to the Funding Seller, at the time or times prescribed by law and at such time or times reasonably requested by the Funding Seller, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Funding Seller as may be necessary for the Funding Seller to comply with its obligations under FATCA, to determine that such party has or has not complied with its obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment.

4.8 Late Fees. If the Funding Seller, the Servicer or the Performance Guarantor shall default in the payment, when due, of any amount owed by it to any of the Purchasing Entities hereunder, then the Funding Seller, the Servicer or the Performance Guarantor, as the case may be, shall owe to such Purchasing Entity interest on the amount of such payment at a per annum rate equal to the sum of (i) LIBOR during the related Accrual Period plus the Factoring Fee Margin in effect during such Accrual Period plus (ii) 2.00% for the period beginning on (and including) the first day on which such payment was due and ending on (but not including) the day on which such payment is remitted

to such Purchasing Entity, which interest shall be calculated on the basis of the actual number of days included in such period and a year consisting of 360 days.

5. REPURCHASE OF RECEIVABLES; ALLOCATION AND SHARING OF LOSSES

5.1 Retransfer and Repurchase of Certain Receivables.

- (a) Imminent Write-Offs. On each Business Day, each Purchased Receivable that the Servicer has determined will become the subject of a Write-Off and any Aged Receivable that has not been repurchased by the Funding Seller in accordance with Section 5.1(b) below shall be retransferred by the Purchaser to the Funding Seller, automatically, and without any further action by the Purchaser or the Funding Seller.
- (b) Aged Receivables Repurchases. In addition to the foregoing, unless the Servicer at any time shall have failed to pay the Required Amount into the Collection Account in accordance with Section 2.6(c), during each Collection Period, on each Business Day that shall occur during such Collection Period, the Funding Seller shall repurchase from the Purchaser each Purchased Receivable that shall have become an Aged Receivable, it being agreed and understood (i) that the repurchase thereof shall be settled on the first Settlement Date to occur after the end of such Collection Period in accordance with the following provisions of this Section 5.1(b) and (ii) that, notwithstanding any of the foregoing, at any time, the Funding Seller may notify each of the Purchasing Entities in writing that, for any Batch, the Funding Seller shall repurchase Aged Receivables pursuant to this Section 5.1 only to the extent that the aggregate Outstanding Balance of all of the Aged Receivables from such Batch repurchased by the Funding Seller during the term of this Agreement would not exceed 10.00% of the related Batch Receivables Amount, which limitation of repurchases shall take effect on the first Settlement Date to occur after the end of the Collection Period during which such notification was given.

For each Batch, the repurchase price payable by the Funding Seller to the Purchaser for such Aged Receivables (i) shall be an amount equal to the product of (A) the Funding Advance Rate times (B) the aggregate Outstanding Balance of all of the repurchased Aged Receivables included in such Batch; and (ii) shall be paid on the Settlement Date on which their repurchase is to occur in accordance with this Section 5.1(b) by requiring the Funding Seller to pay to the Purchaser an amount equal to the aggregate amount of all of such repurchase prices, which amount shall be deemed to have been paid by requiring the Purchaser to reduce the Mandatory Repurchase Reserve Payment Amount for such Settlement Date by a corresponding amount, it being understood between the parties that such reduction may result in a negative Mandatory Repurchase Reserve Payment Amount.

- (c) All of the transfers and repurchases of Receivables contemplated by Sections 5.1(a) and 5.1(b) shall occur without recourse to, and without warranty of any kind made or deemed to have been made by, the Purchaser, and all representations and warranties are hereby expressly disclaimed. Notwithstanding any of the foregoing, the Servicer shall continue to monitor the status of all of the Receivables transferred back to the Funding Seller pursuant to Section 5.1(a) above and all of the Aged Receivables repurchased by the Funding Seller pursuant to Section 5.1(b) above in order to determine if and when such Receivables become

Written-Off Receivables and to identify and report to the Funding Seller and each of the Purchasing Entities any Recoveries thereon.

5.2 Order of Repurchase. The Servicer shall designate the order in which Purchased Receivables (which will become Written-Off Receivables or are Aged Receivables) are to be transferred back during a Collection Period in a notice delivered to the Purchaser and the Funding Seller. The Purchaser and the Funding Seller acknowledge initial receipt of such notice. The Servicer may change such designation by means of an additional notice delivered by it to each of the Purchasing Entities.

5.3 Allocation of Write-Offs.

- (a) On each Settlement Date until and including the Final Termination Date, the Servicer will determine, for each Batch and such Settlement Date, the Allocated Write-Off Amount related thereto, together with the Immediate Write-Off Amount and the Aged Receivables Write-Off Amount (as each of such terms is defined in Sections 5(b) and 5(c) below) related thereto.
- (b) On each Settlement Date until and including the Final Termination Date, *before* giving effect to Section 5.3(c) below, for each Batch, that portion of the Allocated Write-Off Amount for such Settlement Date that is not attributable to Aged Receivables that have been repurchased by the Funding Seller and paid for pursuant to Section 5.1(b) above (the amount of such portion of the Allocated Write-Off Amount is referred to herein as the “**Immediate Write-Off Amount**” for such Settlement Date) shall be allocated between the Funding Seller and the Purchaser as follows:
 - (i) FIRST, the Funding Seller shall bear the losses associated with the Immediate Write-Off Amount for such Settlement Date by paying to the Purchaser an amount equal to the lesser of (A) the Maximum Batch Mandatory Repurchase Amount for such Settlement Date and (B) the Immediate Write-Off Amount for such Settlement Date, which amount shall be deemed to have been paid by requiring the Purchaser to reduce the Mandatory Repurchase Reserve Payment Amount for such Settlement Date (and the Maximum Batch Mandatory Repurchase Amount as contemplated in the definition of such term) by a corresponding amount, it being understood between the parties that such reduction may result in a negative Mandatory Repurchase Reserve Payment Amount;
 - (ii) SECOND, until the Discount Ledger Adjusted Balance is reduced to zero, the Purchaser shall deposit to the Collection Account (for application pursuant to Section 2.7 on such date) an amount equal to the excess, if any, of the Immediate Write-Off Amount for such Settlement Date over the Maximum Batch Mandatory Repurchase Amount for such Settlement Date; and, simultaneously, the Bank Purchasing Agent shall reduce the Discount Ledger Balance by the amount of such deposit;
 - (iii) THIRD, until the Level 3 Maximum Amount is reduced to zero: (A) the Funding Seller shall deposit to the Collection Account (for application pursuant to Section 2.7 on such date) an amount equal to the product of (i) 85% and (ii) the amount by which the Immediate Write-Off Amount for such Settlement Date exceeds the sum of the

amount to be borne by the Funding Seller pursuant to clause FIRST above and the amount deposited by the Purchaser pursuant to clause SECOND above (the amount of such excess is referred to herein as the “**Aggregate Level 3 Loss Sharing Payment Amount**” for such Settlement Date); and (B) the Purchaser shall deposit to the Collection Account (for application pursuant to Section 2.7 on such date) an amount equal to the product of (i) 15% and (ii) the Aggregate Level 3 Loss Sharing Payment Amount for such Settlement Date; and (C) and, upon the making of such payments, the Level 3 Maximum Amount shall be reduced by an amount equal to the sum of the deposits made pursuant to subclauses (A) and (B) of this clause THIRD on such Settlement Date;

- (iv) FOURTH, until the Level 3A Maximum Amount is reduced to zero: (A) the Funding Seller shall deposit to the Collection Account (for application pursuant to Section 2.7 on such date) an amount equal to the amount by which the Immediate Write-Off Amount for such Settlement Date exceeds the sum of the amount to be borne by the Funding Seller pursuant to clause FIRST above, the amount deposited by the Purchaser pursuant to clause SECOND above, the amount deposited by the Funding Seller pursuant to subclause (A) of clause THIRD above, and the amount deposited by the Purchaser pursuant to subclause (B) of clause THIRD above; and (B) upon the making of such payment, the Level 3A Maximum Amount shall be reduced by an amount equal to the sum of the deposit made pursuant to subclause (A) of this clause FOURTH on such Settlement Date;
 - (v) FIFTH, if the Immediate Write-Off Amount for such Settlement Date shall be greater than the aggregate amount of the allocations made pursuant to clauses FIRST, SECOND, THIRD and FOURTH of this Section 5.3(b) on such Settlement Date (the “**Excess Level 3A Amount**”), the Servicer shall deposit Collections in the Collection Account in an amount equal to the lesser of the (A) the Level 4 Reserve Amount and (B) the Excess Level 3A Amount, and the Level 4 Reserve Amount shall be reduced by the amount of such deposit on such Settlement Date; and
 - (vi) SIXTH, if the Immediate Write-Off Amount for such Settlement Date shall be greater than the aggregate amount of the allocations made pursuant to clauses FIRST, SECOND, THIRD, FOURTH and FIFTH of this Section 5.3(b) on such Settlement Date, the Purchaser shall then reduce the Funded Amount by the amount of such excess.
- (c) On each Settlement Date until and including the Final Termination Date, *after* giving effect to Section 5.3(b) above, for each Batch, that portion of the Allocated Write-Off Amount for such Settlement Date that is attributable to Aged Receivables that have been repurchased by the Funding Seller pursuant to Section 5.1 above (the amount of such portion of the Allocated Write-Off Amount is referred to herein as the “**Aged Receivables Write-Off Amount**” for such Settlement Date) shall be allocated between the Funding Seller and the Purchaser as follows:
- (i) FIRST, the Funding Seller shall bear the losses associated with the Aged Receivables Write-Off Amount up to an amount equal to the excess of (A) the Maximum Batch

Mandatory Repurchase Amount for such Settlement Date over (B) the amounts deemed to have been paid by the Funding Seller on such Settlement Date pursuant to clause FIRST of Section 5.3(b) above; it being understood (for the avoidance of doubt) that no payment by the Funding Seller shall be required to give effect the allocation of Write-Offs to the Funding Seller pursuant to this clause FIRST;

- (ii) SECOND, until the Discount Ledger Adjusted Balance is reduced to zero, the Purchaser shall pay directly to the Funding Seller an amount equal to the excess, if any, of the Aged Receivables Write-Off Amount for such Settlement Date over the amount borne by the Funding Seller pursuant to clause FIRST above; and, simultaneously, the Bank Purchasing Agent shall reduce the Discount Ledger Balance by the amount of such deposit;
- (iii) THIRD, until the Level 3 Maximum Amount is reduced to zero and taking into account any reduction of the Level 3 Maximum Amount made on such Settlement Date pursuant to clause THIRD of Section 5.3(b) above: (A) the Purchaser shall pay directly to the Funding Seller an amount equal to the product of (i) 15% and (ii) the amount by which the Aged Receivables Write-Off Amount for such Settlement Date exceeds sum of the amount to be borne by the Funding Seller pursuant to clause FIRST above and the amount deposited by the Purchaser pursuant to clause SECOND above (such amount is referred to herein as the **“Aggregate Level 3 Excess Loss Sharing Payment Amount”** for such Settlement Date); and (B) the Funding Seller shall bear losses in an amount equal to the product of (i) 85% and (ii) the Aggregate Level 3 Excess Loss Sharing Payment Amount for such Settlement Date; it being understood (for the avoidance of doubt) that no payment by the Funding Seller shall be required to give effect the allocation of Write-Offs to the Funding Seller pursuant to this clause THIRD; and (C) the Level 3 Maximum Amount shall be reduced by an amount equal to the sum of the deposit made by the Purchaser pursuant to subclause (A) and the amount of losses borne by the Funding Seller pursuant to subclause (B) of this clause THIRD;
- (iv) FOURTH, until the Level 3A Maximum Amount is reduced to zero and taking into account any reduction of the Level 3A Maximum Amount made on such Settlement Date pursuant to clause FOURTH of Section 5.3(b) above: (A) the Funding Seller shall bear losses in an amount equal to the amount by which the Aged Receivables Write-Off Amount for such Settlement Date exceeds the sum of the amount to be borne by the Funding Seller pursuant to clause FIRST above, the amount deposited by the Purchaser pursuant to clause SECOND above, the amount deposited by the Purchaser pursuant to subclause (A) of clause THIRD above, and the amount to be borne by the Funding Seller pursuant to subclause (B) of clause THIRD above; it being understood (for the avoidance of doubt) that no payment by the Funding Seller shall be required to give effect to the allocation of Write-Offs to the Funding Seller pursuant to this clause FOURTH; and (B) the Level 3A Maximum Amount shall be reduced by an amount equal to the amount of losses borne by the Funding Seller pursuant to this clause FOURTH;

- (v) FIFTH, until the Level 4 Reserve Amount is reduced to zero and taking into account any reduction of the Level 4 Reserve Amount made on such Settlement Date pursuant to clause FIFTH of Section 5.3(b) above, if the Aged Receivables Write-Off Amount for such Settlement Date shall be greater than the aggregate amount of the allocations made pursuant to clauses FIRST, SECOND, THIRD and FOURTH of this Section 5.3(c) on such Settlement Date (the “**Excess Level 3A Excess Amount**”), the Servicer shall deposit Collections in the Collection Account in an amount equal to the lesser of the (A) the Level 4 Reserve Amount and (B) the Excess Level 3A Excess Amount, and the Level 4 Reserve Amount shall be reduced by the amount of such deposit on such Settlement Date; and
- (vi) SIXTH, the Purchaser shall pay directly to the Funding Seller an amount equal to the excess, if any, of the Aged Receivables Write-Off Amount for such Settlement Date over the aggregate amount of the allocations made pursuant to clauses FIRST, SECOND, THIRD, FOURTH and FIFTH of this Section 5.3(c) on such Settlement Date.

5.4 Allocation of Recoveries. On each Settlement Date until and including the Final Termination Date, Recoveries for the prior Collection Period shall be paid or allocated by the Funding Seller or by the Servicer on behalf of the Funding Seller in accordance with the following order of priority:

- (i) FIRST, to the Purchaser, up to the aggregate of the amounts, if any, allocated to the Purchaser pursuant to Section 5.3(b)(vi) above and/or payable by the Purchaser to the Funding Seller pursuant to Sections 5.3(c)(vi) above with respect to any Batch on all prior Settlement Dates;
- (ii) SECOND, to the Funding Seller, up to the aggregate of the amounts deposited by the Servicer in the Collection Account pursuant to Section 5.3(b)(v) and/or Section 5.3(c)(v);
- (iii) THIRD, to the Funding Seller, up to the aggregate of the amounts, if any, payable by the Funding Seller pursuant to Sections 5.3(b)(iv) and 5.3(c)(iv) with respect to any Batch on such Settlement Date and all prior Settlement Dates, whereupon the Level 3A Maximum Amount shall be increased by the aggregate amount so paid to the Funding Seller;
- (iv) FOURTH, ratably and *pari passu*, (A) 85% to the Funding Seller and (B) 15% to the Purchaser up to the aggregate of the amounts, if any, payable by the Funding Seller and the Purchaser pursuant to Sections 5.3(b)(iii) and 5.3(c)(iii) with respect to any Batch on such Settlement Date and all prior Settlement Dates, whereupon the Level 3 Maximum Amount shall be increased by the aggregate amount so paid to the Purchaser and the Funding Seller;
- (v) FIFTH, to the Purchaser, up to the aggregate of (A) the amounts, if any, by which the Discount Ledger Balance was required to be reduced pursuant to Section 5.3(b)(ii) and (B) the amounts, if any, payable by the Purchaser to the Funding Seller pursuant to Section 5.3(c)(ii), if any, with respect to any Batch on such Settlement

Date and all prior Settlement Dates, whereupon the Bank Purchasing Agent shall be obligated to increase the Discount Ledger Balance by the amount so paid to the Purchaser); and

(vi) FINALLY, to pay any remainder to the Funding Seller.

5.5 Revision of Allocation Levels.

- (a) In the event that the Discount Ledger Balance exceeds 2.00% of the Maximum Sales Amount on any Settlement Date (after giving effect to any adjustments to the Discount Ledger Balance on such Settlement Date), upon notice by the Funding Seller to the Bank Purchasing Agent and the Bank Purchasers on such Settlement Date, the Discount Rate shall be decreased to a percentage determined by the Funding Seller, but not less than 0.00%, to reflect such change in credit quality, and the Level 4 Reserve Percentage shall be increased by 1.25 times the reduction in the Discount Rate. Such adjustment shall be prospective in nature and shall only apply to succeeding Collection Periods after the adjustment is made. The notice described in this Section 5.5(a) may be issued more than once.
- (b) If the Discount Ledger Balance is less than 1.75% of the Maximum Sales Amount on any Settlement Date (after giving effect to any adjustments to the Discount Ledger Balance on such Settlement Date), upon notice by the Funding Seller to the Bank Purchasing Agent and the Bank Purchasers on such Settlement Date, the Discount Rate shall be increased to a percentage determined by the Funding Seller, and the Level 4 Reserve Percentage shall be decreased by an amount equal to 1.25 multiplied by such increase in the Discount Rate; provided that the Level 4 Reserve Percentage for any Settlement Date and any Batch shall not be less than the numerical percentage prescribed by the definition of the term “Level 4 Reserve Percentage” for such Settlement Date and such Batch without giving effect to any increase or decrease to such percentage that may have been effected pursuant to this Section 5.5. Such adjustment shall be prospective in nature and shall only apply to succeeding Collection Periods after the adjustment is made.
- (c) The Funding Seller may, no more frequently than twice per calendar year, submit a written request to the Co-Agents, requesting a change in the Discount Rate, the Maximum Mandatory Repurchase Percentage, the Level 3 Maximum Amount, the Level 3A Maximum Amount or the Level 4 Reserve Percentage, or any combination thereof, in order to adjust for changes in the credit quality of the Purchased Receivables and the history and magnitude of write-offs made with respect thereto; provided, however, that (A) any such changes shall be effective as of the first day of a Collection Period and shall be prospective only, and (B) no such changes shall cause the total credit support available to cover losses in accordance with Sections 5.3(b)(i)-(v) and 5.3(c)(i)-(v) (without taking into account the Discount Ledger Balance) to be less protective than such total credit support immediately prior to giving effect to the requested changes, (C) as a condition to any increase in the Level 3 Maximum Amount to an amount in excess of \$50,000,000, the Funding Seller shall provide collateral in an amount no less than 85% of such excess in form and substance, and subject to documentation in form and substance, satisfactory to the Bank Purchasing Agent, in order to secure the Funding Seller’s obligations under Sections 5.6(a)(i) and 5.6(a)(iii), and (D) as a condition to any increase in the Level 3A Maximum Amount to an amount in excess of \$40,000,000,

the Funding Seller shall provide collateral in an amount no less than 100% of such excess in form and substance, and subject to documentation in form and substance, satisfactory to the Bank Purchasing Agent, in order to secure the Funding Seller's obligations under Sections 5.6(a)(ii) and 5.6(a)(iii). Any such requested change shall be accepted or rejected by the Co-Agents within five Business Days following the Reporting Date that next follows the receipt of such request. The Co-Agents shall be obligated to agree, in good faith, to accept or reject each written request submitted to them pursuant to this Section 5.5(c) within such five-Business Day period; it being agreed and understood that, if agreement is not achieved within such period, then such requested change shall be deemed to have been rejected. For the avoidance of doubt, the prospective changes to the Discount Rate and Level 4 Reserve Percentage that may occur pursuant to Sections 5.5(a) and 5.5(b) shall not constitute or trigger changes to such rates pursuant to this Section 5.5(c).

5.6 KfW Guarantees.

- (a) The parties hereto acknowledge and agree that the Bank Purchasing Agent shall be entitled to make a demand on behalf of the Bank Purchasers under the KfW Guarantees under the following circumstances and in the following amounts.
- (i) If, on any Settlement Date, the Funding Seller fails to make all or any portion of the deposit to the Collection Account that was required to be made by it pursuant to Section 5.3(b)(iii), then, on or after such Settlement Date, the Bank Purchasing Agent shall be permitted to make a draw under the KfW Second Amended and Restated Level 3 Guarantee, to the extent that there shall be availability thereunder, in an amount equal to the amount that the Funding Seller shall have failed to so deposit to the Collection Account.
 - (ii) If, on any Settlement Date, the Funding Seller fails to make all or any portion of the deposit to the Collection Account that was required to be made by it pursuant to Section 5.3(b)(iv), then, on or after such Settlement Date, the Bank Purchasing Agent shall be permitted to make a draw under the KfW First Amended and Restated Level 3A Guarantee, to the extent that there shall be availability thereunder, in an amount equal to the amount that the Funding Seller shall have failed to so deposit to the Collection Account.
 - (iii) If, on any Settlement Date, (I) the Servicer shall fail to deposit any of the Collections into the Collection Account, as required under this Agreement, and such Collections shall have been commingled with other funds of the Servicer or any other member of the T-Mobile Group and (II) as a direct result of such failure and commingling, such Collections are not readily identifiable and any of the Bank Purchasers suffers a loss (any such loss is referred to herein as a "**Commingling Loss**"), then, on or after such Settlement Date:
 - (A) the Bank Purchasing Agent shall be permitted to make a draw under one or both of the KfW Guarantees (in accordance with subparagraph (B) below) in an amount equal to the excess of:

- (x) the sum of the amounts that the Funding Seller would have been required to deposit to the Collection Account pursuant to Sections 5.3(b)(iii) and 5.3(b)(iv) if the Commingling Loss for such Settlement Date had been added to and included in the determination of the Immediate Write-Off Amount for such Settlement Date; over
 - (y) the sum of the amounts that the Funding Seller was actually required to deposit to the Collection Account pursuant to Sections 5.3(b)(iii) and 5.3(b)(iv) on such Settlement Date; and
- (B) unless otherwise directed by the Bank Purchasing Agent, such draw shall be made, *first*, under the KfW First Amended and Restated Level 3A Guarantee to the extent that there shall be availability thereunder and, *second*, under the KfW Second Amended and Restated Level 3 Guarantee to the extent that there shall be availability thereunder.

For the avoidance of doubt, a draw permitted to be made under any of the foregoing clauses (i) through (iii) shall be in addition to, and shall not be an alternative to, a draw permitted to be made under any other such clause.

- (b) The Bank Purchasing Agent shall specify in the related demand notice provided to KfW under the applicable KfW Guarantee the amount of the proceeds thereof that shall be due to each Bank Purchaser and shall provide a copy of such demand notice to the Purchaser.

The provisions of this Section 5.6 shall not be construed to limit in any way the provisions of the KfW Guarantees themselves.

6. REPRESENTATIONS AND WARRANTIES OF THE FUNDING SELLER AND THE PERFORMANCE GUARANTOR

6.1 The Funding Seller. The Funding Seller hereby represents and warrants to each of the Purchasing Entities that, as of the June 2016 Amendment Signing Date and each Purchase Date:

- (a) the Funding Seller (i) is a limited liability company, duly organized solely, validly existing and in good standing under the laws of the State of Delaware, (ii) is duly qualified to do business and (iii) has all corporate or other organizational power and all licenses, authorizations, consents, approvals and qualifications, of and from all third parties required to execute and deliver and perform its obligations under the Transaction Documents to which it is a party and to carry on its business in each jurisdiction in which its business is now conducted;
- (b) the execution, delivery and performance by the Funding Seller of this Agreement and any other Transaction Document to which it is a party, including the Funding Seller's sales hereunder of Receivables and the Funding Seller's use of the proceeds thereof (i) are within the Funding Seller's corporate and other organizational powers, (ii) have been duly authorized by all necessary corporate and other organizational action, (iii) do not, with respect to execution and delivery, and will not, with respect to the performance of its obligations, contravene or constitute a default under (A) the Funding Seller's organic

documents, (B) any applicable law, (C) any contractual restriction binding on or affecting the Funding Seller or its property or (D) any order, writ, judgment, award, injunction or decree binding on or affecting the Funding Seller or its property and (iv) do not, with respect to execution and delivery, and will not, with respect to the performance of its obligations, result in or require the creation or imposition of any Adverse Claim (other than any Adverse Claim arising under any Transaction Document) upon or with respect to any of its properties;

- (c) each Transaction Document to which the Funding Seller is a party has been duly executed and delivered by the Funding Seller;
- (d) no authorization, approval, license, consent, qualification or other action by, and no notice to or filing or registration with, any governmental body or agency or official thereof or any third party is required for the due execution, delivery and performance by the Funding Seller of this Agreement or any other Transaction Document to which the Funding Seller is a party or any other document to be delivered by the Funding Seller hereunder or thereunder, all of which have been duly made or taken, as the case may be, and are in full force and effect;
- (e) each Transaction Document to which the Funding Seller is a party constitutes the legal, valid and binding obligations of the Funding Seller enforceable against the Funding Seller in accordance with its terms, subject to any limitation on the enforceability thereof against the Funding Seller arising from the application of any applicable bankruptcy law or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);
- (f) (i) there are no actions, suits, investigations by any governmental body or agency, litigation or proceedings at law or in equity or by or before any governmental body or agency or in arbitration now pending, or credibly threatened, against or affecting the Funding Seller or any of its businesses, properties or revenues; and (ii) the Funding Seller is not in default or violation of any order, judgment or decree of any governmental body or agency or arbitrator;
- (g) no event has occurred and is continuing, or would result from any purchase by the Purchaser of Receivables from the Funding Seller or the application of the proceeds therefrom, which constitutes a Bankruptcy Event;
- (h) no proceeds of any purchase by the Purchaser of Purchased Receivables from the Funding Seller pursuant to this Agreement will be used to purchase or carry, or to extend credit to others for the purpose of purchasing or carrying, "margin stock" within the meaning of Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time;
- (i) the Funding Seller (i) is not overdue in the filing of any income tax returns or any other tax returns required to be filed; (ii) has made adequate provision for the payment of all income taxes and all other taxes, assessments and other government charges; and (iii) is wholly-owned (or so treated for U.S. federal tax purposes) by one member of the consolidated tax group of which TMUS is the common parent and has not made, and will not make, an election to be treated as an association taxable as a corporation for U.S. federal tax purposes;

- (j) the Funding Seller has not changed its name or legal structure in the four months immediately preceding the Closing Date and is not known by and does not use any trade name or doing-business-as name;
- (k) the Funding Seller is not an “investment company” under, and as defined in, the Investment Company Act of 1940, as amended;
- (l) (i) no purchase by the Purchaser of Purchased Receivables from the Funding Seller pursuant to this Agreement has been made for or on account of an antecedent debt owed by the Funding Seller to the Purchaser and no such purchase is or may be voidable or subject to avoidance under any section of any applicable bankruptcy law or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (ii) the sale of Purchased Receivables by the Funding Seller to the Purchaser pursuant to this Agreement, and all other transactions between the Funding Seller and the Purchaser, have been and will be made in good faith and without intent to hinder, delay or defraud creditors of the Funding Seller or any other member of the T-Mobile Group;
- (m) the Funding Seller has not breached any laws applicable to it or its business or property;
- (n) the Funding Seller is not required to account to any governmental body or agency for any value added or other similar tax in respect of the assignment by the Funding Seller of any Purchased Receivable and no withholding or other tax is deductible or payable on any payment made by any Obligor with respect to any Purchased Receivable;
- (o) the Funding Seller is exclusively resident for tax purposes in the United States and, for the purposes of this Agreement and the other Transaction Documents to which it is a party, will not act through any branch or permanent establishment located outside of the United States;
- (p) the Funding Seller is not required to make any deduction for or on account of taxes from any payment made by it under a Transaction Document;
- (q) duly completed and sufficient UCC financing statements covering all Receivables and Related Rights sold by the Funding Seller to the Purchaser hereunder have been filed (A) with the Secretary of State of Delaware, naming the Funding Seller as debtor, the Purchaser as secured party, and the Co- Agents as the assignees of the secured party, and (B) with respect to each Originator, with the Secretary of State of the state in which such Originator is organized or otherwise “located” for purposes of the UCC, naming such Originator as debtor, the Initial Purchaser as secured party, and the Funding Seller as the assignee of the secured party, and (C) with respect to each Originator, with the Secretary of State of the state in which such Originator is organized or otherwise “located” for purposes of the UCC, assigning each UCC financing statement described in the foregoing clause (B) to the Purchaser as the assignee of the Funding Seller, in each case as may be necessary under the UCC in order to perfect each of the Co-Agents’ respective interests in the Purchased Receivables;
- (r) the Funding Seller is not an employee benefit plan that is subject to Title I of ERISA or Section 4975 of the Code or a “benefit plan investor” as defined in Section 3(42) of ERISA

and the Funding Seller shall not use the assets of an employee benefit plan that is subject to Title I of ERISA or Section 4975 of the Code or any "benefit plan investor" as defined in Section 3(42) of ERISA to discharge any of its obligations under this Agreement or the Contribution Agreement;

- (s) upon each purchase of Purchased Receivables hereunder, the Purchaser shall acquire (i) a valid and perfected ownership interest in each such Purchased Receivable and all identifiable cash proceeds thereof and (ii) a valid ownership interest in all Related Rights with respect thereto;
- (t) no effective financing statement or other instrument similar in effect covering any Contract or any Purchased Receivable or the Related Rights or Collections with respect thereto is on file in any recording office, except those filed in favor of the Co-Agents relating to this Agreement and the other Transaction Documents;
- (u) each Monthly Report (if prepared by the Funding Seller, or to the extent that information contained therein is supplied by the Funding Seller), information, exhibit, financial statement, document, book, record or report furnished at any time by or on behalf of the Funding Seller to the Purchaser in connection with this Agreement is true, complete and accurate in all material respects as of its date or as of the date so furnished, and, as of such date, no such document contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;
- (v) the principal place of business and chief executive office of the Funding Seller and the office where the Funding Seller keeps its records concerning the Purchased Receivables are located at the address or addresses in Annex 1 hereto;
- (w) the name and address of the Collection Account Bank, together with the account number of the Collection Account, are specified in the Master Receivables Purchase Agreement Side Letter;
- (x) the Funding Seller was formed on November 8, 2013 and the Funding Seller did not engage in any business activities prior to the Closing Date; the Funding Seller has no Subsidiaries; and
- (y) no event has occurred and is continuing that constitutes a Termination Event.

6.2 The Performance Guarantor. The Performance Guarantor hereby represents and warrants to each of the Purchasing Entities that, as of the June 2016 Amendment Signing Date and each Purchase Date:

- (a) the Performance Guarantor (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (ii) is duly qualified to do business and (iii) has all corporate or other organizational power and all licenses, authorizations, consents, approvals and qualifications, of and from all third parties required to execute and deliver and perform its obligations under the Transaction Documents to which it is a party and to carry on its business in each jurisdiction in which its business is now conducted except where the

failure to so qualify could not be expected to have a material adverse effect on the Performance Guarantor's ability to perform its duties or obligations under the Transaction Documents;

- (b) the execution, delivery and performance by the Performance Guarantor of this Agreement and any other Transaction Document to which it is a party, (i) are within the Performance Guarantor's corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) do not, with respect to execution and delivery, and will not, with respect to the performance of its obligations, contravene or constitute a default under (A) the Performance Guarantor's organic documents, (B) any applicable law, (C) any contractual restriction binding on or affecting the Performance Guarantor or its property or (D) any order, writ, judgment, award, injunction or decree binding on or affecting the Servicer or its property;
- (c) each Transaction Document to which the Performance Guarantor is a party has been duly executed and delivered by the Performance Guarantor;
- (d) no authorization, approval, license, consent, qualification or other action by, and no notice to or filing or registration with, any governmental body or agency or official thereof or any third party is required for the due execution, delivery and performance by the Performance Guarantor of this Agreement or any other Transaction Document to which the Performance Guarantor is a party or any other document to be delivered by the Performance Guarantor hereunder or thereunder, all of which have been duly made or taken, as the case may be, and are in full force and effect;
- (e) each Transaction Document to which the Performance Guarantor is a party constitutes the legal, valid and binding obligations of the Performance Guarantor enforceable against the Performance Guarantor in accordance with its terms, subject to any limitation on the enforceability thereof against the Performance Guarantor arising from the application of any applicable bankruptcy law or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);
- (f) no Bankruptcy Event has occurred with respect to the Performance Guarantor; and
- (g) each of the Originators is a direct or indirect, wholly owned subsidiary of the Performance Guarantor and is duly organized and validly existing under the laws of the state specified as its jurisdiction of organization in Annex 4.

6.3 The Receivables. The Funding Seller hereby represents, warrants and covenants to each of the Purchasing Entities as of each Purchase Date with respect to each Receivable purchased or purported to be purchased on such date (including each Receivable originated by the January 2015 Originator and sold or purported to be sold to the Purchaser on such date), that:

- (a) such Receivable is a validly existing Eligible Receivable and each Contract with respect to such Receivable is effective to create, and has created, a legal, valid and binding obligation of the related Obligor to pay the Outstanding Balance of the Receivable created thereunder and any accrued interest thereon, enforceable against the Obligor in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency,

reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

- (b) the Funding Seller has sole legal, good and marketable, and beneficial title to such Receivable;
- (c) the Funding Seller has not entered into any agreements that would impair the rights of the Purchaser in, or altered any of the material terms (including the maturity or Due Date) of, such Receivable;
- (d) the Funding Seller has not previously sold, transferred or otherwise disposed of such Receivable to, or in favor of, any Person other than the Purchaser;
- (e) the sale of such Receivable, together with any and all Related Rights, to the Purchaser pursuant to this Agreement constitutes a valid sale, transfer and assignment of all of the Funding Seller's right, title and interest in, to and under such Receivable and Related Rights to the Purchaser that is perfected and of first priority under the UCC and otherwise, enforceable against creditors of, and subsequent purchasers from, the Funding Seller and free and clear of any Adverse Claim (other than any Adverse Claim arising under any Transaction Document); such sale, transfer and assignment is made for "reasonably equivalent value" (as such term is used in Section 548 of the Bankruptcy Code) and not for, or on account of, "antecedent debt" (as such term is used in Section 547 of the Bankruptcy Code); and without limiting any of the foregoing, such sale, transfer and assignment (i) is not voidable or subject to avoidance under applicable law and (ii) is made in good faith without the intent to defraud any creditors of the Funding Seller or any Originator;
- (f) the Funding Seller (i) shall have received such Receivable as a contribution of capital by the Initial Purchaser or (ii) shall have purchased such Receivable from the Initial Purchaser in exchange for payment (made by the Funding Seller to the Initial Purchaser in accordance with the provisions of the Contribution Agreement) of cash or a deferred purchase price in an amount that constitutes fair consideration and reasonably equivalent value. Each such sale referred to in clause (ii) of the preceding sentence shall not have been made for or on account of an antecedent Debt owed by the Originators or the Initial Purchaser to the Funding Seller and no such sale is voidable or subject to avoidance under any section of the Bankruptcy Code; and
- (g) no event would result from a purchase in respect of such Receivable or from the application of the proceeds therefrom that constitutes a Termination Event.

The Funding Seller shall be liable for the accuracy of the foregoing representations and warranties regardless of whether any Purchasing Entity actually was aware or could have been aware of the respective facts and circumstances at the time of purchase.

7. CERTAIN COVENANTS OF THE FUNDING SELLER, THE SERVICER, THE PERFORMANCE GUARANTOR, THE BANK PURCHASING AGENT AND THE PURCHASER

7.1 Until the Final Termination Date:

- (a) The Funding Seller and the Performance Guarantor will comply in all material respects with all applicable laws, rules, regulations and orders and preserve and maintain its existence, rights, franchises, qualifications, and privileges except to the extent that the failure so to comply with such laws, rules and regulations or the failure so to preserve and maintain such existence, rights, franchises, qualifications and privileges would not materially adversely affect the collectibility of the Purchased Receivables or the ability of the Funding Seller or the Performance Guarantor to perform its obligations under the Transaction Documents.
- (b) The Funding Seller will keep its principal place of business and chief executive office and the office where it keeps its records concerning the Purchased Receivables (and all original documents relating thereto) at the address of the Funding Seller set forth in Annex 1 or, upon 30 days' prior written notice to the Purchaser and the Bank Collections Agent, at any other locations in jurisdictions where all actions reasonably requested by the Bank Collections Agent to protect and perfect the interest in the Purchased Receivables and the Related Rights with respect thereto have been taken and completed. The Servicer also will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Purchased Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Purchased Receivables (including, without limitation, records adequate to permit the daily identification of each Purchased Receivable and all Collections of and adjustments to each existing Purchased Receivable).
- (c) The Funding Seller will require, at its expense, that each Originator will timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by it under the Contracts related to the Purchased Receivables, and timely and fully comply in all material respects with the Credit and Collection Policy in regard to each Purchased Receivable and the related Contract.
- (d) The Funding Seller will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to, any Purchased Receivable or Related Rights, or upon or with respect to the Collection Account, or assign any right to receive income in respect thereof, except to the extent arising under any Transaction Document.
- (e) Neither the Funding Seller nor the Servicer nor any of their respective Affiliates (which shall include the Originators) shall be permitted to grant to any Person other than the Purchaser and the Co-Agents a security interest (as such term is defined in the UCC) in (i) any Collections (A) before they are deposited to the Collection Account or distributed to the Funding Seller pursuant to Section 2.6 or (B) after they are deposited to the Collection Account pursuant to Section 2.6 or (ii) the Collection Account itself.

- (f) Except as provided in Section 3.3, the Funding Seller and the Servicer will not (i) extend the maturity or adjust the Outstanding Balance or otherwise modify the terms of any Purchased Receivable in a manner that would result in the Dilution of such Purchased Receivable or that would otherwise prevent such Purchased Receivable from being an Eligible Receivable unless, in each case, the Funding Seller shall have been deemed to have received a Collection in respect of such Purchased Receivable, or (ii) amend, modify or waive in any material respect any term or condition relating to payments under or enforcement of any Contract related thereto.
- (g) None of the Funding Seller, the Servicer or the Performance Guarantor will make or permit any change in the character of its business that would, in either case, materially adversely affect the collectibility of the Purchased Receivables or the ability of the Funding Seller, the Servicer, or the Performance Guarantor to perform its obligations under this Agreement.
- (h) The Servicer will, or will cause the Originators to, instruct all Obligor to make payments with respect to the Purchased Receivables to a Payment Account and will not make or permit any change in the instructions to Obligor regarding payments to be made to a Payment Account, other than a change related solely to instructions to Obligor to pay to a new Payment Account which has been identified in writing to each of the Purchasing Entities.
- (i) The Funding Seller will not terminate or cause or permit the termination of the bank as the Collection Account Bank that is listed in the Master Receivables Purchase Agreement Side Letter or terminate the Account Control Agreement. The Funding Seller will not permit any provision of the Account Control Agreement to be changed, amended, modified or waived without the prior written consent of the Bank Collections Agent.
- (j) At its expense, the Servicer will mark its, and the Funding Seller's, master data processing records evidencing Purchased Receivables and related Contracts with a legend evidencing that such Purchased Receivables and related Contracts have been sold in accordance with this Agreement.
- (k) The Performance Guarantor will provide to the Purchaser, the Bank Collections Agent and the Bank Purchasing Agent the following:
 - (A) as soon as available and in any event within 45 days after the end of the first three quarters of each fiscal year of the Performance Guarantor, balance sheets of the Performance Guarantor, and its Subsidiaries as of the end of such quarter and statements of income and retained earnings of the Performance Guarantor, and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by the chief financial officer of the Performance Guarantor;
 - (B) as soon as available and in any event within 90 days after the end of each fiscal year of the Performance Guarantor, a copy of the annual report for such year for the Performance Guarantor and its Subsidiaries, containing financial statements for such year audited by PriceWaterhouse Coopers LLP or other independent public accountants of recognized national standing;

- (C) at least ten (10) Business Days prior to any change in the name of an Originator or the Funding Seller, a notice setting forth the new name and the effective date thereof and UCC-3 amendments to all then existing UCC-1 financing statements filed in connection with the Transaction Documents;
- (D) no later than 2 Business Days after the Funding Seller or the Performance Guarantor has knowledge thereof notice of any Termination Event or any material breach of any representation, warranty or covenant under any other Transaction Document;
- (E) as soon as possible and in any event no later than the day of occurrence thereof, notice that any Originator or the Initial Purchaser has ceased selling or contributing (as the case may be) Receivables as required pursuant to the Conveyancing Agreement or the Contribution Agreement, respectively;
- (F) at the time of the delivery of the financial statements provided for in clauses (A) and (B) above, a certificate of the chief financial officer or the treasurer of the Funding Seller or the Performance Guarantor (x) setting forth in reasonable detail the calculation of the Consolidated Equity Ratio and the Consolidated Leverage Ratio for the period then ended, and (y) certifying, to the best of such officer's knowledge, that no Termination Event has occurred and is continuing or, if any Termination Event has occurred and is continuing, specifying the nature and extent thereof; and
- (G) promptly after receipt thereof, copies of all consents requested from the Funding Seller by, and all notices or other documents received by the Funding Seller from, any Originator under the Conveyancing Agreement; and
- (H) promptly after request therefore, such other information, documents, records or reports respecting the condition or operations, financial or otherwise, of the Performance Guarantor as the Bank Purchasing Agent or the Bank Collections Agent may from time to time reasonably request, provided that information relating to specific Receivables shall be limited to the T-Mobile Information.

The reporting requirements specified above may be satisfied by filing with the Securities and Exchange Commission through the EDGAR electronic filing system.

- (I) None of the Funding Seller, the Servicer, the Performance Guarantor or any of their respective Affiliates shall exercise any option (if any) available to it under German law to have value added tax apply with respect to any supply, for German value added tax purposes, rendered in connection with the sale of the Receivables contemplated by the Transaction Documents, provided that any party having such an option right shall be required to exercise such option if the Bank Purchasing Agent shall so request in writing.

7.2 Non-Consolidation and Separateness Covenants. Until the Final Termination Date:

- (a) (i) The Funding Seller shall at all times maintain at least one independent director who (w) is not currently and has not been during the five years preceding the date of this Agreement an officer, director or employee of, or a major vendor or supplier of services to, an Affiliate of the Funding Seller or any Other Corporation, (x) is not a current or former officer or

employee of the Funding Seller or any Other Corporation, (y) is not a stockholder of any Other Corporation or any of their respective Affiliates, and (z) is an employee of a company the business of which is to provide directors with respect to special purpose entities.

- (b) The Funding Seller shall not direct or participate in the management of any of the Other Corporations' operations.
- (c) The Funding Seller shall conduct its business from an office separate from that of the Other Corporations (but which may be located in the same facility as one or more of the Other Corporations). The Funding Seller shall have stationery and other business forms and a mailing address and a telephone number separate from that of the Other Corporations.
- (d) The Funding Seller shall at all times be adequately capitalized in light of its contemplated business.
- (e) The Funding Seller shall at all times provide for its own operating expenses and liabilities from its own funds.
- (f) The Funding Seller shall maintain its assets and transactions separately from those of the Other Corporations and reflect such assets and transactions in financial statements separate and distinct from those of the Other Corporations and evidence such assets and transactions by appropriate entries in books and records separate and distinct from those of the Other Corporations. The Funding Seller shall hold itself out to the public under the Funding Seller's own name as a legal entity separate and distinct from the Other Corporations. The Funding Seller shall not hold itself out as having agreed to pay, or as being liable, primarily or secondarily, for, any obligations of the Other Corporations.
- (g) The Funding Seller shall not maintain any joint account with any Other Corporation or become liable as a guarantor or otherwise with respect to any Debt or contractual obligation of any Other Corporation.
- (h) The Funding Seller shall not make any payment or distribution of assets with respect to any obligation of any Other Corporation or grant an Adverse Claim on any of its assets to secure any obligation of any Other Corporation.
- (i) The Funding Seller shall not make loans, advances or otherwise extend credit to any of the Other Corporations.
- (j) The Funding Seller shall hold regular duly noticed meetings of its managers and make and retain minutes of such meetings.
- (k) The Funding Seller shall have bills of sale (or similar instruments of assignment) and, if appropriate, UCC-1 financing statements, with respect to all assets purchased from any of the Other Corporations.
- (l) The Funding Seller shall not engage in any transaction with any of the Other Corporations, except as permitted by this Agreement and the Contribution Agreement.

- (m) The Funding Seller shall not, and shall not permit the Initial Purchaser to, amend, waive or modify any provision of any of the Transaction Documents without the prior written consent of the Bank Purchasing Agent. The Funding Seller will perform all of its obligations under the Transaction Documents in all material respects and will enforce the Transaction Documents in accordance with their terms in all material respects.
- (n) The Funding Seller shall not engage in any business other than the purchase of Receivables and Related Rights from the Originators and the transactions contemplated by this Agreement. The Funding Seller will not create or form any Subsidiary.
- (o) The Funding Seller shall not merge with or into or consolidate (other than for accounting purposes) with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions), all or substantially all of its assets (whether now owned or hereafter acquired) to, or acquire all or substantially all of the assets or capital stock or other ownership interest of, or enter into any joint venture or partnership agreement with, any Person.
- (p) The Funding Seller shall not declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any shares of any class of capital stock of the Funding Seller, or return any capital to its shareholders as such, or purchase, retire, defease, redeem or otherwise acquire for value or make any payment in respect of any shares of any class of capital stock of the Funding Seller or any warrants, rights or options to acquire any such shares, now or hereafter outstanding; *provided, however*, that the Funding Seller may declare and pay cash dividends on its capital stock to its shareholders so long as (i) no Termination Event shall then exist or would occur as a result thereof, (ii) such dividends are in compliance with all applicable law including the corporate law of the state of the Funding Seller's formation, and (iii) such dividends have been approved by all necessary and appropriate corporate action of the Funding Seller.
- (q) The Funding Seller shall not incur any Debt, other than any Debt incurred pursuant to the Transaction Documents.
- (r) The Funding Seller will not amend its limited liability company agreement without the prior written consent of the Bank Purchasing Agent.

7.3 If, at any time prior to the Final Termination Date, the Purchaser determines that it may be required to take any discretionary action or to refrain from taking any discretionary action, then (A) the Purchaser may (but shall not be obligated to) consult with Helaba's New York Branch regarding the Purchaser's exercise of such discretion, and (B) upon the receipt of any related advice from Helaba's New York Branch (which Helaba's New York Branch may (but shall not be obligated) to provide to the Purchaser), the Purchaser may (but shall not be obligated to) act in accordance with such advice; provided, however, it is also hereby agreed and understood that, if the Purchaser shall seek any consultation contemplated by this Section 7.3, (i) the Purchaser shall not be permitted to, and shall not, consult with any office or personnel of the Bank Purchasing Agent or any other Person located in Germany or otherwise outside of the United States of America, and (ii) without limiting the foregoing, in connection therewith, the Bank Purchasing Agent agrees that its offices and personnel located in Germany will not provide any advice or instruction to the

Purchaser even if the Purchaser shall seek to consult or engage in any other similar form of discourse directly with any of such offices or personnel. For the avoidance of doubt, and notwithstanding any of the foregoing, nothing contained in this Section 7.3 is intended, or shall be construed, to limit or otherwise apply to the ability of the Bank Purchasing Agent or any Bank Purchaser to exercise any right granted to it, or to perform any obligation of it, under any other Transaction Document or otherwise, including the place or manner of the exercise of such right or the performance of such obligation.

7.4 On or before the June 2016 Amendment Effective Date, the Funding Seller shall furnish the Bank Collections Agent with each Notice of Assignment, executed in blank.

8. CONDITIONS PRECEDENT

8.1 The agreement of the Purchaser to purchase Receivables shall be subject to the prior satisfaction of all of the conditions precedent set forth in Annex 5.

8.2 Notwithstanding any contrary provision of this Agreement, it is expressly understood that each purchase of new Receivables pursuant to Section 2.1(b) shall, unless otherwise directed by the Bank Purchasing Agent, occur automatically on each Business Day prior to the Facility Termination Date (to the extent that new Receivables become available for purchase in accordance with such section) without the requirement that any further action be taken on the part of any Person and notwithstanding the failure of the Funding Seller to satisfy any of the conditions precedent in respect of such purchase. If (A) any of the conditions precedent set forth in Annex 5 shall not be satisfied in respect of the purchase of any Receivables and (B) the Bank Purchasing Agent shall have elected to rescind the onward purchase and sale of such Receivables pursuant to the Onward Receivables Purchase Agreement, then the Funding Seller and the Purchaser shall be required to rescind the related purchase and the Funding Seller shall be required to deposit into the Collection Account for the Purchaser (by making a corresponding deposit to the Collection Account), an amount equal to the Collections that shall have been applied to make the affected purchase.

9. INDEMNIFICATION BY FUNDING SELLER

9.1 Without limiting any other rights that any of the Purchasing Entities or any of their respective Affiliates or employees, officers, directors, managers, agents or counsel (each, an “**Indemnified Party**”) may have hereunder or under applicable law, the Funding Seller hereby agrees to indemnify each Indemnified Party from and against any and all claims, damages, costs, expenses, losses and liabilities (including reasonable attorneys’ fees) (all of the foregoing being collectively referred to herein as “**Indemnified Amounts**”) arising out of or resulting from this Agreement or any other Transaction Document or the ownership of the Purchased Receivables or any Contract, excluding, however, (a) Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party, (b) recourse for uncollectible Receivables (except as expressly provided for herein), (c) any Excluded Taxes or (d) with respect to subparagraph (i) below, Indemnified Amounts directly attributable to the Bank Purchasing Agent’s failure to comply with its agreements contained in Section 7.3. Without limiting or being limited by the foregoing (but subject to the aforementioned exclusions), the Funding Seller shall pay on demand to each Indemnified Party any and all amounts necessary to indemnify such Indemnified Party from and against any and all Indemnified Amounts relating to or resulting from any of the following:

- (a) the sale of any Receivable that is not at the date of such sale an Eligible Receivable except to the extent it has made a payment to the Collection Account pursuant to Section 2.5;
- (b) any representation or warranty or statement made or deemed made by the Funding Seller (or any of its officers) pursuant to this Agreement and the other Transaction Documents that shall have been incorrect when made or deemed made;
- (c) the failure by the Funding Seller or any of the Originators to comply with any applicable law, rule or regulation with respect to any Purchased Receivable or the related Contract; or the failure of any Purchased Receivable or the related Contract to conform to any such applicable law, rule or regulation;
- (d) the failure to vest and maintain vested in the Purchaser a first priority perfected ownership interest in the Purchased Receivables (subject to the assignment of such interest to the Co-Agents), in each case free and clear of any Adverse Claim.
- (e) any failure of the Funding Seller to perform its duties or obligations in accordance with the provisions hereof or of any of the Transaction Documents to which it is a party, or under any Contract;
- (f) any products liability or other claim, investigation or proceeding (including any claim for unpaid sales, excise or other taxes) arising out of or in connection with the goods or services or merchandise or insurance that are the subject of any Contract;
- (g) the failure to deposit Collections into the Collection Account pursuant to the terms hereof;
- (h) any investigation, litigation or proceeding related to this Agreement or the ownership of Purchased Receivables or in respect of any Purchased Receivable or Related Rights; or
- (i)
 - (i) any value added tax plus any interest and other ancillary Tax charges (A) applicable to the payment of the Servicer Fee, the supply of the services rendered by the Servicer or the sale of the Receivables and the Related Rights pursuant to this Agreement or the Onward Receivables Purchase Agreement or (B) arising as a result of a breach by the Funding Seller, the Servicer, the Performance Guarantor or any of their Affiliates of Section 7.1(1) (less any respective value added tax credits or deductions as are obtained by or credited to the Purchasing Entities, which credits or deductions shall be taken into account following the final and unchangeable determination thereof by the German tax authorities; whereby the Bank Purchaser shall take reasonable steps to receive eligible value added tax credits or deductions by filing respective returns); or
 - (ii) any Taxes payable by the Purchaser to the relevant German tax authorities if (contrary to the expectations of the parties hereto) the Purchaser is determined by the relevant German tax authorities to have a permanent establishment or other taxable presence located in the Federal Republic of Germany.

10. PAYMENTS

- 10.1 All payments required to be made by the Funding Seller or the Performance Guarantor pursuant to this Agreement shall be remitted in full (without set-off, counterclaim, deduction or withholding) to the accounts identified in the Master Receivables Purchase Agreement Side Letter or otherwise in accordance with the terms of this Agreement. Each party hereto shall be permitted to change any of its accounts or the details related to any of its accounts identified in the Master Receivables Purchase Agreement Side Letter or otherwise in accordance with the terms of this Agreement by notifying the other parties hereto in writing of its new account information. From time to time, at the direction of the Co-Agents or either of the Co-Agents acting individually, any payments required to be made to the Purchaser shall be made to the accounts of the Bank Purchasers ratably in proportion to their respective Commitments.
- 10.2 Unless explicitly stated otherwise herein, all payments required to be made pursuant to this Agreement shall be made in USD.
- 10.3 Notwithstanding anything to the contrary contained in, or implied by, this Agreement, the Funding Seller and the Purchaser (or the Servicer and the Bank Purchasing Agent on their behalf) intend to, and shall, net all payments from one party to another occurring on each Settlement Date so that only the party by whom the larger aggregate amount is payable shall pay, in USD and immediately available funds, the excess of the larger aggregate amount over the smaller aggregate amount to the other party.

11. TERM; TERMINATION

- 11.1 This Agreement shall commence as of the June 2016 Amendment Effective Date and shall remain in full force and effect until the Final Termination Date.
- 11.2 Each of the following events or circumstances shall be considered to be a “**Funding Seller Termination Event**” under this Agreement:
- (a) a Change of Control shall occur; or
 - (b) the Bank Purchasing Agent shall notify any Obligor that the Purchased Receivables have been assigned hereunder except as permitted by this Agreement, it being understood that the disclosure of this Agreement or the existence of this Agreement to the public generally shall not constitute such a notification; or
 - (c) the sale of the Purchased Receivables hereunder ceases to satisfy the requirements of IFRS or GAAP for off-balance sheet treatment, as determined in good faith by the Funding Seller’s accountants; provided that such cessation is not the result of any action or inaction by the Funding Seller or any other member of the T-Mobile Group; or
 - (d) (A) the Servicer or any Originator is not able to take a bad debt deduction for federal income tax purposes for Written-off Receivables or is unable to recover or receive a deduction, credit, or refund with respect to state or local sales or other similar transactional taxes paid or collected and remitted to the appropriate Governmental Authority on Written-Off Receivables, in the aggregate in a 12-month period in excess of 50% of the total possible

federal income tax bad debt deduction or 50% of the transactional taxes paid or collected and remitted to a Governmental Authority, as applicable, (B) the Funding Seller shall have used commercially reasonable efforts to mitigate such inability including, without limitation, by providing each of the Purchasing Entities with a written proposal to reasonably amend the definition herein of the term "Designated State" and which may be implemented with effect in 30 days and (C) the Bank Purchasing Agent shall not have agreed to such proposal within 10 days of its receipt; or

- (e) any payment of Increased Costs is demanded from the Funding Seller pursuant to Section 4.4.
- 11.3 If any Funding Seller Termination Event shall occur and be continuing, the Funding Seller may, by notice to each of the Purchasing Entities, declare the Facility Termination Date to have occurred (in which case the Facility Termination Date shall be deemed to have occurred).
- 11.4 Each of the following events or circumstances shall be considered to be a "**Termination Event**" under this Agreement; provided, however, that references to Deutsche Telekom in this Section 11.4 shall only be applicable after it shall have executed and delivered the DT Payment Guarantee:
- (a) the Funding Seller, the Servicer, any Originator, the Initial Purchaser, Deutsche Telekom or the Performance Guarantor shall fail to make any payment required under this Agreement or any other Transaction Document and any such failure shall remain unremedied for five (5) days; or
 - (b) a Bankruptcy Event shall occur with respect to the Funding Seller, the Servicer, the Performance Guarantor, the Initial Purchaser, any Originator or Deutsche Telekom; or
 - (c) the Funding Seller, the Servicer, the Performance Guarantor, the Initial Purchaser, any Originator or Deutsche Telekom shall fail, in any material manner, to perform or observe any other term, covenant or agreement contained in this Agreement or in any other Transaction Document on its part to be performed or observed and any such failure shall remain unremedied for ten (10) days after the earlier to occur of (i) the receipt of written notice thereof from any of the Purchasing Entities or (ii) actual knowledge thereof by the Funding Seller or the Servicer; or
 - (d) (i) the Performance Guarantor shall purport to revoke or terminate the Performance Guarantee, or the Performance Guarantee shall no longer be in effect; or the Performance Guarantor shall fail to perform, in a timely manner, any of its obligations hereunder or under the Performance Guarantee; or there shall have occurred any material breach of any of the representations and warranties, or any covenants or other agreements, made by the Performance Guarantor in this Agreement; or (ii) Deutsche Telekom shall purport to revoke or terminate the DT Payment Guarantee (if and as previously executed and delivered), or the DT Payment Guarantee (if and as previously executed and delivered) shall no longer be in effect; or Deutsche Telekom shall fail to perform, in a timely manner, any of its obligations under the DT Payment Guarantee (if and as previously executed and delivered); or there shall have occurred any material breach of any of the representations and warranties, or any

covenants or other agreements, made by the Performance Guarantor in the DT Payment Guarantee (if and as previously executed and delivered); or

- (e) any representation or warranty made or deemed made by the Funding Seller, the Servicer, the Performance Guarantor, the Initial Purchaser, any Originator or Deutsche Telekom (or any of their officers) pursuant to this Agreement or any other Transaction Document or any information or report delivered by the Funding Seller or the Servicer pursuant to this Agreement or any other Transaction Document shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered and which, if capable of cure, continues to be incorrect in any material respect for a period of ten (10) days after the earlier to occur of (i) the receipt of written notice thereof from the Bank Purchasing Agent or any of the Bank Purchasers or (ii) actual knowledge thereof by the Funding Seller or the Servicer; or
- (f) the Funding Seller shall fail to pay any principal of or premium or interest on any of its Debt that is outstanding, or the Funding Seller, the Servicer, the Performance Guarantor, the Initial Purchaser, any Originator or Deutsche Telekom shall fail to pay any principal of or premium or interest on any of its Debt that is outstanding in a principal amount of at least \$100,000,000 in the aggregate, in each case when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any Securitization Obligation of the Funding Seller, the Servicer, the Performance Guarantor, the Initial Purchaser, any Originator or Deutsche Telekom in a principal amount of at least \$100,000,000 in the aggregate shall be accelerated prior to its express maturity; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt or Securitization Obligation and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt or Securitization Obligation; or any such Debt or Securitization Obligation shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to repay, redeem, purchase or defease such Debt or Securitization Obligation shall be required to be made, in each case prior to the stated maturity thereof; or
- (g) it shall become unlawful under any applicable law for any of the Funding Seller, the Servicer, the Performance Guarantor, the Initial Purchaser, any Originator or Deutsche Telekom or any of the Purchasing Entities to perform any of their material obligations under this Agreement or any of the other Transaction Documents; or
- (h) the unsecured, long-term debt of the Performance Guarantor shall be rated below (i) B+ by S&P or (ii) B1 by Moody's or shall cease to be rated by either S&P or Moody's; or
- (i) Deutsche Telekom shall not have executed and delivered the DT Payment Guarantee (together with such certificates and corporate and enforceability opinions as the Bank Purchasers may reasonably request) within 30 days after a Change of Control, in which case

a Termination Event shall be deemed to occur on the first Settlement Date that shall occur at least 30 days after such Change of Control; or

- (j) the three-month rolling average Aged Receivables Ratio on any Settlement Date exceeds 6.00%; or
- (k) the three-month rolling average Delinquency Ratio exceeds 4.50%; or
- (l) the three-month rolling average Write-Off Ratio on any Settlement Date exceeds 3.75% unless such breach (A) shall have been caused only by technical reasons (such as a change in information technology systems or procedures) and (B) shall be cured within 60 days; or
- (m) the three-month rolling average Dilution Ratio on any Settlement Date exceeds 18.00%; or
- (n) the three-month rolling average Write-Off Horizon for Written-off Receivables and Unpaid Repurchased Receivables on any Settlement Date is less than 80 days or greater than 155 days, unless, in either case, such breach (A) shall not have been wilful, (B) shall have been caused only by technical reasons (such as a change in information technology systems or procedures) and (C) shall be cured within 60 days; or
- (o) any purchase pursuant to this Agreement shall for any reason cease to create a valid and perfected ownership or security interest in each applicable Purchased Receivable free and clear of any Adverse Claim (other than any Adverse Claim arising under any Transaction Document); or
- (p) either of the Conveyance Agreement or the Contribution Agreement shall no longer be in effect; or the Originators or the Initial Purchaser, as applicable, shall fail to perform, in a timely manner, any of its material obligations thereunder or there shall have occurred any material breach of any of the representations and warranties, or any covenants or other agreements, made thereunder by the Originators or the Initial Purchaser, as applicable; or
- (q) the Consolidated Equity Ratio shall at any time be less than 17.5%; or
- (r) the Consolidated Leverage Ratio shall at any time be greater than 500%; or
- (s) KfW's rating shall be less than Baa3 by Moody's or BBB- by S&P, either of the KfW Guarantees shall be terminated or shall otherwise cease to be in full force and effect, or KfW shall repudiate its obligations thereunder and such KfW Guarantee shall not have been replaced by another guarantee, letter of credit or cash deposit in form and substance reasonably satisfactory to the Bank Purchasing Agent; or
- (t) the Level 3 Maximum Amount shall at any time be less than 25% of the Level 3 Maximum Amount as of the Closing Date; or
- (u) on any Settlement Date, the ratio, expressed as a percentage, of:
 - (i) the aggregate Nominal Value of Purchased Receivables that have not been paid in full more than 90 days after their respective Due Dates but that are not Written-Off

Receivables (including Receivables that have been transferred pursuant to Section 5.1(a) or 5.1(b)); to

- (ii) the sum of (A) the Mandatory Repurchase Reserve for all Batches on such Settlement Date, (B) the product of the Discount Rate and the Settlement Date Receivables Balance, (C) the Level 3 Maximum Amount on such Settlement Date, (D) the Level 3A Maximum Amount on such Settlement Date, (E) the Level 4 Reserve Amount for such Settlement Date and (F) the Discount Ledger Balance for such Settlement Date;

is greater than 50%.

- 11.5 If any Termination Event shall occur and be continuing, (x) the Bank Purchasing Agent may, by notice to the Funding Seller, declare the Facility Termination Date to have occurred (in which case the Facility Termination Date shall be deemed to have occurred), provided that, automatically upon the occurrence of any event (without any requirement for the passage of time or the giving of notice) described in Section 11.4(b), the Facility Termination Date shall occur, and (y) without limiting any right under this Agreement to replace the Servicer, the Bank Collections Agent may designate another Person to succeed the then current Servicer as the Servicer. Upon declaration or automatic occurrence of the Facility Termination Date, the Bank Collections Agent shall have (a) the rights of the Funding Seller as buyer under the Contribution Agreement and (b) in addition to the rights and remedies that they may have under this Agreement, all other rights and remedies provided after default under the UCC of the appropriate jurisdiction or jurisdictions and under other applicable law, which rights and remedies shall be cumulative.
- 11.6 If the Facility Termination Date shall occur in connection with Section 11.5, the Bank Collections Agent may take (and the Funding Seller hereby irrevocably authorizes the Bank Collections Agent to take) any and all actions in the Funding Seller's name and/or on behalf of the Funding Seller that, in the determination of the Bank Collections Agent, shall be necessary or desirable in order to collect any amounts due under the Purchased Receivables and any of the Related Rights or to exercise or enforce any of the Related Rights.
- 11.7 Notwithstanding anything herein or any other Transaction Document to the contrary, (a) the occurrence of the Final Termination Date shall not discharge the Funding Seller, the Servicer, the Performance Guarantor or any other Person from any obligations incurred by it or them prior to such date and (b) the rights and remedies with respect to any breach of any representation and warranty made by the Funding Seller or the Performance Guarantor hereunder any Originator under the Conveyancing Agreement shall survive the Final Termination Date.
- 11.8 If the Facility Termination Date shall occur in connection with Section 11.5, then, on the Final Termination Date, the Purchaser shall pay to the Funding Seller an amount equal to the Discount Ledger Balance as of the last Settlement Date to occur on or prior to the Final Termination Date.
- 11.9 At any time that the aggregate Outstanding Balance of all Purchased Receivables is less than ten percent (10%) of the amount of the highest Funding Limit in effect hereunder from and after the Closing Date, the Funding Seller may, in its sole discretion, repurchase all, but not less than all, of the then outstanding Purchased Receivables at a price, in immediately available funds, equal to the

Outstanding Balance of all such Purchased Receivables plus all fees and other amounts due to the Purchaser hereunder (the “**Clean-up Call**”). The Funding Seller shall deposit such amount in the Collection Account. The Purchaser shall re-assign the outstanding Purchased Receivables to the Funding Seller if the Funding Seller exercises its right to, and pays the purchase price of, the Clean-up Call.

- 11.10 In the event that the Servicer (in its sole and absolute discretion) has notified the Purchaser that it has determined that the transactions contemplated by this Agreement (or one of the other Transaction Documents) no longer needs to satisfy the requirements of IFRS for off-balance sheet treatment, then, on the Final Termination Date, the Purchaser shall pay to the Funding Seller an amount equal to the Discount Ledger Balance as of the last Settlement Date to occur on or prior to the Final Termination Date.

12. CONFIDENTIALITY

- 12.1 The parties shall treat as confidential this Agreement, the transactions contemplated hereunder and any and all business and trade secrets and other information received in connection with this Agreement or the performance thereof and information about a party’s business or financial matters, technical information or any other proprietary information relating to a party or its Affiliates and their respective operations, businesses, technical know-how and financial affairs, that is obtained by the other party as a result of the working relationship between the parties, whether obtained prior to or after the date hereof (the “**Confidential Information**”) during the term of this Agreement and a further period of two (2) years following its termination or expiration. Confidential Information shall include, without limitation, trade secrets, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, maps, blueprints, diagrams, flow charts and any other technical, financial, business or proprietary information of any kind or nature whatsoever. The parties shall not disclose any Confidential Information to anyone, except to any assignees, potential assignees, the Bank Purchasers, potential participants, or any of their respective directors, managers, executives, employees, affiliates, auditors, lawyers, advisors, authorized agents and/or duly appointed representatives who have a specific and reasonable interest in knowing, viewing and using such Confidential Information and agree to be bound by the confidentiality provisions of this Section 12.
- 12.2 The confidentiality provisions specified in Section 12.1 above shall not apply to the disclosure of Confidential Information, which:
- (a) is publicly available or is made available to the broad public by means other than a breach of this Agreement; or
 - (b) has been made available by a third party, provided that neither the Bank Purchasing Agent nor the Funding Seller was aware that such third party was in breach of any duty of confidentiality; or
 - (c) was already in such party’s possession or was independently developed by such party before the Confidential Information was received; or

- (d) must be disclosed pursuant to applicable law, any court order or instruction of any duly authorized Governmental Authority; or
 - (e) is made publicly available or is disclosed subject to the prior written consent of the other parties with respect to the content, form and manner of its presentation and publication; or
 - (f) is required for purposes of recovering the assigned Receivables or Related Rights or otherwise exercising any of the rights and remedies of the Bank Purchasing Agent under the Transaction Documents.
- 12.3 Notwithstanding anything to the contrary stated herein other than in Section 12.2(f), the parties hereto agree that they will be bound by the additional confidentiality provisions contained in Annex 8 hereto as it relates to the T-Mobile Information.

13. NOTICES

All notices and all other correspondence shall be sent by post, courier, fax or e-mail to the address, fax number or e-mail account of the recipient as set forth in Annex 1 or to such other address, fax number or e-mail account the recipient has notified in writing. If sent by e-mail, the e-mail text (excluding attachment) shall also be transmitted by fax.

14. ASSIGNMENTS

- 14.1 None of the Funding Seller, the Purchaser, the Performance Guarantor or the Servicer may assign its rights or obligations hereunder or any interest herein without the prior written consent of the Bank Purchasing Agent.
- 14.2 The parties hereto acknowledge and agree that the Purchaser shall assign its rights hereunder to each of the Co-Agents (in their respective agency capacities provided for herein and in the Onward Receivables Purchase Agreement) for the benefit of the Bank Purchasers under the Onward Receivables Purchase Agreement. Neither the Funding Seller, the Servicer or any other member of the T-Mobile Group shall have any rights to direct the operation or control over the Purchaser.
- 14.3 The parties hereto hereby agree that each of the Purchasing Entities, each of the other Indemnified Parties, and, solely for purposes of Section 2.7 and Section 23, Wells Fargo, shall be an intended third-party beneficiary of this Agreement, entitled to enforce this Agreement against the Funding Seller, the Servicer and the Performance Guarantor as if each such Person were a party hereto. Except as provided in the immediately preceding sentence, no person or entity is or shall be deemed to be a third-party beneficiary of this Agreement or of any of the duties and obligations of any party contained in this Agreement.

15. AMENDMENTS

- 15.1 No amendment or waiver of any provision of this Agreement and no consent to any departure by the Funding Seller, the Purchaser, the Performance Guarantor or the Servicer therefrom shall be effective unless in a writing signed by the Bank Purchasing Agent, and, in the case of any amendment, also signed by the Funding Seller, the Purchaser, the Servicer and the Performance Guarantor. No failure on the part of the Bank Purchasing Agent to exercise, and no delay in

exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

16. OTHER COSTS

In addition to the rights of indemnification granted under Section 9.1 hereof, the Funding Seller agrees to pay on demand all reasonable and documented costs and expenses in connection with the preparation, execution, delivery and administration (including periodic auditing of Purchased Receivables) of this Agreement, any asset purchase or Onward Receivables Purchase Agreement or similar agreement relating to the sale or transfer of the Purchased Receivables and the other documents and agreements to be delivered hereunder and thereunder, including, without limitation, the reasonable fees and expenses of counsel and with respect to advising the Bank Purchasers and their respective Affiliates and agents as to their rights and remedies under this Agreement, and all costs and expenses, if any (including fees and expenses of counsel), of the Bank Purchasers and their respective Affiliates and agents, in connection with the enforcement of this Agreement and the other documents and agreements to be delivered hereunder.

17. SEVERABILITY

Should a provision of this Agreement be or become invalid or unenforceable, either in whole or in part, this shall not affect the validity of the remaining provisions. The invalid or unenforceable provision shall be replaced by a valid provision which most closely reflects the legal and economic intent of the parties. The foregoing shall also apply to any omissions contained in this Agreement.

18. MONEY LAUNDERING

The Funding Seller warrants that it is acting on its own account with respect to all matters associated with this Agreement. The Funding Seller shall provide the Bank Purchasing Agent with all information and documents necessary to identify and clarify the beneficial owner within the meaning of the German Money Laundering Act (*Geldwäschegesetz*) and the Third EU Money Laundering Directive (Directive 2005/60/EC) and to clarify the PEP status ("politically exposed person"), and shall report any changes occurring in the course of the business relationship to the Bank Purchasing Agent without undue delay.

19. PERFORMANCE GUARANTEE

- 19.1 The Performance Guarantor (A) hereby irrevocably, absolutely and unconditionally guarantees to the Purchaser, the Bank Purchasing Agent and the Bank Purchasers and their respective assignees the prompt performance when due of all obligations of the Servicer, the Originators and the Initial Purchaser hereunder and under each of the other Transaction Documents (including, without limitation, payment in full when due, whether at stated maturity, by acceleration or otherwise, of all amounts owing by the Servicer, the Originators or the Initial Purchaser to the Funding Seller, the Purchaser and the Bank Purchasing Agent) strictly in accordance with the terms hereof and thereof; and (B) accordingly agrees that, whenever the Servicer, any Originator or the Initial Purchaser shall fail to perform any such obligation when due hereunder or thereunder, the Performance Guarantor shall immediately perform, or cause to be performed, such obligation as if it were the principal

obligor and regardless of the reason for such failure (such obligations being herein collectively referred to as the “**TMUS Guaranteed Obligations**”). For the avoidance of doubt, the Performance Guarantor shall have no obligation to guaranty (and does not guaranty) any obligations of the Funding Seller under the Transaction Documents. For the sake of clarity, it is expressly acknowledged that the TMUS Guaranteed Obligations do not include any act, inaction, obligation or liability of the Funding Seller to fully and punctually pay, perform or comply with any of the terms, covenants, conditions, agreements, undertakings and obligations on the part of the Funding Seller to be paid, performed or complied with by it under this Agreement, any other Transaction Document or any document entered into in connection with the foregoing.

- 19.2 The obligations of the Performance Guarantor under this Performance Guarantee will not be affected by:
- (a) any amendment (however fundamental) or replacement of this Agreement, the Conveyancing Agreement or any other document or security;
 - (b) any Bankruptcy Event with respect to the Funding Seller, the Servicer, any Originator or any other Person.
- 19.3 The obligations of the Performance Guarantor under this Performance Guarantee are absolute and unconditional, irrespective of the validity or enforceability of any other section of this Agreement or any Transaction Document, the value of any collateral provided to the Bank Purchasing Agent or the Bank Collections Agent or the release or exchange of any such collateral. The Performance Guarantor waives any right it may have of first requiring the Bank Purchasing Agent or the Bank Collections Agent to proceed against, or enforce any other rights or security or claim from, any person before claiming from it under this guarantee. This waiver applies irrespective of any non-mandatory law or any provision of this Agreement to the contrary. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Performance Guarantor hereunder, which shall remain absolute and unconditional as described above:
- (a) at any time or from time to time, without notice to the Performance Guarantor, the time for any performance of or compliance with any of the obligations of the Servicer or an Originator under the Transaction Documents shall be waived;
 - (b) any of the acts mentioned in any of the provisions of this Agreement or any other Transaction Document shall be done or omitted;
 - (c) any of the TMUS Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under this Agreement or any other Transaction Document shall be waived or any of the TMUS Guaranteed Obligations or any security therefore shall be released or exchanged in whole or in part or otherwise dealt with; or
 - (d) any lien or security interest granted to, or in favor of, either of the Co-Agents as security for the TMUS Guaranteed Obligations shall fail to be effective or perfected.

The Performance Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Bank Purchasing Agent exhaust

any right, power or remedy or proceed against any Originator or the Servicer or against any other Person under any other agreement, or guarantee of, or security for, any of the TMUS Guaranteed Obligations.

- 19.4 The obligations of the Performance Guarantor under this Section 19 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Originator or the Servicer under this Agreement or any other Transaction Document is rescinded or must otherwise be restored by any holder of any of the TMUS Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Performance Guarantor agrees that it will indemnify the Bank Purchasing Agent on demand for all reasonable costs and expenses (including, without limitation, fees of counsel) incurred by the Bank Purchasing Agent in connection with such rescission or restoration, including any such costs or expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.
- 19.5 The Performance Guarantor hereby waives all rights of subrogation or contribution, whether arising by contract or operation of law or otherwise by reason of any payment by it pursuant to the provisions of this Section 19.
- 19.6 The Performance Guarantor agrees that, as between the Performance Guarantor and any of the Purchasing Entities, the obligations of the Originators and the Servicer under this Agreement and each other Transaction Document may be declared to be forthwith due and payable as provided herein and therein (and shall be deemed to have become automatically due and payable as provided herein and therein) for the purposes of Section 19.1 hereof notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against any Originator or the Servicer and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by any Originator or the Servicer, as applicable) shall forthwith become due and payable by the Performance Guarantor for purposes of Section 19.1.
- 19.7 The guarantee in this Section 19 is a continuing guarantee, and shall apply to all TMUS Guaranteed Obligations whenever arising.
- 19.8 Without limiting or being limited by the foregoing, the Performance Guarantor shall pay on demand to each Indemnified Party any and all amounts necessary to indemnify such Indemnified Party from and against any and all Indemnified Amounts relating to or resulting from either of the following:
- (a) any value added tax plus any interest and other ancillary Tax charges (A) applicable to the payment of the Servicer Fee, the supply of the services rendered by the Servicer or the sale of the Receivables and the Related Rights pursuant to this Agreement or the Onward Receivables Purchase Agreement or (B) arising as a result of a breach by the Funding Seller, the Servicer, the Performance Guarantor or any of their Affiliates of Section 7.1(l) (less any respective value added tax credits or deductions as are obtained by or credited to the Purchasing Entities, which credits or deductions shall be taken into account following the final and unchangeable determination thereof by the German tax authorities; whereby the Bank Purchaser shall take reasonable steps to receive eligible value added tax credits or deductions by filing respective returns); or

(b) any Taxes, other than Excluded Taxes, payable by the Purchaser to the relevant German tax authorities if (contrary to the expectations of the parties hereto) the Purchaser is determined by the relevant German tax authorities to have a permanent establishment or other taxable presence located in the Federal Republic of Germany.

19.9 UCC Filing Indemnity. The Performance Guarantor hereby agrees to indemnify each of the Purchasing Entities from and against any and all losses, liabilities and expenses (including reasonable attorney's fees) suffered by each such Purchasing Entity arising out of the avoidance (or "clawback") of the transfers by the January 2015 Joining Originator of Designated SunCom Receivables (or of any proceeds of such receivables) as a preference or fraudulent transfer, in the event of a bankruptcy, liquidation, conservatorship, receivership or similar proceeding, whether voluntary or involuntary, involving the January 2015 Joining Originator or its assets, which avoidance (or "clawback") is attributable to (A) the non-timely filing of financing statements with respect to such transfers by the January 2015 Joining Originator and/or (B) the fact that the Joinder and Second Amendment to the Conveyancing Agreement, dated as of the January 2015 Amendment Effective Date (which confirms and ratifies such transfers), was executed and delivered as of a date later than the date on which such transfers actually occurred.

20. TERMINATION OF KfW GUARANTEES

20.1 Notwithstanding anything to the contrary stated herein, the Funding Seller may terminate either of the KfW Guarantees in the event that the Funding Seller provides the Bank Purchasing Agent with a cash deposit, another guarantee or a letter of credit in form and substance reasonably satisfactory to the Bank Purchasing Agent. The parties hereto shall cooperate with the Funding Seller to effectuate such termination.

21. PURCHASING ENTITIES' UNDERTAKINGS RELATED TO GERMAN VAT

21.1 No Purchasing Entity nor any of its Affiliates shall exercise any option (if any) available under German law to have value added tax apply with respect to any supply, for German value added tax purposes, rendered in connection with the sale of the Receivables contemplated by the Transaction Documents, unless the recipient of such Taxes suffers no disadvantage. In addition to the foregoing, the Funding Seller, the Servicer and the Performance Guarantor believe that the servicing obligations of the Servicer in connection with this agreement rendered to a Bank Purchaser located in Germany are subject to German value added tax and that such value added tax should be fully recoverable as input value added tax by the respective Bank Purchaser.

22. BANKRUPTCY

22.1 Each party hereto hereby covenants and agrees that prior to the date which is one year and one day after the Final Termination Date, it will not institute against or join any other person in instituting against the Funding Seller any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States or any other country.

23. LIMITED RECOURSE AGAINST WELLS FARGO

23.1 It is expressly understood and agreed by the parties to this Agreement that (a) this Agreement is executed and delivered by Wells Fargo, as trustee of Billing Gate One Trust, not in Wells Fargo's individual or personal capacity but solely in such under the trust agreement of Billing Gate One Trust, in the exercise of the powers and authority conferred and vested in it as trustee under such trust agreement, subject to the protections, indemnities and limitations from liability afforded to Wells Fargo as trustee thereunder; (b) in no event shall Wells Fargo, in its individual capacity have any liability for the representations, warranties, covenants, agreements or other obligations of the Purchaser or any other party hereto; (c) in no event shall Wells Fargo have any obligation to perform any of the obligations and covenants of the Purchaser or any other party to this Agreement; and (d) under no circumstances shall Wells Fargo be personally liable for the payment of any fees, costs, indebtedness or expenses of any kind whatsoever or be personally liable for the breach or failure of any obligation, representation, agreement, warranty or covenant whatsoever made or undertaken by the Purchaser or any other party hereunder.

24. CHOICE OF LAW AND JURISDICTION; WAIVER OF JURY TRIAL

24.1 THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES, EXCEPT TO THE EXTENT THAT THE PERFECTION OF THE RESPECTIVE INTERESTS OF THE CO-AGENTS AND THE PURCHASER IN THE PURCHASED RECEIVABLES AND THE RELATED RIGHTS ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

24.2 EACH PARTY HERETO HEREBY (A) IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK, NEW YORK, OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, (B) IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF THE ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE OR FEDERAL COURT, AND (C) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY PARTY HERETO TO BRING ANY ACTION OR PROCEEDING AGAINST ANY OR ALL OF THE OTHER PARTIES HERETO OR ANY OF THEIR RESPECTIVE PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTION.

24.3 EACH PARTY HERETO WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR RELATING TO THIS AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR THAT MAY IN THE FUTURE BE DELIVERED IN CONNECTION THEREWITH OR ARISING FROM ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), ACTIONS OF ANY OF THE PARTIES HERETO OR ANY OTHER RELATIONSHIP EXISTING IN CONNECTION WITH THIS

AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

25. COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument.

26. EXECUTION

This Agreement, to the extent no other form is required by law, may be concluded by an exchange of telefaxes or scanned signatures or any combination of scanned signatures and/or faxed signatures and/or original signatures (whereby in each case an exchange of signature pages suffices). For purposes of proof and confirmation only, each party may request that one or several copies of this Agreement shall be originally signed by the parties.

27. ANTI-CORRUPTION; SANCTIONS

27.1 Definitions. In this Article 27:

“**Anti-Corruption Laws**” means all United States laws, rules, and regulations applicable to the Funding Seller or its Subsidiaries or any T-Mobile Party or its Subsidiaries from time to time concerning or relating to bribery or corruption, including, without limitation, the Foreign Corrupt Practices Act of 1977, as amended, and any economic sanctions regulations administered and enforced by OFAC or the U.S. Department of State.

“**OFAC**” means the Office of Foreign Assets Control of the United States Department of Treasury.

“**Sanctioned Country**” means, at any time, a country or territory which is the subject or target of any Sanctions, including, without limitation, as of the November 2014 Amendment Effective Date, Cuba, Burma (Myanmar), Iran, North Korea, Sudan and Syria.

“**Sanctioned Person**” means, at any time, any Person currently the subject or the target of any Sanctions, including any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State.

“**Sanctions**” means economic, financial or other sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by OFAC or the U.S. Department of State.

“**T-Mobile Party**” means any member of the T-Mobile Group, other than the Funding Seller, that is a party to any of the Transaction Documents.

27.2 Representation of Performance Guarantor as to T-Mobile Parties. The Performance Guarantor hereby represents and warrants to each of the Purchasing Entities that, as of the November 2014 Amendment Effective Date and each Purchase Date thereafter:

- (a) policies and procedures have been implemented and maintained by or on behalf of each T-Mobile Party that are designed to achieve compliance by it and its Subsidiaries, directors, officers, and employees with Anti-Corruption Laws and applicable Sanctions, and each T-Mobile Party, its Subsidiaries and their respective officers and employees and, to the best knowledge of such T-Mobile Party, its Affiliates, officers, employees, and directors acting in any capacity in connection with or directly benefiting from the purchase facility established hereby, are in compliance with Anti-Corruption Laws and applicable Sanctions, in each case in all material respects;
- (b) no T-Mobile Party nor any of their respective Subsidiaries or, to the knowledge of such T-Mobile Party, any of its Affiliates, directors, officers, or employees, that will act in any capacity in connection with or directly benefit from the purchase facility established hereby, is a Sanctioned Person; and
- (c) no T-Mobile Party nor any of their respective Subsidiaries is organized or resident in a Sanctioned Country.

27.3 Affirmative Covenant of Performance Guarantor as to T-Mobile Parties. The Performance Guarantor shall cause policies and procedures to be maintained and enforced by or on behalf of each T-Mobile Party that are designed in good faith and in a commercially reasonable manner to promote and achieve compliance, in such T-Mobile Party's reasonable judgment, by it and each of its Subsidiaries and their respective directors, officers, and employees with Anti-Corruption Laws and applicable Sanctions. The Performance Guarantor shall ensure that no proceeds of the sale of any Purchased Receivable by any T-Mobile Party are used in a manner that causes such T-Mobile Party to violate Anti-Corruption Laws or results in the violation of any Sanctions that are applicable to such T-Mobile Party.

27.4 Negative Covenant of Performance Guarantor as to T-Mobile Parties. The Performance Guarantor shall cause each of the T-Mobile Parties, their respective Subsidiaries and its and their respective directors, officers and employees not to use the proceeds of the sale of any Purchased Receivable (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (B) for the purpose of funding or financing any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, in each case to the extent that doing so would result in the violation of any Sanctions that are applicable to such T-Mobile Party.

27.5 Representation of Funding Seller. The Funding Seller hereby represents and warrants to each of the Purchasing Entities that, as of the November 2014 Amendment Effective Date and each Purchase Date thereafter:

- (a) policies and procedures have been implemented and maintained by the Funding Seller or on its behalf that are designed to achieve compliance by it and its Subsidiaries, directors, officers, and employees with Anti-Corruption Laws and applicable Sanctions, and the Funding Seller, its Subsidiaries and their respective officers and employees and, to the best knowledge of the Funding Seller, its Affiliates, officers, employees, and directors acting in any capacity in connection with or directly benefiting from the purchase facility established

hereby, are in compliance with Anti-Corruption Laws and applicable Sanctions, in each case in all material respects;

- (b) neither the Funding Seller nor any of its Subsidiaries or, to the knowledge of the Funding Seller, any of its Affiliates, directors, officers, or employees, that will act in any capacity in connection with or directly benefit from the purchase facility established hereby, is a Sanctioned Person; and
- (c) neither the Funding Seller nor any of its Subsidiaries is organized or resident in a Sanctioned Country.

27.6 Affirmative Covenant of Funding Seller. Policies and procedures shall be maintained and enforced by or on behalf of the Funding Seller that are designed in good faith and in a commercially reasonable manner to promote and achieve compliance, in its reasonable judgment, by it and each of its Subsidiaries and their respective directors, officers, and employees with Anti-Corruption Laws and applicable Sanctions. No proceeds of the sale of any Purchased Receivable by the Funding Seller shall be used in a manner that causes it to violate Anti-Corruption Laws or results in the violation of any Sanctions that are applicable to it.

27.7 Negative Covenant of Funding Seller. The Funding Seller shall not use, and shall cause its Subsidiaries and its and their respective directors, officers and employees not to use, the proceeds of the sale of any Purchased Receivable (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (B) for the purpose of funding or financing any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, in each case to the extent that doing so would result in the violation of any Sanctions that are applicable to the Funding Seller.

28. **ACKNOWLEDGEMENT AND CONSENT TO BAIL-IN OF EEA FINANCIAL INSTITUTIONS**

28.1 Definitions. In this Article 28:

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“**Bail-In Legislation**” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union (establishing a framework for the recovery and resolution of credit institutions and investment firms), the relevant implementing law for such EEA Member Country from time to time.

“**EEA Financial Institution**” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

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

“**EEA Resolution Authority**” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“**Write-Down and Conversion Powers**” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country.

28.2 Acknowledgement and Consent. Notwithstanding anything to the contrary in this Agreement, any other Transaction Document or any other agreement, arrangement or understanding among any of the parties thereto, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Agreement or any Transaction Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Transaction Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

29. AMENDMENT AND RESTATEMENT

29.1 Effective on the June 2016 Amendment Effective Date, this Agreement shall amend, restate and replace the Master Receivables Purchase Agreement in its entirety.

[Signature pages to follow]

SIGNATURE PAGES

The Funding Seller

T-MOBILE AIRTIME FUNDING LLC

By: /s/ Dirk Wehrse

Name: Dirk Wehrse

Title: Senior Vice President, Treasury & Treasurer

The Performance Guarantor

T-MOBILE US, INC.

By: /s/ Dirk Wehrse

Name: Dirk Wehrse

Title: Senior Vice President, Treasury & Treasurer

The Servicer

T-MOBILE PCS HOLDINGS LLC

By: /s/ Dirk Wehrse

Name: Dirk Wehrse

Title: Senior Vice President, Treasury & Treasurer

The Purchaser

BILLING GATE ONE LLC

By: Billing Gate One Trust, as Manager

By: Wells Fargo Delaware Trust Company, National
Association, solely as Trustee and not in its individual capacity

By: /s/ Sandra Battaglia

Name: Sandra Battaglia

Title: Vice President

The Bank Purchasing Agent

LANDESBANK HESSEN-THÜRINGEN GIROZENTRALE

By: /s/ Bjoern Mollner

Name: Bjoern Mollner

Title: Vice President

By: /s/ Björn Reinecke

Name: Björn Reinecke

Title: Senior Analyst

The Bank Collections Agent

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., DÜSSELDORF BRANCH

By: /s/ Kiyoshi Kuzuhara

Name: Kiyoshi Kuzuhara

Title: Managing Director

By: /s/ Stephan Stamm

Name: Stephan Stamm

Title: Managing Director

ACKNOWLEDGED AND AGREED:

KFW IPEX-BANK GMBH

By: /s/ Sebastian Eberie

Name: Sebastian Eberie

Title: Director

By: /s/ Laura Lenfers

Name: Laura Lenfers

Title: Associate

First Amended and Restated Master Receivables Purchase Agreement

ANNEX 1
ADDRESSES

Funding Seller:

Dirk Wehrse
Vice President, Treasury & Treasurer
T-Mobile Airtime Funding LLC
12920 SE 38th Street
Bellevue, WA 98006
Facsimile: (425) 383-4840

With a copy to:

T-Mobile Airtime Funding LLC
Attn: General Counsel
12920 SE 38th Street
Bellevue, WA 98006
Facsimile: (425) 383-4840

Purchaser:

Billing Gate One LLC
c/o Billing Gate One Trust, as Manager
c/o Wells Fargo Delaware Trust Company, N.A., as Trustee
919 N. Market Street, Suite 1600
Wilmington, Delaware 19801

With a copy to the Bank Purchasing Agent and the Bank Collections Agent.

Bank Purchasing Agent:

Landesbank Hessen-Thüringen Girozentrale

Neue Mainzer Straße 52-58

60311 Frankfurt am Main

Germany

Bank Collections Agent:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Ropemaker Place

25 Ropemaker Street
London, EC2Y 9AN

A-1

ANNEX 2

(Reserved)

ANNEX 3

ELIGIBLE RECEIVABLES

- (a) The Contract underlying the Receivable is a standard telecommunications services agreement of the related Originator and is governed by the federal and/or state laws of the United States.
- (b) (i) The Outstanding Balance of such Receivable shall not cause the aggregate Outstanding Balance of all Purchased Receivables (not including Aged Receivables) due from the Obligor with respect to such Purchased Receivable to exceed \$50,000 (it being understood that the Servicer will make this determination monthly as of the end of each Collection Period) and (ii) such Receivable does not relate to Charges in excess of \$50,000 in the aggregate set forth on a related Invoice.
- (c) Such Receivable is non-interest bearing and the Nominal Value of such Receivable does not include any default interest or other penalties, fines, fees for late payment or any other breach of the related Contract.
- (d) The period from the Invoice Date to the Due Date with respect to such Receivable does not exceed 30 days.
- (e) The Obligor of such Receivable (i) is a natural person, or, if a corporation, governmental or other business organization, is organized under the laws of the United States or any political subdivision thereof; and (ii) is not an Affiliate of the Originators or the Funding Seller. The telephone number related to the Receivable relates to one of the Designated States.
- (f) The Receivable is denominated and payable in USD in the United States.
- (g) The Receivable is not overdue by more than 30 days or an Aged Receivable.
- (h) The Receivable arises pursuant to a Contract with respect to which the applicable Originator has performed all obligations in all material respects required to be performed by it thereunder in order to have such Receivable become due and payable, including delivery of a bill to the applicable Obligor.
- (i) The Receivable:
 - (i) is an “account” or “general intangible” within the meaning of Article 9 of the UCC;
 - (ii) is a right to payment of a monetary obligation for goods or services rendered to Obligor; and
 - (iii) is not evidenced or otherwise payable by a promissory note, a bill of exchange or other instrument.
- (j) The Receivable, together with the contract related thereto, does not contravene any laws applicable thereto (including laws relating to truth in lending, cost of credit disclosure, fair credit billing, equal credit opportunity, fair debt collection practices and privacy).

- (k) The Receivable was originated in accordance with and satisfies in all material respects all applicable requirements of the Credit and Collection Policies.
- (l) The terms of the underlying Contract with respect to the Receivable do not expressly permit the related Obligor to exercise any right of set-off with respect thereto.
- (m) The Receivable is not a Restricted Receivable.
- (n) The Receivable has been originated by an Originator and validly sold or contributed by such Originator to the Funding Seller with the result that such Funding Seller has good and marketable title thereto (together with the Collections and Related Rights related thereto), free and clear of all Adverse Claims.
- (o) The Receivable is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor, enforceable against such Obligor in accordance with its terms except as such enforcement against such Obligor may be limited by any applicable insolvency law or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), in each case, under all applicable law, and is, not subject to any litigation, offset, counterclaim or other defense.
- (p) The Receivable was originated in the ordinary course of the applicable Originator's business and represents the purchase price of "subscriber / air time" services sold by such Originator.
- (q) The Receivable has not been compromised, altered, adjusted or modified for credit reasons nor is it subject to any downward adjustment for Taxes, rebates or other reasons (including by the extension of time for payment or the granting of any discounts, allowances or credits), in each case, other than as permitted or required by the Credit and Collection Policies.
- (r) The disclosure of information necessary to permit the Funding Seller or its assigns to enforce such Receivable against the related Obligor would not result in the breach of any law, agreement (including the underlying Contract), judgment or other instrument by which the related Originator or the Funding Seller is bound.
- (s) At the Closing Date, the Obligor with respect to the Receivable is not the Obligor with respect to any Overdue Receivable payment for which is more than 30 days past due.
- (t) If purchased, such Receivable does not relate to Charges which would cause the percentage of the Charges related to Purchased Receivables billed in the related Collection Period to all Obligor individuals to be less than 51%.
- (u) If purchased, such Receivable does not relate to Charges which would cause the percentage of the Charges related to Purchased Receivables billed in the related Collection Period to all Obligor commercial Obligor to exceed 25% or the Obligor that are governmental entities to exceed 5%.
- (v) If purchased, such Receivable does not relate to Charges which would cause the percentage of the Charges related to Purchased Receivables billed in the related Collection Period to all Obligor who are identified by the Funding Seller and the Bank Purchasing Agent as "subprime" (Obligor who

are not considered part of the ABCL Credit Classes) to exceed 40% on more than two (2) consecutive Settlement Dates.

- (w) Such Receivable is not subject to any Adverse Claim (other than Adverse Claims arising pursuant to the Transaction Documents) or Subject to Defenses.
- (x) The Funding Seller is not aware of any claims or other facts or circumstances that could result in such Receivable, in whole or in part, becoming subject to any Adverse Claims (other than Adverse Claims arising pursuant to the Transaction Documents) or Subject to Defenses for more than two consecutive Settlement Dates.
- (y) The Funding Seller has all necessary rights in such Purchased Receivable required for the Funding Seller to sell and assign such Receivable to the Purchaser pursuant to this Agreement.
- (z) The related Originator shall have complied with all Requirements of Law in connection with the origination of such Receivable.
- (aa) The related Originator shall have complied in all material respects with the related Contract in connection with the origination of such Receivable.
- (bb) All sales, excise or other taxes with respect to such Receivable shall have been paid to the applicable taxing authority when due other than those being contested in good faith.
- (cc) If purchased, the Outstanding Balance of such Receivable would not cause the Average of the Nominal Value of all Receivables purchased hereunder during the three immediately preceding Collection Periods to exceed the Maximum Sales Amount.
- (dd) If purchased, such Receivable does not relate to Charges which would cause the percentage of the Charges related to Purchased Receivables billed in the related Collection Period related to CCPC codes in any Designated State to exceed the maximum percentage specified below on more than two (2) consecutive Settlement Dates.

State	Maximum Percentage
MS	0.50%
ND	0.10%
SD	0.10%
VT	0.10%
AR	0.25%
IA	0.25%
KY	1.50%
NC	3.00%
WV	0.25%
WY	0.25%
ME	0.50%
TN	2.00%
DE	1.00%
ID	1.00%

LA	1.00%
NH	1.00%
SC	2.50%
WI	1.00%
AL	5.00%
CO	5.00%
CT	5.00%
DC	5.00%
HI	5.00%
IN	5.00%
KS	5.00%
MA	5.00%
MD	5.00%
MI	5.00%
MO	5.00%
NM	5.00%
NV	5.00%
OH	5.00%
OK	5.00%
OR	5.00%
RI	5.00%
UT	5.00%
VA	5.00%
MN	5.00%
PA	5.00%
AZ	5.00%
GA	10.00%
NJ	10.00%
WA	10.00%
IL	10.00%
FL	15.00%
NY	15.00%
TX	20.00%
CA	25.00%

(ee) Such Receivable does not relate to Partner Branded Services, Flexpay or No Credit Family Plans, as each of such terms is used or defined in the books and records of the Originators.

(ff) The Obligor of such Receivable is not a Sanctioned Person (as such term is defined in Article 24).

ANNEX 4

ORIGINATORS

Name	Jurisdiction of Organization	Address
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As of the Closing Date:

T-Mobile West LLC	Delaware	12920 SE 38 th Street Bellevue, Washington 98006
T-Mobile Central LLC	Delaware	12920 SE 38 th Street Bellevue, Washington 98006
T-Mobile Northeast LLC	Delaware	12920 SE 38 th Street Bellevue, Washington 98006
T-Mobile South LLC	Delaware	12920 SE 38 th Street Bellevue, Washington 98006

As of the November 2014 Amendment Effective Date:

Powertel/Memphis, Inc.	Delaware	12920 SE 38 th Street Bellevue, Washington 98006
Triton PCS Holdings Company L.L.C.	Delaware	12920 SE 38 th Street Bellevue, Washington 98006

As of the January 2015 Amendment Effective Date:

SunCom Wireless Operating Company, L.L.C.	Delaware	12920 SE 38 th Street Bellevue, Washington 98006
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ANNEX 5

CONDITIONS PRECEDENT TO EACH PURCHASE

Each purchase of Purchased Receivables shall be subject to the conditions precedent that:

(a) the Servicer shall have delivered to the Bank Purchasing Agent on or prior to such purchase, in form and substance reasonably satisfactory to the Bank Purchasing Agent, a completed Monthly Report containing information covering the most recently ended Collection Period; and

(b) on the date of such purchase the following statements shall be true (and acceptance of the proceeds of such purchase shall be deemed a representation and warranty by the Funding Seller that such statements are then true):

(i) the representations and warranties contained in Article 6 are true and correct in all material respects on and as of the date of such purchase as though made on and as of such date; and

(ii) no Termination Event has occurred or would be caused to occur by such purchase.

ANNEX 6
FORM OF MONTHLY REPORT

[See attached]

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ANNEX 7

SCOPE OF ACCOUNTANT'S REPORT

Scope of Services:

- Review whether the selected sample of Receivables meet the Eligibility Criteria as described in Annex 3 of the Master Receivables Purchase Agreement
- Review whether the selected sample of Receivables assigned by the Funding Seller are stated as being assigned to the Purchaser in the Funding Seller's accounts
- Review whether the payments for the selected sample of Purchased Receivables have been applied appropriately
- Select a sample of Monthly Reports and re-perform calculations contained therein

Procedures

- Sample selection: The adherence to the Eligibility Criteria shall be verified by means of a generally accepted procedure, with a sample size of Purchased Receivables that is mutually agreed upon by the Bank Purchasing Agent and the Servicer. We will use random selection applied through a random number generator as a generally accepted non-statistical sampling method to select the sample of Purchased Receivables.
- Such other reasonable procedures that are agreed upon by the Bank Purchasing Agent and the Servicer

ANNEX 8

T-MOBILE INFORMATION DATA CONFIDENTIALITY PROVISIONS

1. CONFIDENTIALITY AND SECURITY. Notwithstanding anything to the contrary stated herein (including Section 12), the parties acknowledge and agree as follows:

1.1 Confidentiality. The parties acknowledge and agree that the Bank Purchasing Agent may be given access to T-Mobile Information under this Agreement. The Servicer shall mark such medium as containing T-Mobile Information. Until the Final Termination Date and for so long as the Bank Purchasing Agent has T-Mobile Information, the Bank Purchasing Agent shall: (a) use at least the same degree of care to prevent unauthorized use and disclosure of such T-Mobile Information as that party uses with respect to its own Confidential Information (but in no event less than a reasonable degree of care); and (b) use such T-Mobile Information only in the performance of its rights and obligations under this Agreement. Following the Final Termination Date, at the request of the Funding Seller, the Bank Purchasing Agent shall return, or at the Bank Purchasing Agent's option, destroy (and certify in writing such return or destruction) any and all T-Mobile Information received by it pursuant to this Agreement, provided that, notwithstanding the foregoing, the Bank Purchasing Agent may retain such copies of T-Mobile Information as it is required to retain to comply with its internal compliance policies or in accordance with applicable law. The Bank Purchasing Agent shall hold any such retained T-Mobile Information in accordance with the terms of this Agreement. This Section 1.1 shall survive termination of the Agreement. T-Mobile Information is Confidential Information of the T-Mobile Group under this Agreement; provided however that T-Mobile Information shall remain confidential and proprietary even if disclosed by a third party or in breach of the terms of this Agreement.

1.2 Handling of T-Mobile Information. Bank Purchasing Agent: (a) may collect, store, access, use, process, maintain and disclose T-Mobile Information only to fulfill its obligations and exercise its rights and remedies under the Agreement and for no other purpose; and (b) shall, without limiting any other obligations applicable to T-Mobile Information hereunder, treat all T-Mobile Information as Confidential Information of T-Mobile Group. For purposes of this Annex, the acts or omissions of Bank Purchasing Agent and any Person to whom it has disclosed T-Mobile Information are Bank Purchasing Agent's acts or omissions.

1.3 Security Safeguards. Bank Purchasing Agent is fully responsible for any authorized or unauthorized collection, storage, disclosure and use of, and access to, T-Mobile Information received by it pursuant to this Agreement. Bank Purchasing Agent shall not permit any collection, storage, disclosure or use of, or access to, T-Mobile Information that this Agreement does not expressly authorize. Bank Purchasing Agent shall implement and maintain a written information security program that contains administrative, technical, and physical safeguards ("Safeguards") appropriate to its business and the protection of T-Mobile Information received by it. Bank Purchasing Agent's information security program shall meet common industry practices for such Safeguards, including, without limitation, complying with all applicable laws governing the security and handling of T-Mobile Information by Bank Purchasing Agent. Such information security program shall include, without limitation: (a) adequate physical security of all premises in which T-Mobile Information will be processed and/or stored; (b) reasonable precautions taken with respect to the employment of, and access given to, Bank Purchasing Agent personnel, including, without limitation, background checks, training, disciplinary measures, and security clearances that assign specific access privileges to individuals; and (c) an appropriate network security program. Such network security program will include, without limitation: (i) appropriate access controls and data integrity controls; (ii) monitoring, testing and auditing of all controls; and (iii) appropriate corrective action and incident response plans.

1.4 Contractors and Subcontractors. Bank Purchasing Agent shall ensure that only approved contractors and subcontractors (including any subsidiary, parent, affiliate or partner) who have a need to know of the T-Mobile Information may access such information, and only if Bank Purchasing Agent requires such contractors and subcontractors to comply with obligations with respect to T-Mobile Information. Bank Purchasing Agent must use

at least the same effort, but in no event less than a reasonable amount of effort, to enforce obligations of such individuals with regard to T-Mobile Information as Bank Purchasing Agent uses for its own similar confidential information.

1.5 (Reserved)

1.6 Security Breaches.

(a) (Reserved)

(b) Bank Purchasing Agent shall, promptly after confirmation thereof, notify Funding Seller of any actual, probable or reasonably suspected breach of any safeguards or of any other actual, probable or reasonably suspected unauthorized access to, or acquisition, use, loss, destruction, compromise or disclosure of, any T-Mobile Information maintained on the Bank Purchasing Agent Systems (each, a “**Security Breach**”). In any notification to Funding Seller required under this Section 1, Bank Purchasing Agent shall designate a single individual employed by Bank Purchasing Agent who must be available to Funding Seller during regular business hours of the Pre-Approved Facility (defined below) as a contact regarding Bank Purchasing Agent’s obligations under this Section 1. Bank Purchasing Agent shall: (i) unless prohibited by applicable law, court order or similar legal process, provide reasonable assistance to the Funding Seller in investigating, remedying and taking any other reasonable action Funding Seller deems necessary regarding any Security Breach and any dispute, inquiry or claim that concerns the Security Breach; and (ii) shall provide Funding Seller with assurance reasonably satisfactory to Funding Seller that such Security Breach or potential Security Breach will not recur. Unless prohibited by an applicable law, court order or similar legal process, Bank Purchasing Agent shall also notify Funding Seller of any third-party legal process relating to any Security Breach, including, without limitation, any legal process initiated by any governmental entity (foreign or domestic).

1.7 Information Security Vendor Assessments, Annual Security Audits & Visitation and Inspection Rights.

(a) *Information Security Vendor Assessment (“ISVA”)*. Funding Seller reserves the right to require Bank Purchasing Agent to complete T-Mobile Group’s ISVA process once per year. Funding Seller may request additional security controls or mitigations plans be implemented and maintained by Bank Purchasing Agent with respect to the T-Mobile Information based on results of an ISVA.

1.8 Access Limitations. Bank Purchasing Agent shall ensure that no persons who have access to T-Mobile Information provided or made accessible to Bank Purchasing Agent under this Agreement are listed on: (a) the Specially Designated Nationals and Blocked Persons list maintained by the U.S. Treasury, Office of Foreign Assets Control; (b) the Denied Persons or Denied Entities lists maintained by the U.S. Department of Commerce, Bureau of Industry and Security; (c) the Debarred Persons List maintained by the U.S. Department of State, Office of Defense Trade Controls; (d) any successors to the foregoing; or (e) any similar official public lists maintained by any agency of the U.S. government with which financial institutions operating in the United States are required to comply. Bank Purchasing Agent will ensure that all T-Mobile Information resides in the United States, unless approved in writing in advance by Funding Seller. Bank Purchasing Agent shall securely store all T-Mobile Information separate from other information of Bank Purchasing Agent or Bank Purchasing Agent’s other customers. Bank Purchasing Agent must first obtain prior written approval from Funding Seller for any deviation from this requirement.

1.9 (Reserved)

1.10 Additional Obligations. Bank Purchasing Agent agrees as follows:

(a) Bank Purchasing Agent shall not store T-Mobile Information, or any other subscriber information, including, without limitation, call transactional data, call associated data, call identifying data, subscriber information and subscriber billing records (collectively, “**Subscriber Information**”) outside of the United States without Funding Seller’s prior written consent, which may be withheld for no reason, or any reason, in Funding Seller’s sole and absolute discretion. Bank Purchasing Agent is expressly permitted to access and store all Subscriber Information

necessary to fulfill its obligations and exercise its rights and remedies under this Agreement in Bank Purchasing Agent's New York Branch located in New York, New York, USA (a "**Pre-Approved Facility**") for the term of this Agreement.

(b) Bank Purchasing Agent shall provide Funding Seller with at least thirty (30) calendar days' prior written notice of its desire to store Subscriber Information in another location different from the Pre-Approved Facilities, including description of the communications and/or information, identification of the custodian, identification of the proposed location where the communications and/or information would be stored; and identification of the factors it considered in seeking to store the communications and/or information outside of the Pre-Approved Facilities.

(c) (Reserved)

(d) (Reserved)

(e) (Reserved)

(f) (Reserved)

(g) Bank Purchasing Agent shall not disclose Subscriber Information to any foreign government or entity without first, (a) satisfying all applicable U.S. federal, state and local legal requirements, including, if required, receiving appropriate authorization by a domestic U.S. court, or receiving prior written authorization from the U.S. Department of Justice, (b) to the extent not prohibited by law, rule, regulation or court order applicable to the Bank Purchasing Agent (i) notifying Funding Seller of the request for such information within five (5) calendar days of its receipt and (ii) reasonably cooperating with Funding Seller to object to and commence appropriate proceedings to protect the information;]

1.11 T-Mobile Information and Bank Purchasing Agent Access.

(a) **T-Mobile Information.** Bank Purchasing Agent shall receive the following T-Mobile Information under this Agreement for the Purchased Receivables on a monthly basis :

- (i) T-Mobile billing account number;
- (ii) T-Mobile invoice ID number;
- (iii) T-Mobile invoice due date;
- (iv) T-Mobile invoice date;
- (v) T-Mobile sold amount for the Purchased Receivables; and
- (vi) T-Mobile Balance for the Purchased Receivables.

(b) **Access Protocol.** The T-Mobile Information provided to the Bank Purchasing Agent will be made available through a secured file transfer protocol ("**SFTP**") website on the T-Mobile network. Bank Purchasing Agent will be provided with authentication and login credentials by Funding Seller or its affiliates to access the SFTP website and securely obtain the T-Mobile Information. In addition, Funding Seller or its affiliates will provide Bank Purchasing Agent with an email notice monthly when new T-Mobile Information has been posted to the SFTP website and is available to be accessed by the Bank Purchasing Agent.

ANNEX 9

FORM OF DT PAYMENT GUARANTEE

- (A) We refer to that certain Master Receivables Purchase Agreement, dated as of February 26, 2014, by and among T-Mobile US, Inc. (“**TMUS**”), T-Mobile PCS Holdings LLC (“**PCS**” or the “**Servicer**”), T-Mobile Airtime Funding LLC (the “**Funding Seller**”), Billing Gate One LLC (“**Billing Gate One**”), and Landesbank Hessen-Thüringen Girozentrale (“**Helaba**”) in its capacity as “**Bank Purchasing Agent**” thereunder (as amended, restated, supplemented or otherwise modified from time to time, the “**Master Receivables Purchase Agreement**”); and that certain Onward Receivables Purchase Agreement, dated as of February 26, 2014, by and among Billing Gate One, the “**Bank Purchasers**” from time to time party thereto, and the Bank Purchasing Agent (as amended, restated, supplemented or otherwise modified from time to time, the “**Onward Receivables Purchase Agreement**”). The transactions contemplated by the Master Receivables Purchase Agreement, the Onward Receivables Purchase Agreement and the other Transaction Documents (as such term is defined in the Master Receivables Purchase Agreement) are collectively referred to herein as the “**Transaction**.” Each capitalized term that is used, but not defined herein, shall have the meaning prescribed by the Master Receivables Purchase Agreement and/or the Onward Receivables Purchase Agreement.
- (B) This guarantee (this “**Guarantee**”) is the “DT Payment Guarantee” (as such term is defined in the Master Receivables Purchase Agreement), and is being delivered to each of the Purchasing Entities in connection with Section 11.4(i) of the Master Receivables Purchase Agreement.

We, Deutsche Telekom AG, a corporation (*Aktiengesellschaft*) incorporated under the laws of Germany, registered in the commercial register kept at the local court of Bonn, Germany, under registration number HRB 6794, with its business address at Friedrich-Ebert Allee 10, 53113 Bonn (the “**Guarantor**”), hereby irrevocably issue this Guarantee in favor of each of the Purchasing Entities (A) as of the date hereof (which, as of the date hereof, include Billing Gate One LLC as the “Purchaser” under the Master Receivables Purchase Agreement, Helaba as the “Bank Purchasing Agent” and each of [*current Bank Purchasers*] as a “Bank Purchaser”) and (B) from time to time after the date hereof, under the terms and conditions set forth below:

1. Guarantee

1.1 The Guarantor:

- (a) hereby irrevocably, absolutely and unconditionally guarantees to each of the Purchasing Entities, severally and jointly, as a continuing obligation, the payment of any obligation owing by any member of the T-Mobile Group under the Transaction Documents, whether or not such obligation shall be owed directly or indirectly to any of the Purchasing Entities pursuant thereto (the “**Guaranteed Obligations**”), which obligations shall include, but not be limited to, the following:
- (i) all of the obligations of the Servicer related to the servicing of the Purchased Receivables, the Related Rights, Collections and other funds pursuant to the Transaction Documents;

- (ii) all of the respective obligations of any member of the T-Mobile Group related to (1) the sale of Receivables and Related Rights, (2) the segregation and application of Collections and the repurchase of Receivables by the Funding Seller, (3) excess Dilutions and breaches of representations or warranties concerning the Receivables, and (4) the monthly settlement or other periodic settlement of transactions under the Transaction Documents contemplated by, among other sections of the Transaction Documents, Article 2 of the Master Receivables Purchase Agreement; and
 - (iii) without limiting the foregoing, the payment when due (from Collections or otherwise), in accordance with the terms of the Transaction Documents, of any amount, other than any amount attributable to an Excluded Amount (as such term is defined below), that may be payable by a member of the T-Mobile Group pursuant to the Transactions, including, without limitation, any and all of the Indemnified Amounts contemplated by Article 9 of the Master Receivables Purchase Agreement and any amount payable by the Performance Guarantor pursuant to Section 19 of the Master Receivables Purchase Agreement; and
- (b) undertake to pay upon demand any amount owed by any member of the T-Mobile Group as a Guaranteed Obligation.

For purposes of this Guarantee, the term “**Excluded Amount**” shall mean, with respect to any Batch, and for each Settlement Date, the maximum amount of the portion of the Allocated Write-Off Amount for such Batch that is intended to be allocated to, and borne by, the Funding Seller on such Settlement Date pursuant to Section 5.3 of the Master Receivables Purchase Agreement; it being agreed and understood (for the avoidance of doubt) that, for each Batch and each Settlement Date, the “Excluded Amount” related thereto shall be its Maximum Batch Mandatory Repurchase Amount for such Settlement Date.

- 1.2 Each of the Purchasing Entities, acting severally, or one or more of the Purchasing Entities, acting jointly, from time to time, shall be entitled to make one or more demands for payment under this Guarantee. Each demand for payment must be signed by its or their legal representative(s) or authorized representative(s). It is agreed and understood that the Bank Purchasing Agent itself shall be entitled to make demands on behalf of one or more of the other Purchasing Entities. Any demand hereunder shall be made in writing (without the requirement that any demands or remedies be made or exercised, or any other steps be taken, previously against any member of the T-Mobile Group or any other Person). Any payment to be made by the Guarantor hereunder shall be made after the making of any such demand within three (3) days on which banks are open for general business in Düsseldorf, Germany, and Frankfurt am Main, Germany (each a “**Banking Day**”).
- 1.3 We have received a copy of each of the Transaction Documents and are aware of their entire contents. We are also aware that the provisions of such agreements are only binding upon the Purchasing Entities and certain of the members of the T-Mobile Group, whereas our rights and obligations are set out exhaustively in this Guarantee.
- 1.4 We shall not be entitled to any right to set-off or counterclaim whatsoever. All payments under this Guarantee shall be made free from any withholding or deduction.

1.5 This Guarantee shall apply with regard to the Transaction as amended or varied from time to time (which may be without our consent, except as may be expressly provided therein). We hereby authorize the parties to the Transaction Documents to agree to any such amendment or variation, the due performance of which and compliance with which by the members of the T-Mobile Group are likewise guaranteed hereunder. Our obligations and liabilities under this Guarantee shall not be discharged by any allowance of time or other indulgence whatsoever by any of the Purchasing Entities to any member of the T-Mobile Group, or by any variation or suspension of the obligations to be performed under the Transaction, or by any amendments to any of the Transaction Documents or to the constitution of any party to the Transaction, or by any Bankruptcy Event with respect to any party to the Transaction, or by any other matters, whether with or without our knowledge or consent.

1.6 Unless otherwise specified in a Purchasing Entity’s written demand, all amounts payable hereunder by us shall be paid to: *[refer to relevant accounts in the Transaction Documents]*.

2. Maximum Liability

The Guarantor’s maximum liability pursuant to this Guarantee shall be limited to the amount of EUR *[the amount that shall equal 110% of the Funding Limit at the issuing date of the guarantee]*, less any amount paid by the Guarantor pursuant to this Guarantee (the “**Maximum Amount**”).

3. Validity Period

The validity period of this Guarantee shall commence on *[Date]* [the date hereof] and shall end on the later date of (A) 2 years and 9 months after the Master Receivables Purchase Agreement shall have come into force and (B) the Final Termination Date under the Master Receivables Purchase Agreement (the “**Expiry Date**”).

4. Assignment

4.1 This Guarantee shall be effective for the benefit of each of the Purchasing Entities and their respective successors, assignees, and any other company with which any of them may at any time amalgamate. We and our successors shall be bound by this Guarantee notwithstanding any change in our constitution or status or any of our successors.

1.2 We may not assign all or part of our rights or transfer or novate all or part of our obligations under this Guarantee to another party without the prior written consent of each of the Purchasing Entities.

5. Communications

5.1 Any notice required to be given by a party shall be sent to the other party’s address or facsimile number given herein or such other address or facsimile number as may from time to time be notified for this purpose. The initial addresses and telefax numbers of the parties are:

The Purchasing Entities : *[Purchasing Entities]*

Fax Number : [•]

Address : [•]

Attention : [•]

The Guarantor : Deutsche Telekom AG

Fax Number : [•]

Address : [•]

Attention : [•]

5.2 Any such notice shall be deemed to have been served:

- (a) if delivered by hand, when left at the address required by this clause 4; or
- (b) if posted by prepaid ordinary mail or by prepaid registered letter, at the expiration of three (3) Banking Days after posting thereof; or
- (c) if sent by facsimile and received in readable form, upon the receipt by the sender of the transmission report indicating that the notice has been sent in full to the recipient's facsimile machine, or such other similar medium of receipt; or
- (d) if sent by courier, at the expiration of three (3) Banking Days after the package containing the same shall have been received by the relevant courier company.

6. Miscellaneous

- 6.1 The validity of the remaining provisions of this Guarantee shall not be affected if any particular provision or provisions of this Guarantee or any Transaction Document is or are properly declared illegal, unenforceable or contrary to law or public policy or if a gap in this Guarantee becomes evident and regardless of the value of any collateral provided to the beneficiaries hereof or the release or exchange of any such collateral. In the event that as a result of such declaration or gap any of the rights or obligations of a party are materially affected, the parties shall meet and negotiate in good faith in order to arrive at an amendment of this Guarantee that will as closely as possible reflect what the parties would have intended if they had considered the point at the time of conclusion of this Guarantee. If the parties after such consultations do not agree upon an appropriate amendment to this Guarantee, there shall be deemed to exist a dispute that may be referred to legal proceedings.
- 6.2 The Guarantor waives any right it may have of first requiring any of the beneficiaries hereunder to proceed against, or enforce any other rights or security or claim from, any person before claiming from it under this Guarantee. This waiver applies irrespective of any non-mandatory law or any provision of this Guarantee or any Transaction Document to the contrary.
- 6.3 Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantor hereunder, which shall remain absolute and unconditional as described above:

- (i) at any time or from time to time, without notice to the Guarantor, the time for any performance of or compliance with any of the obligations of any member of the T-Mobile Group under the Transaction Documents shall be waived;
- (ii) any of the acts mentioned in any of the provisions of the Transaction Documents shall be done or omitted;
- (iii) any of the Deutsche Telekom Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under any Transaction Document shall be waived or any of the Deutsche Telekom Guaranteed Obligations or any security therefore shall be released or exchanged in whole or in part or otherwise dealt with; or
- (iv) any lien or security interest granted to, or in favor of, any of the beneficiaries hereunder as security for the Deutsche Telekom Guaranteed Obligations shall fail to be effective or perfected.

The Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any of the beneficiaries hereunder exhaust any right, power or remedy or proceed against any member of the T-Mobile Group or against any other Person under any other agreement, or guarantee of, or security for, any of the Deutsche Telekom Guaranteed Obligations.

- 6.4 The obligations of the Guarantor under this Guarantee shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any member of the T-Mobile Group under any Transaction Document is rescinded or must otherwise be restored by any holder of any of the Deutsche Telekom Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Guarantor agrees that it will indemnify each of the beneficiaries hereunder on demand for all reasonable costs and expenses (including, without limitation, fees of counsel) incurred by it or them in connection with such rescission or restoration, including any such costs or expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.
- 6.5 The Guarantor hereby waives its right to take recourse (*Rückgriffrecht*) against any member of the T-Mobile Group resulting from any demand under this Guarantee until the Guaranteed Obligations have been fully and finally discharged.
- 6.6 The Guarantor agrees that, as between the Guarantor and the beneficiaries hereunder, the obligations of any member of the T-Mobile Group under any Transaction Document may be declared to be forthwith due and payable as provided therein (and shall be deemed to have become automatically due and payable as provided therein) for the purposes hereof notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against such member of the T-Mobile Group and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by any member of the T-Mobile Group, as applicable) shall forthwith become due and payable by the Guarantor hereunder.

- 6.7 This Guarantee is a continuing guarantee, and shall apply to all Deutsche Telekom Guaranteed Obligations whenever arising.
- 6.8 This Guarantee shall be governed by, and construed in accordance with the laws of, Germany. The courts of Frankfurt am Main, Germany, shall have non-exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Guarantee.

DEUTSCHE TELEKOM AG

Name:

Title:

Name:

Title:

For and on behalf of Deutsche Telekom AG

ANNEX 10

**TEMPLATE FOR INVOICES ON SERVICER FEE TO BE ISSUED BY SERVICER SEPARATELY TO EACH
BANK PURCHASER PURSUANT TO SECTION 4.3(b)**

[See attached]

ANNEX 11

LEVEL 4 RESERVE PERCENTAGES ON PRIOR SETTLEMENT DATES

[See attached]

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Section 3: EX-10.6 (TMUS EXHIBIT 10.6)

EXHIBIT 10.6

DIRECTOR COMPENSATION PROGRAM

T-Mobile US, Inc.

Effective as of May 1, 2013¹

The terms of the Director Compensation Program (the "**Program**") for Non-Employee Directors of T-Mobile US, Inc. (the "**Company**") are set forth herein.

For purposes of the Program, a "**Non-Employee Director**" is any director of the Company who is not (i) an employee of the Company or any of its subsidiaries or (ii) an officer or employee of Deutsche Telekom AG or any of its subsidiaries.

1. Eligibility

Each Non-Employee Director of the Company elected or appointed to the Company's Board of Directors (the "**Board**") shall be eligible to receive the compensation set forth in the Program.

2. Non-Employee Director Compensation

Subject to the terms and conditions set forth herein and in the Plan, Non-Employee Directors shall receive the following compensation:

a. Cash Compensation

Non-Employee Directors shall receive the following cash compensation, as applicable, to be paid in cash in equal quarterly installments after the end of the quarter in which earned:

Annual Retainer for Board Service	\$120,000
Additional Retainer for Lead Independent Director	\$25,000
Audit Committee Chair	\$50,000
Compensation Committee Chair	\$25,000
Nominating and Corporate Governance Committee Chair	\$15,000
Additional Retainer for Audit Committee Members	\$15,000

Any person who becomes a Non-Employee Director and/or committee chair at any time of the year other than the date of the Annual Meeting of Stockholders shall receive a pro rata portion of cash compensation set forth above, as applicable, based on the number of days remaining in the one-year period following the date of the previous Annual Meeting of Stockholders.

If any Non-Employee Director attends more than 10 Board meetings or more than 10 committee meetings during a calendar year, such Director will receive additional compensation of (i) \$2,000 per meeting for any excess in-person Board or committee meeting or (ii) \$1,000 per meeting for any excess telephonic Board or committee meetings.

b. Reimbursement of Expenses

¹ Amended June 4, 2014 and further amended on June 1, 2015 and June 16, 2016.

The Company shall pay on behalf of, or reimburse, Non-Employee Directors for all reasonable costs and expenses incurred in attending meetings of the Board, Board committees, and the Company's stockholders and in fulfilling their other responsibilities as directors of the Company. In addition, the Company shall pay on behalf of, or reimburse, Non-Employee Directors for all reasonable costs and expenses, including an appropriate tax gross up, for spousal or partner travel to one Board meeting per year (or as requested by the Company).

c. Restricted Stock Unit Grants

Immediately after each Annual Meeting of Stockholders beginning with the 2013 Annual Meeting of Stockholders, each Non-Employee Director shall automatically be granted restricted stock units of the Company ("**RSUs**") with a value of \$180,000 (based on the closing price of the Company's common stock on the New York Stock Exchange on the grant date), with any fractional share rounded to the nearest whole share; provided, that any person who becomes a Non-Employee Director at any time of the year other than the date of the Annual Meeting of Stockholders shall automatically be granted RSUs equal to the pro rata portion of \$180,000 based on the number of days remaining in the one-year period following the date of the most recent previous Annual Meeting of Stockholders, such grant to be effective on the date he or she becomes a Non-Employee Director and based on the closing price of the Company's common stock on the NASDAQ Global Select Market of The NASDAQ Stock Market LLC on the grant date, with any fractional share rounded to the nearest whole share.

The RSUs shall be fully vested as of the one-year anniversary of the date on which the RSUs were granted, contingent upon the Non-Employee Director's continuous service on the Board during such period; provided, however, that for a person who becomes a Non-Employee Director at any time other than the date of the Annual Meeting of Stockholders, the vesting date shall be the one-year anniversary of the grant date for awards made in connection with the most recent previous Annual Meeting of Stockholders. In the event of a Non-Employee Director's resignation or removal prior to the vesting of the RSUs, such RSUs shall automatically be forfeited to the Company; provided, however, that if a Non-Employee Director serves through the date of an Annual Meeting of Stockholders but does not stand for re-election at that meeting, any RSU award made for the prior year that has not yet vested as of such meeting shall continue to vest per schedule. In the event of a Non-Employee Director's death, the RSUs shall immediately vest.

Upon a Change in Control of the Company (as defined in the Company's Omnibus Incentive Plan), the RSUs shall immediately vest upon the date of such Change in Control.

RSUs shall be granted pursuant to the Company's Omnibus Incentive Plan (the "**Plan**") and shall be subject to the terms and conditions of the Plan and the applicable restricted stock unit agreement in effect on the grant date. Capitalized terms used but not defined herein shall have the meanings given to them in the Plan. The above terms supplement, and do not alter or change, the provisions of the Plan. In the event of any inconsistency between the terms contained herein and in the Plan, the Plan shall govern.

3. Amendment

The Board may amend the provisions of the Program in such respects as it deems advisable. Any such amendment shall not, without the consent of the Non-Employee Director, impair or diminish any rights of the Non-Employee Director under the Program.

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Section 4: EX-31.1 (TMUS EXHIBIT 31.1)

Exhibit 31.1

Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John J. Legere, certify that:

1. I have reviewed this quarterly report on Form 10-Q of T-Mobile US, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 27, 2016

/s/ John J. Legere

John J. Legere
President and Chief Executive Officer

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Section 5: EX-31.2 (TMUS EXHIBIT 31.2)

Exhibit 31.2

Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, J. Braxton Carter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of T-Mobile US, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 27, 2016

/s/ J. Braxton Carter

J. Braxton Carter
Executive Vice President and Chief Financial Officer

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Section 6: EX-32.1 (TMUS EXHIBIT 32.1)

Exhibit 32.1

Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of T-Mobile US, Inc. (the "Company"), on Form 10-Q for the quarter ended June 30, 2016, as filed with the Securities and Exchange Commission (the "Report"), John J. Legere, President and Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 27, 2016

/s/ John J. Legere

John J. Legere
President and Chief Executive Officer

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Section 7: EX-32.2 (TMUS EXHIBIT 32.2)

Exhibit 32.2

Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of T-Mobile US, Inc. (the “Company”), on Form 10-Q for the quarter ended June 30, 2016, as filed with the Securities and Exchange Commission (the “Report”), J. Braxton Carter, Executive Vice President and Chief Financial Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 27, 2016

/s/ J. Braxton Carter

J. Braxton Carter

Executive Vice President and Chief Financial Officer

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