

Information Memorandum dated 1 July 2021

## **Douro Finance B.V.**

*(a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of the Netherlands, with its seat (zetel) in Amsterdam and registered with the trade register (handelsregister) of the Dutch Chamber of Commerce under number 55482643)*

## **CID Finance B.V.**

*(a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of the Netherlands, with its seat (zetel) in Amsterdam and registered with the trade register (handelsregister) of the Dutch Chamber of Commerce under number 34211673)*

# **EUR Limited Recourse Secured Debt Issuance Programme**

### **Programme and Issuance**

Douro Finance B.V. (the "**Douro Issuer**") and CID Finance B.V. (the "**CID Issuer**" and together with the Douro Issuer and each in relation to the Securities issued by it, an "**Issuer**" and together, the "**Issuers**") may from time to time issue Securities and enter into Alternative Investments (together with the Securities, the "**Debt Investments**") under a EUR Limited Recourse Secured Debt Issuance Programme (the "**Programme**"). Securities will be issued to the Dealer specified below, and any additional dealer appointed under the Programme from time to time, which appointment may be for a specific Series of Securities or on an ongoing basis. Such Debt Investments may be denominated in any currency agreed between the relevant Issuer and any relevant dealer(s) (each a "**Dealer**" and together the "**Dealers**") as specified in the Issue Terms. The initial Dealer in respect of the Programme is Banco Bilbao Vizcaya Argentaria, S.A. This Information Memorandum (this "**Information Memorandum**") has been prepared for use only in connection with Securities issued by the Issuers.

The maximum aggregate nominal amount of all Debt Investments from time to time outstanding and issued by each relevant Issuer under the Programme will not exceed EUR 5,000,000,000 (or its equivalent in other currencies), subject to increase from time to time.

### **Listing and Admission to Trading on the Vienna MTF**

Application may be made to Wiener Börse AG (the "**Vienna Stock Exchange**") for the inclusion of the Securities in trading on the Vienna MTF of the Vienna Stock Exchange, a multilateral trading facility (the "**Vienna MTF**"). This Information Memorandum constitutes listing particulars for the purpose of such application and has been approved by the Vienna Stock Exchange.

References in this Information Memorandum to Securities being "listed" (and all related references) shall mean that such Securities have been included in trading on the Vienna MTF. The Vienna MTF is not a regulated market for the purpose of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "**MiFID II**").

**This Information Memorandum does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended) (the "Prospectus Regulation") or Regulation (EU) 2017/1129 as it forms part of "retained EU law", as defined in the European Union (Withdrawal) Act 2018 ("EUWA") (the "UK Prospectus Regulation").**

In respect of each Series of Securities to be listed, the relevant Issuer will prepare a series information memorandum (the "**Series Information Memorandum**") setting out the specific terms for each Series of Securities, and such Series Information Memorandum will incorporate by reference this Information Memorandum. This Information Memorandum should be read in conjunction with the relevant Series Information Memorandum.

Each Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market.

### **Form**

Securities may be issued in bearer or registered form and may be represented by one or more Global Securities or by Individual Certificates, in each case as specified in the relevant Issue Terms.

### **Arranger and Dealer**

**BBVA**

## Restriction on Distribution

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Securities in bearer form that are subject to U.S. tax law requirements. No person has registered nor will register as a commodity pool operator of the Issuer under the U.S. Commodity Exchange Act of 1936, as amended (the "**CEA**") and the rules of the U.S. Commodity Futures Trading Commission thereunder. The Securities may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, any person who is (i) a "U.S. person" (as defined in Regulation S under the Securities Act ("**Regulation S**")), (ii) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the United States Commodity Futures Trading Commission (the "**CFTC**"), as amended, modified or supplemented from time to time, under the CEA, (iii) a person other than a "Non-United States person" as defined in CFTC Rule 4.7, or (iv) a "United States person" as defined in the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and the U.S. Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time (each such person, a "**U.S. Person**"). For a description of certain restrictions on offers and sales of Securities in the United States or to U.S. Persons, see the section of this Information Memorandum entitled "Subscription and Sale and Transfer Restrictions" below and such further restrictions as may be described in the relevant Series Information Memorandum.

## Rating

The Programme is not rated, but it is expected that Securities issued under the Programme may be rated by S&P Global Ratings UK Limited ("**S&P UK**"), S&P Global Ratings Europe Limited ("**S&P Europe**"), Fitch Ratings Ireland Limited ("**Fitch**"), DBRS Ratings Limited ("**DBRS**") and/or any other recognised debt rating agency, as further described in the section of this Information Memorandum entitled "*Overview of the Terms of the Programme – Rating*" and as specified in the relevant Issue Terms. S&P UK is established in the United Kingdom and is included in the list of credit rating agencies published by the Financial Conduct Authority ("**FCA**") on its website in accordance with Regulation (EC) No. 1060/2009 (as amended) as it forms part of "retained EU law" as defined in the EUWA (the "**UK CRA Regulation**"). S&P Europe is established in the European Union and is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"), and will endorse the credit ratings provided by S&P UK. DBRS is established in the United Kingdom and is included in the list of credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation, and ratings by DBRS will be endorsed by DBRS Ratings GmbH (which is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation) in the European Union. Fitch is established in the European Union and is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation, and ratings by Fitch will be endorsed by Fitch Ratings Ltd (which is included in the list of credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation) in the United Kingdom. Further relevant details relating to ratings issued by Fitch can be found at <https://www.fitchratings.com/site/definitions>.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. A suspension, change or withdrawal of the rating assigned to the Securities may adversely affect the market price of the Securities.

## Prohibition of Sales to EEA and UK Retail Investors

The Issue Terms in respect of a Tranche of Securities may include a prohibition on such Securities being offered, sold or otherwise being made available to any retail investor in the European Economic Area ("**EEA**") and/or in the United Kingdom ("**UK**"), in which case such Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA and/or the UK (as the case may be). For these purposes, a retail investor means a person who is one (or more) of: (i) a "retail client" as defined in point (11) of Article 4(1) of MiFID II and/or a "retail client" as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of "retained EU law", as defined in the EUWA; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended) and/or within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under FSMA to implement Directive (EU) 2016/97, in each case, where that customer would not qualify as a professional client as defined in, respectively, point (10) of Article 4(1) of MiFID II and/or point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of "retained EU law" as defined in the EUWA ("**UK MiFIR**") or (iii) not a qualified investor as defined in the Prospectus Regulation and/or the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIPs Regulation**") and/or the PRIPs Regulation as it forms part of "retained EU law", as defined in the EUWA (the "**UK PRIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA and/or in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA and/or in the UK may be unlawful under the PRIPs Regulation and/or the UK PRIPs Regulation.

## MiFID II/UK MiFIR Product Governance/Target Market

The applicable Issue Terms in respect of any Securities may include a legend entitled "MiFID II Product Governance" and/or "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to (i) MiFID II and/or (ii) the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

## EU Benchmark Regulation and UK Benchmark Regulation

The Securities offered on the basis of this Information Memorandum and any Series Information Memorandum may be linked to benchmarks within the meaning of (i) the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**") and/or (ii) the Benchmark Regulation (Regulation (EU) 2016/1011) as it forms part of "retained EU law", as defined in the EUWA (the "**UK BMR**"). In such case, the relevant Issuer is subject to certain requirements as regards the use of these benchmarks and related information obligations in relation to this Information Memorandum and any Series Information Memorandum, *inter alia*, regarding the specification whether a benchmark administrator of the relevant benchmark is registered in accordance with the Benchmark Regulation and/or the UK BMR. Moreover, also due to ongoing internal technical preparations, the relevant Issuer is likely to have limited or no information, *inter alia*, in relation to the registration status of a number of the relevant administrators during the year of this Information Memorandum or at the time of publication of any Series Information Memorandum relating to this

Information Memorandum.

According to (i) Article 29(2) of the Benchmark Regulation and/or (ii) Article 29(2) as given in the UK BMR, the relevant Issuer is required to specify whether, for securities referencing a benchmark the administrator of the respective benchmark is registered respectively in (i) the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation (the “ESMA Register”), and/or (ii) in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 as given in the UK BMR (the “BMR Register”). The relevant Issuer assumes that during the validity period of this Information Memorandum, the number of administrators registered in the ESMA Register or the BMR Register will only increase relatively slowly. Where possible, the relevant Series Information Memorandum in respect of the Series of Securities will disclose whether that the administrator of a benchmark used for the respective Series has been registered according to the Benchmark Regulation or the UK BMR.

#### **Risks and Limited Recourse**

**Prospective purchasers should be aware of the risks involved in investing in the Securities (see the section of this Information Memorandum entitled “Risk Factors” and, where applicable, the relevant Series Information Memorandum). Claims of the Securityholders and the Counterparty (if any) of each Series will be limited in recourse to the Mortgaged Property relating to such Series (see the risk factor entitled “1 Risks related to the Issuers – (a) Limited recourse” in the section of this Information Memorandum entitled “Risk Factors”).**

Following the publication of this Information Memorandum, one or more supplements may be prepared by the relevant Issuer from time to time. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Information Memorandum. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

The language of this Information Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Capitalised terms used in this Information Memorandum shall have the meanings given to them in this Information Memorandum (including in the section of this Information Memorandum entitled “General Definitions Module”) or, as the case may be, in the relevant Series Information Memorandum.

#### **DISCLAIMERS**

**No representation, recommendation or warranty:** None of the Arranger, the Counterparty (if any), the Loan Transferor, the Loan Servicer, the Determination Agent, the Selling Agent, Banco Bilbao Vizcaya Argentaria, S.A. (in any other capacity in which it acts under the Programme), the Trustee, any Dealer, or any Agent (each as defined herein and together the “Programme Parties”) has separately verified the information contained herein and accordingly none of the Programme Parties makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Securities or their distribution. Each Programme Party, accordingly, disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of any Securities, any Transaction Documents or this Information Memorandum. None of the Programme Parties undertakes to review the financial condition or affairs of any of the Issuers during the life of the arrangements contemplated by this Information Memorandum or to advise any investor or potential investor in the Securities of any information coming to the attention of any of such Programme Parties.

**Information concerning the Issuers:** The delivery of this Information Memorandum or any Series Information Memorandum does not at any time imply that the information contained herein or therein concerning the Issuers is correct at any time subsequent to the date hereof or thereof (as the case may be) or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.

**Subscription and Sale and Transfer Restrictions:** This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and any Series Information Memorandum and the offer or sale of Securities may be restricted by law in certain jurisdictions. Each of the Issuers, the Trustee and the relevant Dealer(s) do not and will not represent that this Information Memorandum or any Series Information Memorandum may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been or will be taken by the Issuers, the Trustee or any Dealers (save as specified in the relevant Series Information Memorandum) which is intended to permit a public offering of the Securities or distribution of this Information Memorandum or any Series Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any Series Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum, any Series Information Memorandum or any Securities come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Information Memorandum and any Series Information Memorandum and the offer or sale of Securities in Colombia, the EEA (including France, the Republic of Italy, the Netherlands and the Kingdom of Spain), Hong Kong, Mexico, Peru, the United Kingdom and the United States (see the section of this Information Memorandum entitled “Subscription and Sale and Transfer Restrictions”).

**Investor suitability:** Prospective purchasers of the Securities should reach an investment decision only after carefully considering the suitability of the Securities in light of their particular circumstances. Investment in the Securities may only be suitable for investors who:

- (a) have substantial knowledge and experience in financial, business matters and expertise in assessing credit risk which enable them to evaluate the merits and risks of an investment in the Securities and the rights attaching to the Securities;
- (b) are capable of bearing the economic risk of an investment in the Securities for an indefinite period of time;
- (c) are acquiring the Securities for their own account (as principal and not as agent) for investment, not with a view to resale, distribution or other disposition of the Securities (subject to any applicable law requiring that the disposition of the investor’s property be within its control); and

(d) recognise that it may not be possible to make any transfer of the Securities for a substantial period of time, if at all.

**Independent review and advice:** Each prospective purchaser of the Securities must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness) of the relevant Issuer, the Counterparty, any reference entity and reference obligation and any relevant obligor in respect of the Charged Assets (if any) and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the circumstances, to assess the economic, social and political condition of the jurisdiction in which each relevant obligor is located and determine whether an investment in the Securities is appropriate in its particular circumstances.

In so doing, and without restricting the generality of the preceding paragraph, such prospective purchaser must determine that its acquisition and holding of the Securities (i) is fully consistent with its (or if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether it is acquiring the Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Securities. Neither of the Issuers, the Trustee, the Dealer(s) or any of their respective affiliates is acting as an investment adviser, or assumes any fiduciary obligation, to any purchaser of Securities.

Neither this Information Memorandum nor any Series Information Memorandum is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation or as constituting an invitation or offer that any recipient of this Information Memorandum or any Series Information Memorandum should purchase any of the Securities. The Trustee and the Dealer(s) expressly do not undertake to review the financial condition, creditworthiness or affairs of any relevant obligor(s).

**Legality of purchase:** Neither of the Issuers, the Dealer(s) or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

#### AVAILABLE INFORMATION

All references in this Information Memorandum or any Series Information Memorandum to "U.S. dollars", "USD", "U.S.\$" and "U.S. cents" are to the currency of the United States of America, those to "Sterling", "Pounds Sterling", "GBP", "Pounds" and "£" are to the currency of the United Kingdom, those to "Japanese Yen", "JPY", "Yen" and "¥" are to the currency of Japan and those to "euro", "EUR" and "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community.

**In connection with the issue of any Tranche of Securities, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Issue Terms may over-allot Securities or effect transactions with a view to supporting the market price of the Securities of the Series of which such Tranche forms part at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

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## OVERVIEW OF THE TERMS OF THE PROGRAMME

This Overview must be read as an introduction to this Information Memorandum. Any decision to invest in any Securities should be based on a consideration of this Information Memorandum as a whole and, in relation to any particular Series of Securities, the relevant Series Information Memorandum and the relevant Issue Terms. In particular, the terms and conditions of, form of and security for any Alternative Investments are not set out herein or fully summarised below but will be set out in the relevant Series Information Memorandum and the relevant Issue Terms.

This Overview is qualified in its entirety by the remainder of this Information Memorandum and, in relation to any particular Series of Securities, the relevant Series Information Memorandum and the relevant Issue Terms.

<b>Issuers:</b>	Douro Finance B.V. and CID Finance B.V.
<b>Douro Issuer's Legal Entity Identifier (LEI):</b>	213800PRB3MULNNR9V82
<b>CID Issuer's Legal Entity Identifier (LEI):</b>	213800VG3COSIHBE9D27
<b>Description:</b>	EUR Limited Recourse Secured Debt Issuance Programme.
<b>Arranger:</b>	Banco Bilbao Vizcaya Argentaria, S.A.
<b>Dealer:</b>	Banco Bilbao Vizcaya Argentaria, S.A. and any other Dealers appointed in respect of an issue of Securities.  The Issuers may from time to time appoint additional dealers either in respect of one or more Series of Securities or in respect of the whole Programme or terminate the appointment of any Dealer under the Programme.
<b>Counterparty:</b>	The Counterparty (if any) shall be: <ul style="list-style-type: none"><li>(a) Banco Bilbao Vizcaya Argentaria, S.A.; and/or</li><li>(b) any other entity specified in the relevant Issue Terms from time to time or, in the case of a Counterparty to a Repurchase Agreement, designated as such in a notice given pursuant to Condition 4(d) (<i>Repo of Charged Assets</i>).</li></ul>

References to Counterparty shall include references to the counterparty in respect of a Swap Agreement (the "**Swap Agreement Counterparty**") and/or the counterparty in respect of a Repurchase Agreement (the "**Repurchase Agreement Counterparty**") and/or the grantor in respect of a Loan Participation Agreement (the "**Loan Participation Counterparty**") as the context requires.

<b>Principal Paying Agent:</b>	Banco Bilbao Vizcaya Argentaria, S.A.
<b>Paying Agents:</b>	<p>In relation to the Securities of a Series, the Principal Paying Agent, together with each other person (if any) as may be specified in the applicable Issue Terms will act as paying agents (each a “<b>Paying Agent</b>”).</p> <p>Banco Bilbao Vizcaya Argentaria, S.A., or any other person as may be specified in the applicable Issue Terms in relation to any Series of Securities, will act as Paying Agent in respect of that Series of Securities.</p>
<b>Paying Agent in the United States:</b>	As may be specified in the relevant Issue Terms.
<b>Registrar:</b>	Banco Bilbao Vizcaya Argentaria, S.A. unless otherwise specified in the Issue Terms.
<b>Transfer Agents:</b>	If transfer agents (the “ <b>Transfer Agents</b> ”) are required in respect of a Series of Securities in registered form, the Transfer Agents will be specified in the applicable Issue Terms.
<b>Custodian:</b>	<p>Banco Bilbao Vizcaya Argentaria, S.A. unless otherwise specified in the Issue Terms.</p> <p>The Issuers may from time to time appoint additional custodians in respect of one or more Series of Securities under the Programme.</p>
<b>Loan Servicer:</b>	Banco Bilbao Vizcaya Argentaria, S.A., unless otherwise specified in the Issue Terms.
<b>Trustee:</b>	<p>Deutsche Trustee Company Limited, unless otherwise specified in the Issue Terms.</p> <p>The Securityholders may by Extraordinary Resolution remove any trustee, provided that a suitable successor has been found. The Issuers have the power to appoint a replacement trustee but no successor shall be appointed without the prior approval of the Securityholders of the relevant Series of Securities outstanding.</p> <p>The Issuers may from time to time appoint an alternative trustee in respect of one or more Series of Securities under the Programme.</p>
<b>Administrator/Corporate Services Provider:</b>	Vistra Capital Markets (Netherlands) N.V.
<b>Maximum Amount of Programme:</b>	EUR 5,000,000,000 (or its equivalent in other currencies) in respect of each Issuer, subject to increase from time to time.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, Securities may be issued in any currency as agreed between the relevant Issuer and the relevant Dealer(s).
<b>Distribution:</b>	The Securities of each Series will be issued to the relevant Dealer(s) or to the other subscriber(s) to such

Series by way of private placement or as specified in the relevant Issue Terms.

**Maturities:**

Subject to any applicable legal or regulatory restrictions, such maturity as may be specified in the relevant Issue Terms.

**Issue Price:**

Where applicable, Securities may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount or premium to par.

**Alternative Investments:**

Each Issuer may from time to time incur secured (or, if so specified in the relevant Issue Terms, unsecured), limited recourse obligations under the Programme in a form other than Securities. Alternative Investments may take the form of limited recourse asset-backed debt instruments in non-standard form or governed by laws other than the laws of England, limited recourse asset-backed indebtedness incurred under loan or facility agreements, including agreements governed by laws other than the laws of England, derivative transactions or instruments (including, without limitation, buy/sell-back transactions, sale and repurchase transactions, forward and foreign exchange transactions or swaps, options or futures transactions which instruments, under the rules of the relevant stock exchange, are not or may not be currently eligible for listing or trading on or by such exchange or competent authority), or such other form as may be determined by the relevant Issuer, the Arranger, the Trustee and any Dealer in respect of such Alternative Investments and (unless otherwise specified in the relevant Issue Terms) will be secured in a manner similar to that described under Condition 3 of the Securities, *mutatis mutandis*, or in such other manner as may be determined by the relevant Issuer, the Arranger, the Trustee and any Dealer in respect of such Alternative Investments. In all cases the recourse of the creditors or obligees in respect of such Alternative Investments and (if applicable) each Counterparty will be limited in recourse to certain assets (if any) available to such Series of Alternative Investments. The terms and conditions and form of, and security (if any) for, each Alternative Investment will be as set out in the relevant Series Information Memorandum. Each Issuer may also enter into swaps or other derivative transactions ancillary to such Alternative Investments in a similar manner to the Charged Agreements relating to the Securities, such transactions and any Counterparty to them will be specified in the relevant Series Information Memorandum. Alternative Investments will only be admitted to trading on



the relevant exchange to the extent permissible under the rules of the relevant exchange.

**Method of Issue of Securities:**

Each Series of Securities may be divided into Tranches as follows:

**“Fungible Tranche”** being a Tranche of Securities of the same Series which have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon, the date from which interest starts to accrue, the issue date, the issue price and the principal amount and which are intended to be interchangeable with all other Securities of that Series (or, in the case of a Series of Securities comprising Prioritised Tranches or Pari Passu Tranches, all other Securities of the same Prioritised Tranche or Pari Passu Tranche, as applicable);

**“Pari Passu Tranche”** being a Tranche of Securities of the same Series which provides that the claims of the holders of one Tranche of such Series of Securities will rank *pari passu* to the claims of the holders of another such Tranche or Tranches of the same Series of Securities but which (subject to the approval from existing holders of Securities of the same Series) is otherwise issued on terms which are different to the terms of other Tranches of the same Series of Securities;

**“Prioritised Tranche”** being a Tranche of Securities of the same Series which provides that the claims of the holders of one Tranche of such Series of Securities may (subject to the approval from existing holders of Securities of the same Series) rank prior or be subordinated to the claims of the holders of another such Tranche or Tranches of the same Series of Securities prior to and/or following enforcement of the security over the Mortgaged Property relating to such Series of Securities and which is issued on terms which are different to the terms of other Tranches of Securities of the same Series; or such other Tranches as may be specified in the relevant Issue Terms.

The specific terms of each Tranche of the Series of Securities will be set out in the relevant Issue Terms. Further, Fungible Tranches may only be issued as part of an existing Series subject to the Conditions of that Series.

**Fixed Rate Securities:**

Fixed rate interest will be payable at such rate or rates and on such dates as may be agreed between the relevant Issuer and the relevant Dealer(s) and will be calculated on the basis of such Day Count Fraction as

may be agreed between the relevant Issuer and the relevant Dealer(s) (as specified in the relevant Issue Terms).

**Floating Rate Securities:**

Floating rate interest will be payable at such rate and on such dates as may be agreed between the relevant Issuer and the relevant Dealer(s) as specified in, or determined pursuant to, the Issue Terms and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s) (as specified in the relevant Issue Terms).

Interest at a floating rate will be determined either:

- (a) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the relevant ISDA Definitions; or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer(s),

in each case, as indicated in the Issue Terms.

Floating Rate Securities may also have a maximum interest rate, a minimum interest rate or both.

The Margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer(s) for each Series of Floating Rate Securities (or, in respect of a Series comprised of Non-Fungible Tranches of Floating Rate Securities, each Non-Fungible Tranche of such Series).

**Types of Securities:**

Zero Coupon Securities may be issued at their principal amount or at a discount to it and will not bear interest.

Partly Paid Securities will have special provisions for payments in respect of principal and interest while the Securities are not fully paid-up as provided in the applicable Issue Terms.

Instalment Securities will have provisions for repayment of principal by way of instalment as provided in the applicable Issue Terms.

Where the Securities are specified in the relevant Issue Terms to be "Index-Linked Securities" (such Securities, "**Index-Linked Securities**"), payments in respect of interest and/or principal (whether at maturity or otherwise) may be calculated by reference to such index, indices

and/or formula as specified in the applicable Issue Terms.

Where the Securities are specified in the relevant Issue Terms to be “Equity-Linked Securities” (such Securities “**Equity-Linked Securities**”), payments in respect of interest and/or principal (whether at maturity or otherwise) may be calculated by reference to such equity, equities or formula as specified in the applicable Issue Terms.

Where the Securities are specified in the relevant Issue Terms to be “Variable Amount Securities” (such Securities, “**Variable Amount Securities**”), payments in respect of interest (such Securities, “**Variable Interest Amount Securities**”) and/or principal (whether at maturity or otherwise) may be calculated by reference to a debt or equity or a commodity index or otherwise as specified in the applicable Issue Terms.

Where the Securities are specified in the relevant Issue Terms to be “Loan Participation Securities” (such Securities, “**Loan Participation Securities**”), payments in respect of interest and/or principal (whether at maturity or otherwise) may be calculated by reference to the loan specified in the applicable Issue Terms.

Where the Securities are specified in the relevant Issue Terms to be “Fund Share-Linked Securities” (such Securities, “**Fund Share-Linked Securities**”), payments in respect of interest and/or principal (whether at maturity or otherwise) may be calculated by reference to such fund units, shares or interests or formula as specified in the applicable Issue Terms.

Where the Securities are specified in the relevant Issue Terms to be “Credit-Linked Securities” (such Securities, “**Credit-Linked Securities**”), payments in respect of interest and/or principal (whether at maturity or otherwise) and the date of redemption of such Securities are dependent on whether one or more credit events in respect of one or more reference entities, as specified in the applicable Issue Terms, has occurred.

The Securities may be cash settled and/or physically settled.

The relevant terms applicable to any type of Security which the relevant Issuer and any Dealer may agree to issue under the Programme will be set out in the relevant Issue Terms. Types of Securities which may be issued by the relevant Issuer, other than Fixed Rate Securities and Floating Rate Securities referred to above, include, without limitation, Zero Coupon Securities, Partly Paid Securities, Instalment Securities, Index-Linked Securities,

Equity-Linked Securities, Variable Amount Securities, Fund Share-Linked Securities, Credit-Linked Securities and Loan Participation Securities. In each case, the type of Security that applies to each Security will be specified in the relevant Issue Terms.

**Form of Securities:**

Securities may be issued in bearer or registered form.

Bearer Securities will either (a) initially be represented by a Temporary Bearer Global Security or (b) be represented by a Permanent Bearer Global Security, which in each case will be delivered to a common safekeeper for Euroclear and Clearstream, Luxembourg on or before the Issue Date. Beneficial interests in a Temporary Bearer Global Security will be exchangeable for either beneficial interests in a Permanent Bearer Global Security or definitive Bearer Securities, in each case on or after the date which is 40 days after the date on which the Temporary Bearer Global Security is issued and upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and that the transferee is not a U.S. Person. A Permanent Bearer Global Security will be exchangeable in whole for definitive Bearer Securities only upon an Exchange Event and upon certification that the holder is not a U.S. Person.

Beneficial interests in a Bearer Global Security may not be offered, sold, resold, delivered or transferred within the United States or its possessions or to, or for the account or benefit of, U.S. Person. Such beneficial interest may only be transferred upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and that the transferee is not a U.S. Person.

Registered Securities will be issued as specified below.

Registered Securities sold in an issue only offered or sold in offshore transactions outside the United States to persons who are not U.S. Persons in compliance with Regulation S will be represented by a Regulation S Global Certificate deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Registered Securities may be issued in definitive form represented by individual physical certificates ("**Individual Certificates**"). Beneficial interests in a Regulation S Global Certificate and Individual Certificates may not be offered or sold to, or for the account or benefit of, a U.S. Person. A Regulation S Global Certificate may not be held otherwise than through Euroclear and Clearstream, Luxembourg.

No beneficial owner of an interest in a Bearer Global

Security or a Registered Global Certificate will be able to exchange or transfer that interest, except in accordance with the applicable procedures of Euroclear and/or Clearstream, Luxembourg or, where the context so permits, any additional or alternative clearing system specified in the Issue Terms. In addition, Regulation S Global Certificates and Individual Certificates will be subject to certain restrictions on transfer set out in a legend thereon and in the relevant Series Information Memorandum.

For so long as any of the Securities is represented by a Bearer Global Security or a Regulation S Global Certificate, held by a common safekeeper for or common depository on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as entitled to a particular nominal amount of Securities shall be deemed to be the holder of such nominal amount of Securities for all purposes other than with respect to the payment of principal, premium (if any), interest or other amounts on such Securities, for which purpose such common safekeeper, common depository or its nominee shall be deemed to be the holder of such nominal amount of Securities in accordance with and subject to the terms of the relevant Global Security.

**Denominations:**

Securities will be issued in such denominations as may be specified in the relevant Issue Terms save that the minimum denomination of each Security will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency and save that the minimum denomination of each Security admitted to trading on a regulated market within the EEA or in the United Kingdom will be EUR 100,000 (or, if the Securities are denominated in a currency other than euro, the equivalent amount in such currency as determined on the relevant Issue Date).

**Early Redemption:**

Other than where the Securities are redeemable in instalments (see below), Securities will be redeemable prior to maturity only in limited circumstances upon the occurrence of certain events relating to the relevant Issuer or the collateral or certain regulatory events, illegality events or sanctions events or, in the case of Credit-Linked Securities, upon the occurrence of certain events in the relevant CDS Transactions, all as set out in Condition 8 (*Redemption*) or relating to an acceleration of the Securities as specified in Condition 11 (*Events of*

*Default*) or as otherwise specified in the Issue Terms.

**Optional Early Redemption:**

Securities may be redeemed at the option of the relevant Issuer or the Securityholders prior to their stated maturity, on such dates and on such terms as are specified in the Issue Terms.

**Redemption in Instalments:**

The applicable Issue Terms may provide that Securities may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Issue Terms.

**Taxation:**

No Issuer will be obliged to gross up any payments in respect of the Securities (including for tax suffered in respect of a payment under the Charged Assets or any Charged Agreements).

**Substitution:**

Each Issuer may in certain circumstances described in the Conditions be obliged to use its reasonable endeavours to arrange a substitution of a principal debtor. If any Securities of the relevant Issuer are rated, such substitution would be subject to prior notification to, and confirmation from, any rating agency (or, in the case of Securities that are rated by Fitch, only prior notification to Fitch) by which the relevant Securities are rated that the credit rating granted by such rating agency would not be adversely changed.

If no substitution is effected, the relevant Issuer may be required to sell the Charged Assets and redeem the Securities.

**Cross Default:**

None.

**Listing:**

Application may be made to the Vienna Stock Exchange for the inclusion of the Securities in trading on the Vienna MTF. This Information Memorandum constitutes listing particulars for the purpose of such application and has been approved by the Vienna Stock Exchange.

The Securities may be listed on any stock exchange or market as may be specified in the Issue Terms. Each Issuer may also issue unlisted Securities.

**Eurosystem Eligibility:**

There may be an intention for certain Securities to be held in a manner which will allow Eurosystem eligibility. This simply means that such Securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that such Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

**Rating:**

Securities of any Series may be rated by S&P, Fitch, DBRS and/or any other recognised debt rating agency, as specified in the relevant Series Information Memorandum. The ratings will vary depending upon, among other things, the rating of the obligor(s) in respect of the relevant Charged Assets, where applicable, and the relevant Charged Agreements (if any). Each rating will address the relevant Issuer's ability to perform its obligations under the terms of the Securities and, where those obligations are calculated by reference to a credit dependent index, the likelihood that payments will be due under the Securities. Where the obligations under the Securities are determined by reference to a market dependent index, the ratings do not currently address the likelihood that payments will be due under the terms of the Securities. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Securities may adversely affect the market price of the Securities.

The rating of certain Series of Securities to be issued under the Programme may be specified in the applicable Issue Terms. The status of any relevant credit rating agency under the CRA Regulation, as amended, will be disclosed in the Issue Terms. Please also refer to "Credit Ratings" in the Risk Factors section of this Information Memorandum.

S&P UK is established in the United Kingdom and is included in the list of credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation. S&P Europe is established in the European Union and is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation, and will endorse the credit ratings provided by S&P UK.

DBRS is established in the United Kingdom and is included in the list of credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation, and ratings by DBRS will be endorsed by DBRS Ratings GmbH (which is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation) in the European Union. Fitch is established in the European Union and is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation, and ratings by Fitch will be endorsed by Fitch

Ratings Ltd (which is included in the list of credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation) in the United Kingdom.

**Status of Securities:**

Securities of each Series will be secured, direct, limited recourse obligations of the relevant Issuer (unless otherwise stated in the Issue Terms) ranking *pari passu* and without preference among themselves (except in case of the Prioritised Tranches which will rank *pari passu* and without preference only among Securities of the same Prioritised Tranche).

**Security:**

Unless otherwise specified in the Issue Terms, the relevant Issuer will grant to the Trustee the following security to secure its obligations under each Series of Securities and the relevant Charged Agreement(s):

- (a) a first fixed charge on, and/or an assignment by way of security of or other security interest over, the relevant Charged Assets (if any) (as more particularly described below) and on all rights and sums derived therefrom;
- (b) an assignment by way of security of the relevant Issuer's rights against the Custodian with respect to the Charged Assets (if any) relating to such Series under the relevant Agency Agreement (as defined herein), and a first fixed charge on all funds in respect of the Charged Assets (if any) relating to such Series held from time to time by the Custodian;
- (c) an assignment by way of security of the relevant Issuer's rights, title and interest under the relevant Agency Agreement;
- (d) an assignment by way of security of all of the relevant Issuer's rights, title, benefit and interest in, to and under any Charged Agreement (if any) and any sums and any other assets derived therefrom;
- (e) an assignment by way of security of the relevant Issuer's rights, title and interest against each Arranger and each Dealer under the relevant Placing Agreement and against the seller of the Charged Assets under the relevant Sale Agreement (if any) and all sums derived therefrom in respect of the Securities of such Series;
- (f) an assignment by way of security of the relevant Issuer's rights, title and interest under the Loan Transfer Agreement (if any);
- (g) an assignment by way of security of the relevant



Issuer's rights, title and interest under the Loan Servicing Agreement (if any); and

- (h) an assignment by way of security of the relevant Issuer's rights, title and interest under the Schuldschein Loan (if any) together with such additional security (if any) as may be described in the applicable Issue Terms.

The secured creditors of all Series of Securities of the Douro Issuer have been or will be secured under the Trust Instrument executed in respect of the first Series of Securities issued by the Douro Issuer by a first floating charge over the whole of the assets and undertaking of the Douro Issuer (other than, *inter alia*, the money representing paid up ordinary share capital of the Douro Issuer, any transaction fees payable to the Douro Issuer on each issue of Securities and assets over which security is granted in respect of each separate Series of Securities) which will become enforceable upon formal notice being given of an intention to appoint an administrator in relation to the Douro Issuer or an application being made to, or a petition being lodged or a document being filed with, the court for administration in relation to the Douro Issuer.

The Securities may also be secured by additional security documents and/or on such other assets as may be specified in the Issue Terms.

Neither of the Issuers are subject to a general negative pledge but each Issuer has covenanted to grant security only in limited circumstances as set out in Condition 18 (*Restrictions*) to secure other limited recourse debt incurred by it.

**Attention of purchasers is drawn to “Risk Factors — 1 Risk related to the Issuers – (a) Limited recourse” below.**

**Charged Assets:**

The Charged Assets may comprise, without limitation, bonds, notes, securities, covered bonds, commodities, the benefit of loans, Schuldschein, equity interests (including shares and participating income notes), indices, cash, other assets or contractual or other rights, carbon credits, insurance policies, partnership interests, swap rights or credit derivative products all as more particularly specified in the relevant Issue Terms.

The Charged Assets relating to each Series will be assigned or transferred to, or otherwise vested in, or entered into by, or owned by the relevant Issuer and (unless otherwise specified in the relevant Issue Terms

including in case of a transfer of such Charged Assets pursuant to and in accordance with the terms of a Swap Agreement and/or Repurchase Agreement (where permitted in respect of any Series of Securities) and in the case where the Charged Assets comprise rights under a loan) be deposited with the Custodian for such Series of Securities subject to the security in favour of the Trustee. In such event, the payments of principal and interest, where applicable, in respect of the Charged Assets shall be paid into a Counterparty Account as specified in the Issue Terms (where there is a Charged Agreement) or otherwise to the Principal Paying Agent to be paid to Securityholders or as may otherwise be specified in the Issue Terms.

The relevant Issuer may substitute or replace Charged Assets in certain circumstances as specified in the Issue Terms.

**Charged Agreements:**

The Charged Agreements (if any) will comprise (i) the Swap Agreement or Swap Agreements entered into in connection with a particular Series of Securities and/or (ii) the Repurchase Agreement or Repurchase Agreements entered into in connection with a particular Series of Securities during the term of such Series of Securities and/or (iii) the Loan Participation Agreement entered into in connection with a particular Series of Securities and/or any other agreements specified in the relevant Issue Terms.

**Priority of Claims:**

The relative priority of claims of the Securityholders of each Series and the Counterparty will be "Securityholder Priority Basis", "Pari Passu Basis", "Counterparty Priority Basis" or "Counterparty/Securityholder Priority Basis", as specified in the relevant Issue Terms. Holders of Securities comprising Prioritised Tranches may have a priority over, or be subordinated to, Holders of Securities comprising other Tranches of the same Series. See Condition 5 (*Application of Proceeds*).

**Instructing Creditor:**

The Instructing Creditor shall be the person(s) entitled to request the Trustee to take certain actions contemplated in the Conditions (in particular Condition 11 (*Events of Default*) and Condition 12 (*Enforcement*)) in respect of a particular Series of Securities. The Trustee shall not be obliged to act unless it is indemnified, secured and/or prefunded to its satisfaction.

The relevant Issue Terms will specify, in relation to the related Series of Securities, whether the Instructing Creditor is:

- (a) the Swap Agreement Counterparty only;
- (b) the Repurchase Agreement Counterparty only;
- (c) the Loan Participation Counterparty only;
- (d) the Securityholders only;
- (e) the Swap Agreement Counterparty or the Securityholders;
- (f) the Repurchase Agreement Counterparty or the Securityholders; or
- (g) the Loan Participation Counterparty or the Securityholders.

In the case of a Series of Securities consisting of Non-Fungible Tranches, the relevant Issue Terms will state (in respect of (d), ((e), (f) or (g) above) whether the reference to Securityholders refers to the Securityholders of a specified Non-Fungible Tranche or specified Non-Fungible Tranches only. If a specified Non-Fungible Tranche(s) is not stated in the relevant Issue Terms for this purpose, the reference to Securityholders for the purpose of determining the Instructing Creditor will be deemed to refer to all Securityholders of the relevant Series of Securities.

Where the Instructing Creditor is specified in the Issue Terms as “the Swap Agreement Counterparty or the Securityholders” or “the Repurchase Agreement Counterparty or the Securityholders” or “the Loan Participation Counterparty or the Securityholders”, in accordance with paragraph (e), (f) or (g) above, (i) there is no requirement for both the Swap Agreement Counterparty or Repurchase Agreement Counterparty or the Loan Participation Counterparty (as applicable) and the Securityholders to act together, and (ii) in the event that the Trustee receives conflicting requests, directions or instructions from the Swap Agreement Counterparty or Repurchase Agreement Counterparty or the Loan Participation Counterparty (as applicable) and the Securityholders (each acting as Instructing Creditor), the instructions of the Swap Agreement Counterparty or Repurchase Agreement Counterparty or the Loan Participation Counterparty (as applicable) shall prevail, unless at such time, the Swap Agreement Counterparty or Repurchase Agreement Counterparty or the Loan Participation Counterparty (as applicable) is the Defaulting Party in respect of the Swap Agreement or the Repurchase Agreement or the Loan Participation Counterparty, as applicable, in which case the instructions of the Securityholders shall prevail.

**Accordingly, the Instructing Creditor in respect of a Series of Securities will not necessarily be the Securityholders. In addition, in respect of a Series of Securities comprised of Non-Fungible Tranches where the Instructing Creditor is the Securityholders, this may be limited to holders of one or more Non-Fungible Tranches only.**

Notwithstanding anything to the contrary in the Issue Terms, if (i) the Swap Agreement Counterparty is the Defaulting Party in respect of the Swap Agreement at any time and (ii) “the Swap Agreement Counterparty only” is specified as the Instructing Creditor in the Issue Terms, the Instructing Creditor shall be the “Swap Agreement Counterparty or the Securityholders”.

Notwithstanding anything to the contrary in the Issue Terms, if (i) the Repurchase Agreement Counterparty is the Defaulting Party in respect of the Repurchase Agreement at any time and (ii) “the Repurchase Agreement Counterparty only” is specified as the Instructing Creditor in the Issue Terms, the Instructing Creditor shall be the “Repurchase Agreement Counterparty (as applicable) or the Securityholders”.

Notwithstanding anything to the contrary in the Issue Terms, if (i) the Loan Participation Counterparty is the Defaulting Party in respect of the Loan Participation Agreement at any time and (ii) “the Loan Participation Counterparty only” is specified as the Instructing Creditor in the Issue Terms, the Instructing Creditor shall be the “Loan Participation Counterparty (as applicable) or the Securityholders”.

Where the Instructing Creditor is the Securityholders (or the Swap Agreement Counterparty or Repurchase Agreement Counterparty or Loan Participation Counterparty (as applicable) or the Securityholders), the Securityholders (or the holders of the relevant Non-Fungible Tranche(s)) may (where specified) request the Trustee to take actions contemplated in the Conditions by means of a request in writing of the holders of at least 1/5 in principal amount of the Securities of such Series (or relevant Non-Fungible Tranche(s), as applicable) then outstanding or by means of an Extraordinary Resolution of such Securityholders.

Where the Instructing Creditor is the Swap Agreement Counterparty or the Repurchase Agreement Counterparty or the Loan Participation Counterparty (or the Swap Agreement Counterparty or Repurchase Agreement

Counterparty or Loan Participation Counterparty (as applicable) or the Securityholders), the Swap Agreement or Repurchase Agreement Counterparty or Loan Participation Counterparty (as applicable) may (where specified) request the Trustee to take actions contemplated in the Conditions by means of a written request.

Having received such a request from the Instructing Creditor, the Trustee shall not be obliged (subject to applicable legal and regulatory requirements) to consider the interests of any other secured or unsecured creditors (including, without limitation, where applicable the Securityholders or the holders of other Non-Fungible Tranches) for such Series.

**Governing Law:**

The Securities and any non-contractual obligations arising out of or in connection with the Securities will be governed by, and construed in accordance with, English law.

**Selling Restrictions:**

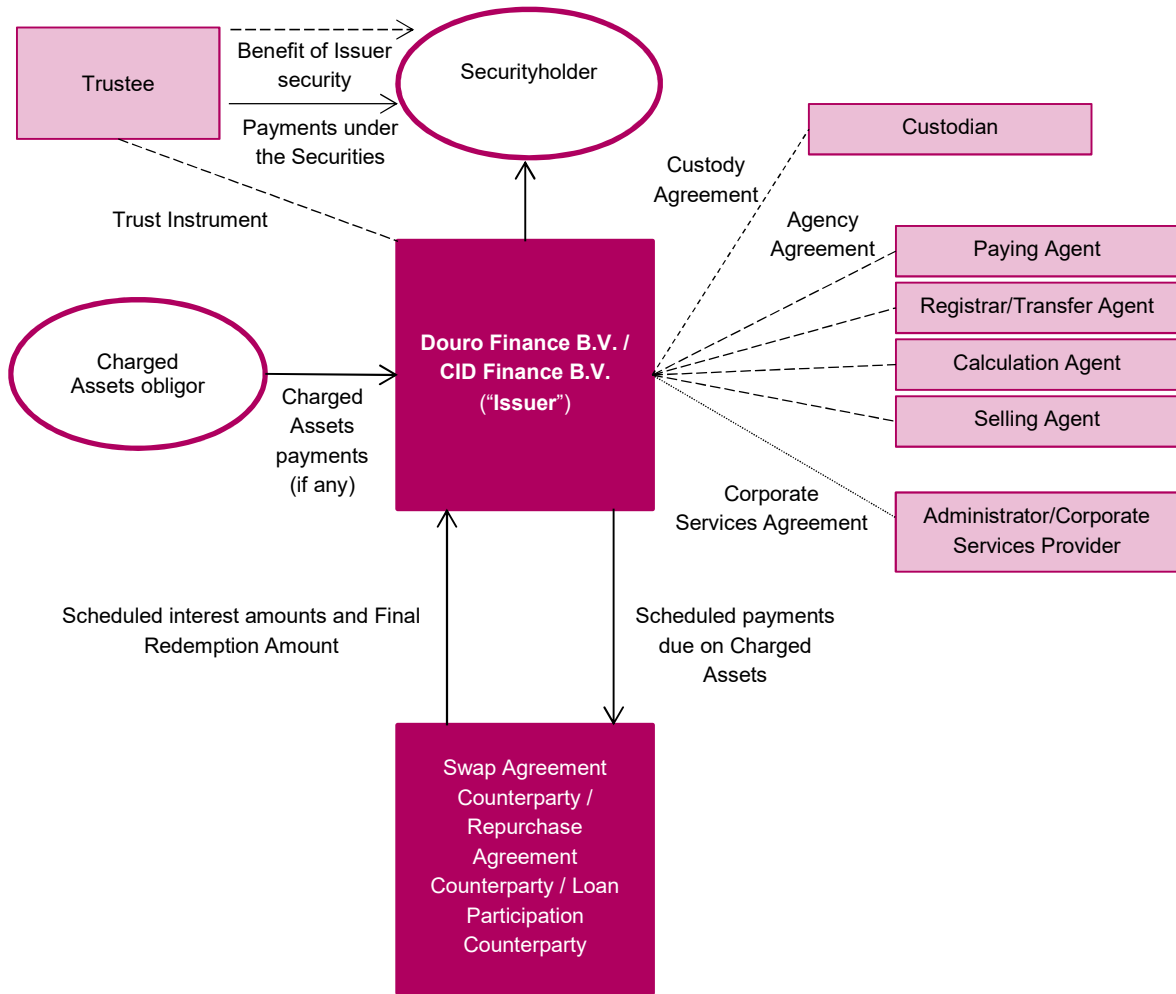
There are selling restrictions in relation to Colombia, the EEA (including France, the Republic of Italy, the Netherlands and the Kingdom of Spain), Hong Kong, Mexico, Peru, the United Kingdom, the United States and such other restrictions as may be required (and specified in the relevant Series Information Memorandum) in connection with the offering and sale of a particular Series of Securities. See the section of this Information Memorandum entitled "*Subscription and Sale and Transfer Restrictions*".

**U.S. TEFRA Categorisation:**

D Rules unless the relevant Issue Terms specify that the C Rules apply or that TEFRA is not applicable.

## Transaction Structure Diagram

The diagram below is intended to provide an overview of the structure of a standard repackaging transaction. Prospective Securityholders should also review the detailed information set out elsewhere in this Information Memorandum and the specific Series Information Memorandum for a description of the transaction structure and relevant cashflows prior to making any investment decision. In the diagram below dotted lines represent contractual relationships and solid lines represent cashflows.



## RISK FACTORS

***Risk Warning: You may lose some or all of your investment in the Debt Investments.***

***The purchase of the Debt Investments may involve substantial risks and is suitable only for sophisticated purchasers who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Debt Investments. Unless otherwise specified in the relevant Issue Terms, the Debt Investments are not principal protected and purchasers of the Debt Investments are exposed to full loss of principal. The relevant Issuer believes that the following factors may affect either its ability to fulfil its obligations under the Debt Investments or the performance of the Debt Investments. Some of these factors are contingencies which may or may not occur and the relevant Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The relevant Issuer believes that the factors described below represent the principal risks inherent in investing in the Debt Investments, but the inability of the relevant Issuer to pay interest, principal or other amounts on or in connection with the Debt Investments may occur for other reasons and the relevant Issuer does not represent that the statements below regarding the risks of holding any Debt Investments are exhaustive.***

***Certain Debt Investments are complex financial instruments and involve a high degree of risk and prospective purchasers should be prepared to sustain a loss of all or part of their investment.***

***The relevant Issuer believes that the following factors may affect its ability to fulfil its obligations under Debt Investments issued under the Programme.***

***Prospective purchasers should also read the detailed information set out elsewhere in this Information Memorandum and, in the light of their own financial circumstances and investment objectives, reach their own views prior to making any investment decision.***

***Prospective purchasers should note that certain of the risks below may relate only to the issue of Securities. Accordingly, such prospective purchasers should review carefully the Series Information Memorandum as well as the following section by way of a general introduction to the risks associated with limited recourse investments and the relevant Issuer.***

**Factors that may affect the ability of the relevant Issuer to fulfil its obligations under the Securities**

### **1 Risks related to the Issuers**

#### **(a) Limited recourse**

Claims against the relevant Issuer by the Securityholders of a Series and by the Counterparty will be limited to the Mortgaged Property relating to such Series. The proceeds of realisation of such Mortgaged Property may be less than the sums due to the Securityholders and the Counterparty. Any shortfall will be borne by the Securityholders and by the Counterparty in accordance with the Security Ranking Basis specified in the relevant Issue Terms. Each Securityholder, by subscribing for or purchasing such Securities, will be deemed to accept and acknowledge that it is fully aware that, in the event of a shortfall, (i) the relevant Issuer shall be under no obligation to pay, and the other

assets (if any) of the relevant Issuer including, in particular, assets securing other Series of Securities or Alternative Investments will not be available for payment of, such shortfall, (ii) all claims in respect of such shortfall shall be extinguished, and (iii) the Trustee, the Securityholders and the Counterparty shall have no further claim against the relevant Issuer in respect of such unpaid amounts and will accordingly not be able to petition for the winding up of the relevant Issuer as a consequence of such shortfall.

The Securities of each Series are direct, limited recourse obligations of the relevant Issuer alone and not of the officers, members, directors, employees, securityholders or incorporator of the relevant Issuer, any of the Issuers, the Counterparty, any reference entity or the issuer(s) or obligor(s) in respect of the Charged Assets (if any) or any of their respective successors or assigns. Furthermore, they are not obligations of, or guaranteed in any way by, any Dealer(s).

**(b) Credit risk**

The ability of the relevant Issuer to meet its obligations under the Securities will be dependent, where applicable, upon the payment of principal and interest due on the Charged Assets, the payment of all sums due from the relevant Counterparty under the Charged Agreements, upon the Principal Paying Agent and the Custodian making the relevant payments when received and upon all parties to the Transaction Documents (other than the relevant Issuer) performing their respective obligations thereunder. Moreover, in certain cases, the security for the Securities will be limited to the claims of the relevant Issuer against the Counterparty under the Charged Agreements. Accordingly, Securityholders are exposed, *inter alia*, to the creditworthiness of the issuer(s) or obligor(s) in respect of the Charged Assets, the Counterparty, the Principal Paying Agent, the other Paying Agents and the Custodian, in addition to the creditworthiness of any reference entities and any shortfall might adversely affect the payments to the Securityholders of a Series.

The relevant Issuer will hold cash (if any) comprising the Charged Assets in the Cash Deposit Account, relevant Issuer Series Account or such other account specified in the Issue Terms. Any cash held by the Account Bank on behalf of the relevant Issuer will be held by the Account Bank in its capacity as banker, and not as trustee. The relevant Issuer and the Securityholders will therefore be exposed to the credit risk of the Account Bank on an unsecured basis for the period during which the cash is held by the Account Bank on behalf of the relevant Issuer.

In the case of Credit-Linked Securities, the Securities involve additional credit risk in relation to each relevant reference entity specified in the applicable CDS Transaction.

**(c) An English court judgment may not be enforceable in the Netherlands**

Each of the Issuers is incorporated with limited liability under the laws of the Netherlands, and its assets may be located in the Netherlands, so any judgment obtained by Securityholders in respect of the Debt Investments in the English courts against the relevant Issuer may need to be enforced in the Netherlands. Subject as described below, any judgment obtained in respect of the Debt Investments in the English courts against the Issuers will not be recognised and enforced by the Dutch courts. In the absence of an applicable convention between England and the Netherlands, if a final and enforceable judgment of an English court is filed with the competent Dutch court, the Dutch court will generally give binding effect to the foreign judgment insofar as it finds that the jurisdiction of the English court has been based on grounds which are internationally acceptable and that proper legal procedures have been observed, and unless the English judgment contravenes Dutch public policy or is incompatible with a judgment rendered between the same parties by a Dutch court or with an earlier judgment rendered between the same parties by a non-Dutch court in a dispute that



concerns the same subject and is based on the same cause, provided that the earlier judgment qualifies for recognition in the Netherlands.

The UK has applied to become a party to the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters made at Lugano on 30 October 2007 (the Lugano Convention) and, upon the UK becoming a contracting state under the Lugano Convention and subject to compliance with the procedures set out in the Lugano Convention, a judgment of the English courts would be enforceable in the Netherlands without the need to re-examine or re-litigate the matter in the Dutch courts, as applicable. However, it is unclear whether the UK's application to become a contracting state under the Lugano Convention will be accepted or (if so accepted) when its accession to the Lugano Convention will become effective.

Unless or until the UK's accession to the Lugano Convention becomes effective (or any other equivalent arrangements are put in place), any judgment obtained in respect of the Debt Investments in the English courts against the Issuer would not be enforceable in the Netherlands and the matter will have to be brought before the competent Dutch court.

## **2 Risks related to the Programme Parties**

### **(a) Credit Risk of Banco Bilbao Vizcaya Argentaria, S.A. group entities as a Counterparty and as issuer and/or obligor and/or guarantor of Charged Assets**

The relevant Issuer may enter into a Swap Agreement or a Repurchase Agreement or a Loan Participation Agreement with BBVA as Counterparty. To the extent that BBVA fails to make due and timely payment or delivery under the Swap Agreement or Repurchase Agreement or the Loan Participation Agreement, as the case may be, such agreement may be terminated, the security enforced and the Securities redeemed and a loss of principal or a delay in payment under the Securities may result.

BBVA may act as Counterparty and if the Charged Assets are obligations of BBVA or one of its subsidiaries, investors will be exposed to the credit risk of BBVA group entities both as the Counterparty and as the issuers and/or obligors and/or guarantors of the Charged Assets. In the event of an insolvency of an issuer or obligor in respect of the Charged Assets and/or a Counterparty, various insolvency and related laws applicable to such entity(ies) may limit the amount investors may recover and determine or affect when such recovery may be made. In the event that a Counterparty fails to make due and timely payment or delivery under the Swap Agreement, the Repurchase Agreement or the Loan Participation Agreement, as the case may be, it is likely that the liquidation proceeds of Charged Assets issued or guaranteed by any entity in the same group at such time are likely to be significantly less than par and may be zero which means that an investor may lose some or all of the money it has invested in the Securities.

### **(b) No Obligations owing by the Calculation Agent**

The Calculation Agent has no obligations to the Securityholders, and has only the obligations expressed to be binding on it pursuant to the Agency Agreement, unless otherwise specified in the Issue Terms. All designations and calculations made by the Calculation Agent in respect of any Securities shall be conclusive and binding on the Securityholders. In particular, the Calculation Agent assumes no responsibility to the Securityholders, the Trustee or any other persons in respect of its role as Calculation Agent and, without limitation, shall not be liable for any loss (whether a loss of profit, loss of opportunity or consequential loss), cost, expense or any other damage suffered by any such person.

**(c) Margin calls under Swap Agreements with credit support annex and Repurchase Agreements**

If, in respect of a Series of Securities, a Swap Agreement includes a credit support annex and/or a Repurchase Agreement includes a margin transfer obligation, (a) the relevant Counterparty will be required to post eligible collateral to the relevant Issuer to collateralise the relevant Issuer's exposure (if any) to the relevant Counterparty under such Swap Agreement(s) and/or the Repurchase Agreement(s) (such collateral being referred to as "**Counterparty Margin Collateral**") and/or (b) the relevant Issuer will be required to post eligible collateral to the relevant Counterparty to collateralise the relevant Counterparty's exposure (if any) to the relevant Issuer under such Swap Agreement(s) and/or the Repurchase Agreement(s) (such collateral being referred to as "**Issuer Margin Collateral**").

In respect of the Counterparty Margin Collateral, this may not in all circumstances be sufficient to negate all credit exposure of the relevant Issuer to the relevant Counterparty because, for example, (a) of the requirement for the minimum transfer amount to be satisfied; (b) the relevant Issuer's exposure to the Counterparty may increase from the time at which the last valuation was made; (c) where assets are delivered as collateral to the relevant Issuer, such assets may have a volatile market value that decreases from the date of delivery of such assets; and/or (d) due to currency exchange rate fluctuations, in which circumstances Securityholders will have uncollateralised exposure to the credit risk of the relevant Counterparty. If the relevant Issuer is required to sell any Counterparty Margin Collateral, the Securityholders will assume market risk in respect of such Counterparty Margin Collateral and credit risk in respect of the obligor(s) in respect of such Counterparty Margin Collateral.

In respect of the Issuer Margin Collateral, this will be provided from the Charged Assets and will therefore reduce the realisable value of such Charged Assets and, consequently, increase Securityholders' exposure to the credit risk of the Counterparty, in circumstances where the Issuer Margin Collateral is subsequently required to be returned to the relevant Issuer.

**(d) Title Transfer Collateral Arrangements and reuse of Collateral**

The relevant Issuer may enter into one or more "title transfer collateral arrangements" (as defined in Article 2(1)(b) of Directive 2002/47/EC for the purposes of SFTR (as defined below)) with one or more counterparties in connection with any Series of Securities, as specified in the Issue Terms (such arrangement a "**Title Transfer Collateral Arrangement**" and each such counterparty a "**Title Transfer Collateral Counterparty**"). Such Title Transfer Collateral Arrangements could include standard agreements entered into between the relevant Issuer and a Title Transfer Collateral Counterparty, such as a credit support annex or a Repurchase Agreement with the relevant Counterparty being the Title Transfer Collateral Counterparty.

Under Article 15 of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (as amended from time to time) ("**SFTR**"), the transferee under any Title Transfer Collateral Arrangement is required to inform the transferor of the risks and consequences that may be involved under such Title Transfer Collateral Arrangement. Such risks are described below and will affect Securityholders insofar as they affect the relevant Issuer's rights against the relevant Title Transfer Collateral Counterparty.

The rights, including any proprietary rights, that the relevant Issuer has in collateral transferred to a Title Transfer Collateral Counterparty will be replaced by an unsecured contractual claim for

redelivery of equivalent Charged Assets, subject to the terms of the Title Transfer Collateral Arrangement. The Title Transfer Collateral Counterparty is not under any restrictions on what it can do with the securities transferred and may sell or otherwise dispose of them. If the Title Transfer Collateral Counterparty becomes insolvent or otherwise defaults under the Title Transfer Collateral Arrangement, the relevant Issuer's claim for redelivery of equivalent Charged Assets will not be secured.

Similarly, the Title Transfer Collateral Counterparty will lose the rights, including any proprietary rights, in any Charged Assets it transfers to the relevant Issuer. The relevant Issuer will usually grant security over such Charged Assets in favour of the Trustee for the benefit of the secured creditors.

In each case, the transferor will lose its voting rights in any securities transferred as Charged Assets under a Title Transfer Collateral Arrangement. Furthermore, the transferee may not be required to notify the transferor of any notifications sent by the Issuer of the securities transferred, which could include any corporate actions.

Following the financial crisis, regulatory authorities worldwide have been implementing measures for the orderly resolution of failing firms, particularly banks. In the EU, the main framework legislation for the recovery and resolution of banks is Directive 2014/59/EU, as amended from time to time.

If the Title Transfer Collateral Counterparty is subject to a resolution process, then the relevant resolution authority may impose a stay or other restriction on the relevant Issuer's rights to terminate the Title Transfer Collateral Arrangement and enforce the relevant close-out provisions. This may affect the relevant Issuer's ability (or that of any agent or the Trustee acting on its behalf) to enforce timely termination of any credit support annex and/or Repurchase Agreement between itself and the relevant Counterparty(ies) or other agreement and consequently the recovery of any amounts due thereunder.

**(e) Provision of information**

Neither of the Issuers, the Trustee, the Agents, the Dealer(s) or any of their respective affiliates makes any representation as to the credit quality of the Counterparty, any issuer(s) or obligor(s) in respect of the Charged Assets or any reference entity for any Series of Securities. Any of such persons may have acquired, or during the term of the Securities may acquire, non-public information with respect to such Counterparty, any issuer(s) or obligor(s) in respect of the Charged Assets or reference entity. None of such persons is under any obligation to make available any information relating to, or keep under review on the Securityholders' behalf, the business, financial conditions, prospects, creditworthiness or status of affairs of any issuer(s) or obligor(s) in respect of the Charged Assets or any reference entities or conduct any investigation or due diligence into any such issuer(s) or obligor(s) in respect of the Charged Assets or any reference entities.

**(f) Conflicts of Interest**

Each of the Counterparty and any of its affiliates is acting or may act in a number of capacities in connection with the issue of Securities. The Counterparty and any of its affiliates acting in such capacities in connection with the issue of Securities shall have only the duties and responsibilities expressly agreed to by it in the relevant capacity and shall not, by virtue of its or any other affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. None of such persons is required to resolve such conflicts of interest in favour of the Securityholders.

In respect of Credit-Linked Securities, unless Auction Settlement (as defined in the Issue Terms) applies, the Counterparty will determine if a Credit Event has occurred and select the cheapest reference obligation(s) or deliverable obligation(s) practicable, thereby maximising a Securityholder's loss. The Counterparty shall manage any conflicts of interest in accordance with its conflicts of interest policy.

For further information, see the section of this Information Memorandum entitled "*Conflicts of Interest*".

## **Factors which are material for the purposes of assessing the market risks in relation to the Securities**

### **3 Risks related to the Securities**

#### **(a) Early Redemption**

The Securities may be redeemed early in certain circumstances, including the following:

- where there is an event of default in relation to the Securities
- where Securities are Credit-Linked Securities, following occurrence of an Event Determination Date in respect of the CDS Transaction,
- where there is an event of default in relation to the Charged Assets,
- where certain regulatory events occur (which may also lead to an adjustment), including an unresolved Benchmark Event,
- where an illegality event occurs,
- where a sanctions event occurs,
- where there is a termination under a Swap Agreement or a Repurchase Agreement or a Loan Participation Agreement,
- where the Custodian is unable to convert the moneys received in respect of the Charged Assets into the Specified Currency or
- where the currency of principal or interest due in respect of any Charged Assets is redenominated, substituted or otherwise changed.

Prospective purchasers should note that the amount payable on early redemption may be significantly less than the amount that would otherwise have been payable at maturity of the Securities.

Prospective purchasers should note in particular that pursuant to Condition 7(k) (*Cessation of interest*), on early redemption, interest payable on the Securities will cease to accrue from, and including, the immediately preceding Interest Payment Date or, if none, the Interest Commencement Date or, in the case of early redemption following occurrence of an Event Determination Date in respect of the CDS Transaction, the Interest Payment Date immediately preceding the Event Determination Date. In the case of Credit-Linked Securities where Credit Maturity Redemption applies, it should be noted that such early redemption may be delayed to the Scheduled Maturity Date and, in any case, such early redemption of Credit-Linked Securities may occur following the Scheduled Maturity Date. The maturity of Credit-Linked Securities may be delayed even where no Credit Event occurs.

Prospective purchasers should note that where the Custodian is unable to convert the moneys received in respect of the Charged Assets into the Specified Currency, the Early Redemption Amount may be denominated in the currency in which the Charged Assets are denominated. Where the Early

Redemption Amount is payable following the redenomination, substitution or other change in currency of the Charged Assets, the Early Redemption Amount may be denominated in the currency of the Charged Assets following such redenomination, substitution or other change.

**(b) No secondary market**

Neither of the Issuers, the Trustee, the Agents, the Dealer or any of their respective affiliates is under an obligation to provide liquidity for the Securities and no secondary market is expected to develop in respect of the Securities. Whilst the Securities may be listed or admitted to trading on the Vienna Stock Exchange, the relevant Issuer does not expect a trading market for the Securities to develop. In the unlikely event that a secondary market does develop, there can be no assurance that it will provide the Securityholders with liquidity of investment or that it will continue for the life of the Securities. Accordingly, the purchase of the Securities is suitable only for investors who can bear the risks associated with a lack of liquidity in the Securities and the financial and other risks associated with an investment in the Securities. Purchasers must be prepared to hold the Securities for an indefinite period of time or until final redemption or maturity of the Securities.

**(c) Legal opinions**

Unless otherwise specified in the relevant Series Information Memorandum no legal opinion relating to the Securities will be obtained on their issue with respect to the laws of England and of the Netherlands and no legal opinions will be obtained with respect to any other applicable laws and no investigations will be made into the validity or enforceability of the laws of any other jurisdiction in respect of the obligations under the Securities. Any such legal opinions will not be addressed to, and may not be relied on by, Securityholders. In particular, save as aforesaid, no legal opinions will be obtained in relation to:

- (a) the laws of the country of incorporation of any reference entity or the issuer(s) or obligor(s) in respect of the Charged Assets;
- (b) the laws of the country in which the obligations of any reference entity or the Charged Assets are situated; or
- (c) the laws of the country which are expressed to govern any obligations of the reference entity or the Charged Assets.

Such laws, depending upon the circumstances, may affect, among other things, the validity and legal and binding effect of the obligations of any reference entity and/or Charged Assets and the effectiveness and ranking of the security for the Securities. Consequently, no responsibility is accepted by the relevant Issuer in relation to such matters.

**(d) Modifications to the terms of the Securities**

The attention of prospective purchasers is drawn to Condition 19 (*Meetings of Securityholders, Modification, Waiver and Substitution*) and in particular, the provision that the Trustee shall agree to make any modification (whether or not it may be materially prejudicial to the Securityholders) requested by the relevant Dealer(s) in respect of a Series of Securities if, and to the extent that, such modification is to correct an error in the Conditions arising from a discrepancy between the Conditions and the final term sheet provided to the initial Securityholders, as certified by the relevant Dealer(s) to the Trustee.

**(e) Trustee Indemnity**

Upon the occurrence of an Event of Default in relation to the Securities, Securityholders may be required to provide an indemnity to the Trustee to its satisfaction as provided for in Condition 11 (*Events of Default*) before the Trustee gives notice to the relevant Issuer accelerating the Securities. The Trustee shall not be obliged to take any action if not indemnified, secured and/or prefunded to its satisfaction.

**(f) Market Conditions**

Any liquidity shortage and volatility in the credit markets will introduce a variety of increased risks relating to several aspects of the relevant Issuer's operations. Such additional risks include the inability of the relevant Issuer to sell its assets which, among other things, may render it unable to dispose of underperforming or defaulted assets and satisfy its obligations in respect of the redemption of the Securities. Such market conditions may also lead to the inability of the relevant Issuer to determine a reliable valuation of its assets. All of such factors could materially adversely affect the interests of Securityholders.

**(g) Comparative Returns**

Risk-adjusted returns and absolute returns on the Securities may be lower than that of comparable investments. Each prospective purchaser should be aware that any return on the Securities may not exceed or even equal the return that might have been achieved had the amount of its initial investment been placed on deposit for the same period.

**(h) Physical Delivery**

In the case of Securities which provide for physical delivery, the Calculation Agent may determine that a Settlement Disruption Event is subsisting and/or where Failure to Deliver due to Illiquidity is specified as applying in the Issue Terms, that it is impossible or impracticable to deliver when due some or all of the Relevant Assets due to illiquidity in the relevant market. A Settlement Disruption Event is an event beyond the control of the relevant Issuer, as a result of which, in the opinion of the Calculation Agent, delivery of the specified assets to be delivered by or on behalf of the relevant Issuer in accordance with the Conditions is not practicable. Any such determination may affect the value of the Securities and/or may delay settlement in respect of the Securities and/or lead to cash settlement in whole or in part rather than physical settlement in respect of the Securities.

The relevant Issuer will not be responsible for any such consequences and shall not be obliged to compensate Securityholders. Securityholders will be solely responsible for determining whether they are permitted to hold the Relevant Assets, including under applicable securities laws.

**(i) Expenses for Physical Delivery**

In the case of Securities which provide for physical delivery, all Expenses arising from the delivery of the Relevant Assets in respect of such Securities shall be for the account of the relevant Securityholders and no delivery of the Relevant Assets shall be made until all Expenses have been paid to the satisfaction of the relevant Issuer and the relevant Securityholders.

**(j) Asset Transfer Notices**

In the case of Securities which provide for physical delivery, the investor must deliver a duly completed Asset Transfer Notice within 180 calendar days of the Cut-Off Date or the relevant Issuer will be discharged in respect of its obligations under the Securities.

If an Asset Transfer Notice is not provided or is incomplete by the Cut-Off Date, the Calculation Agent may nevertheless deliver the Relevant Assets in a commercially reasonable manner at the risk of the Securityholder.

**(k) The Issuer may have the right to vary settlement**

If so indicated in the Issue Terms, the relevant Issuer has an option to vary settlement in respect of such Securities. If exercised by the relevant Issuer, this option will lead to physical delivery Securities being cash settled or cash settled Securities being physically settled. Exercise of such option may adversely affect the value of the Securities.

**(l) Settlement Exchange Rate**

In the case of Securities which provide that the relevant Issuer may make payments in a currency other than the currency in which the Securities are denominated then investors in such Securities will be exposed to fluctuations in the relevant currency exchange rate and may receive less than they would have done if payment was made in the currency of such denomination.

If there are certain disruptions relating to the determination of the relevant currency exchange rate then payments to the investors may be postponed and, if specified as an option in the Issue Terms, the relevant Issuer may elect to deliver an Early Redemption Amount in the currency in which the Securities are denominated.

**(m) Credit Ratings**

The Securities may or may not be rated. Credit ratings (including credit ratings of any securities of the relevant Issuer or the Charged Assets or issuer(s) or obligor(s) of Charged Assets or reference entities) represent the opinions of the relevant rating agencies as to the credit quality of the relevant securities or issuer(s) or obligor(s) and are not a guarantee of any credit quality. Rating agencies attempt to evaluate the safety of principal and interest payments (if any) and do not evaluate the risks of fluctuation in market value. Credit ratings therefore do not fully reflect all risks of an investment. In addition, prospective purchasers should note that rating agencies may fail to make timely changes in credit ratings in response to subsequent events, and the credit quality of any security may be worse than a credit rating indicates, which can result in loss to the Securityholders.

Prospective purchasers should not rely on any rating in relation to any securities or issuer(s) or obligor(s) necessarily remaining unaffected, or in place at all, at the time any losses are incurred in respect of such securities or issuer(s) or obligor(s). A credit rating is not a recommendation to buy, sell or hold a security, in as much as such rating does not comment as to market price or suitability for a particular purchaser. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in its judgement, circumstances in the future so warrant.

Prior to investing in any Securities rated by Fitch Ratings, Inc. an investor should read the full description of the nature of such rating at <https://www.fitchratings.com/site/definitions>.

During its holding of any Securities, a Securityholder should take such steps as it considers necessary to evaluate the ongoing risks and merits of a continued investment in such Securities. Such steps should not rely solely on ratings. In particular, prospective investors should not rely solely on downgrades of ratings as indicators of deteriorating credit. Market indicators (such as rising credit default spreads and yield spreads with respect to the relevant entity) often indicate significant credit issues prior to any downgrade. During the global financial crisis, rating agencies were the subject of

criticism from a number of global organisations because the rating agencies were not considered to have downgraded entities on a sufficiently timely basis.

#### **(n) Currency Risk**

An investment in Securities denominated or payable in a currency other than the currency of the jurisdiction of a particular purchaser (the “**Purchaser’s Currency**”), entails significant risks that are not associated with a similar investment in a security denominated and/or payable in the Purchaser’s Currency. These risks include, but are not limited to:

- (a) the possibility of significant market changes in rates of exchange between the Purchaser’s Currency and the currency in which the Securities are denominated and/or payable;
- (b) the possibility of significant changes in rates of exchange between the Purchaser’s Currency and the currency in which the Securities are denominated and/or payable resulting from the official redenomination or revaluation of the currency; and
- (c) the possibility of the imposition or modification of foreign exchange controls by either the jurisdiction of the purchaser or foreign governments.

#### **(o) Reform of LIBOR and EURIBOR and Other Interest Rate, Index and Commodity Index “Benchmarks”**

Reference Rates, including interest rate benchmarks such as the London Interbank Offered Rate (“**LIBOR**”), Euro Interbank Offered Rate (“**EURIBOR**”) and other interbank offered rates (LIBOR and EURIBOR, together with such other rates, “**IBORs**”), which are used to determine the amounts payable under financial instruments or the value of such financial instruments have, in recent years, been the subject of political and regulatory scrutiny and reform as to how they are created and operated.

Pursuant to recommendations of the FSB, the FSB’s Official Sector Steering Group (“**OSSG**”) has been working with benchmark administrators to strengthen benchmarks for IBORs, and with financial institutions and other market participants to promote the development of alternative reference rates (“**ARRs**”) which will be used as replacements to IBORs. ARR are in response to concerns over the sustainability of IBORs and the need to prepare markets for the suspension, discontinuance, non-representativeness or unavailability of one or more of the IBORs.

Some of these reforms are already effective, while others are still to be implemented or formulated.

#### **EU Benchmark Regulation**

A key element of the reform of benchmarks within the EU is the Benchmark Regulation. The Benchmark Regulation applies to “contributors,” “administrators” and “users of” “benchmarks” in the EU, and, among other things, (i) requires benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of “benchmarks” and (ii) bans the use of “benchmarks” of unauthorised administrators. The scope of the Benchmark Regulation is wide and, in addition to so-called “critical benchmark” indices such as LIBOR, EURIBOR and the Euro Overnight Index Average (“**EONIA**”), could also potentially apply to many other interest rate indices, as well as other indices (including “proprietary” indices or strategies) which are referenced in listed financial instruments (including listed Securities), financial contracts and investment funds.



The Benchmark Regulation could also have a material impact on any listed Securities linked to a “benchmark” index, including in any of the following circumstances:

- (i) an index which is a “benchmark” could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular “benchmark” and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed or otherwise impacted; and
- (ii) the methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Securities, including calculation agent determination of the rate or level in its discretion.

In addition to the Benchmark Regulation there are numerous other proposals, initiatives and investigations which may impact benchmarks.

### **The cessation or non-representativeness of LIBOR**

In July 2017, the FCA announced that it would no longer use its influence or legal powers to persuade or compel contributing banks to make LIBOR submissions after the end of 2021. On 5 March 2021, the FCA announced the future cessation or loss of representativeness of all 35 LIBOR benchmark settings then being published by ICE Benchmark Administration Limited (“**IBA**”), the authorised and regulated administrator of LIBOR (the announcement being the “**FCA Announcement**”). The FCA Announcement follows the notification by IBA that it intends to cease providing all LIBOR settings for all currencies, subject to any rights of the FCA to compel IBA to continue publication. In accordance with the FCA Announcement:

- (i) publication of all 7 euro LIBOR settings, all 7 Swiss franc LIBOR settings, the spot next, 1-week, 2-month and 12-month Japanese yen LIBOR settings, the overnight, 1-week, 2-month and 12-month sterling LIBOR settings, and the 1-week and 2-month USD LIBOR settings will cease immediately after 31 December 2021;
- (ii) publication of the overnight and 12-month USD LIBOR settings will cease immediately after 30 June 2023;
- (iii) immediately after 31 December 2021, the 1-month, 3-month and 6-month Japanese yen LIBOR and sterling LIBOR settings will no longer be representative of the underlying market and economic reality that such setting is intended to measure and that representativeness will not be restored; and
- (iv) immediately after 30 June 2023, the 1-month, 3-month and 6-month USD LIBOR settings will no longer be representative of the underlying market and economic reality that such setting is intended to measure and that representativeness will not be restored.

The FCA also indicated that (i) it will consult or continue consulting on using its proposed new powers to require IBA to continue the publication on a ‘synthetic’ basis of the 1-month, 3-month, 6-month sterling LIBOR and Japanese yen LIBOR for a further period after the end of 2021, and will continue to consider the case for requiring IBA to continue publication of the 1-month, 3-month and 6-month US dollar LIBOR settings for a further period after the end of June 2023, taking into account views and evidence from the US authorities and other stakeholders and (ii) publication of certain

LIBOR settings on a 'synthetic' basis would be intended to assist legacy contract holders and new use of this 'synthetic' LIBOR by UK regulated firms would be restricted.

## **ARRs**

Relevant authorities are strongly encouraging the transition away from IBORs and have identified ARRs to eventually take the place of such IBORs as primary benchmarks. These ARRs include (i) for sterling LIBOR, a reformed Sterling Overnight Index Average ("**SONIA**"), (ii) for EONIA and EURIBOR, a new Euro Short-Term Rate ("**€STR**") and (iii) for USD LIBOR, the Secured Overnight Financing Rate ("**SOFR**").

ARRs are "backward-looking" such that interest payments are calculated shortly before the relevant Interest Payment Date. Therefore, Securityholders will have significantly less notice of the amounts due to be paid for an Interest Period where the relevant interest rate is determined by reference to an ARR. Forward-looking ARRs are not generally available as of the date of this Information Memorandum and there is no certainty that they will be available in respect of any currency or any particular product in the future.

Whilst IBORs are forward-looking term rates that embed bank credit risk, ARRs are overnight rates and are intended to be nearly risk-free. However, ARRs are comparatively new and less historical data is available than for IBORs. As such, Securityholders should be aware that SONIA, SOFR and €STR may behave materially differently from the IBORs as interest reference rates and could provide a worse return over time than an IBOR.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks. The disappearance of a benchmark or changes in the manner of administration of a benchmark could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the calculation agent, delisting or other consequence in relation to Securities linked to such benchmark. Any such consequence could have a material adverse effect on the value of and return on any such Securities.

To address the risks outlined above, Condition 7(b)(ix) (*Acknowledgment*) provides that if, in respect of a Series, the definition, methodology or formula for a Reference Rate or Floating Rate Option, or other means of calculating such Reference Rate or Floating Rate Option, is changed, then, unless otherwise specified in the Issue Terms, references to that Reference Rate or Floating Rate Option shall be to the Reference Rate or Floating Rate Option as changed. Furthermore, the Issue Terms of a Series of Securities may provide for the occurrence of a "Benchmark Event" (as defined in Condition 8(f)(ii)) which would trigger a possible amendment to the terms of the Securities and related Transaction Documents or a Regulatory Event which, if the relevant Issuer so elects, would result in an early redemption of the Securities, pursuant to Condition 8(e) (*Redemption or adjustment for a Regulatory Event*).

The Calculation Agent (or other party specified in the Issue Terms) has discretion to determine whether a Benchmark Event has occurred in respect of the Securities. Where the Calculation Agent has made such determination, it shall give notice of a Benchmark Event.

If the Calculation Agent notifies the relevant Issuer of such determination, the Calculation Agent shall make reasonable efforts to determine what amendments can be made to the terms of the Securities

that would result in such Benchmark Event ceasing to apply. If such amendments would result in such event ceasing to apply, would not be materially prejudicial to the interests of the Counterparty or the Securityholders and would not result in increased costs for the Counterparty, and the amendments do not impose additional obligations on the Trustee, expose the Trustee to any liability or reduce the rights, powers and/or protections of the Trustee (and subject to the Trustee being indemnified and/or secured and/or pre-funded and having received a certificate from the relevant Issuer or the Calculation Agent stating that the proposed amendments comply with the necessary requirements), such amendments shall be made. If these conditions are not fulfilled, there shall be a Regulatory Event which could result in the relevant Issuer electing to early redeem the Securities. The Early Redemption Amount payable to Securityholders following a Regulatory Event would be calculated in accordance with the Conditions and may be less than the amount invested.

**(p) Further issues**

The terms of the Securities may provide for the issue of further Securities fungible with the existing Tranche(s) thereof in certain circumstances. The additional Charged Assets which the relevant Issuer may be required to provide as security for such further Securities relative to the aggregate nominal amount of the further Securities may be such as to affect the value of the original security provided for the Securities.

**4 Risks related to the Charged Assets**

**(a) Impact of the Charged Assets on the amounts payable upon early redemption**

The value of any Charged Assets may have a direct impact on the amounts payable to Securityholders in respect of the Securities upon early redemption. The Charged Assets may comprise the benefit of loans, securities, cash and/or other assets.

Prospective purchasers are advised to review carefully any offering documents for or description of the Charged Assets before deciding whether an investment in the Securities is suitable for them.

**(b) Illiquid Charged Assets**

The Charged Assets may comprise assets which are not admitted to any public trading market and may therefore be illiquid and not readily realisable, which might adversely affect the value of and return on the Securities or any payment on early termination.

**(c) Repo of Charged Assets**

If specified in the Issue Terms, the relevant Issuer may enter into one or more Repurchase Agreements in respect of the Charged Assets at any time after the Issue Date. The Issue Terms will specify whether or not the prior consent of Securityholders (or, in the case of a Series of Securities consisting of Non-Fungible Tranches, consent of the holders of one or more specified Non-Fungible Tranches) is required. Securityholders may therefore become subject to the credit risk of a Repurchase Agreement Counterparty (and the other risks described in this section in respect of Repurchase Agreements and Counterparties generally) even in circumstances where their consent is not required at the relevant time or where they have voted contrary to the requisite percentage majority of Securityholders (or the holders of the relevant Non-Fungible Tranche(s)) who have approved the entry into a Repurchase Agreement.

The sale proceeds received pursuant to any such Repurchase Agreement in respect of any Charged Assets to be sold thereunder shall be calculated as the Nominal Value, the Market Value or the Fair Value of such Charged Assets as specified in the Issue Terms or notice to the Securityholders. Any

such amount may be less than the redemption amount of such Charged Assets and/or the realisable value of such Charged Assets at the Maturity Date or any other date on which the relevant Issuer would otherwise be required to fund a payment under the Securities from the same.

**(d) The value of the Charged Assets may be less than the value of the Securities**

Due to potential market volatility and other factors, the market value of the Charged Assets at any time will vary, and may vary substantially, from the principal amount of such Charged Assets. To the extent that the nominal amount and/or market value of the Charged Assets (if any) is at any time less than the outstanding principal amount and/or market value of the Securities an investor's exposure to the obligations of the Counterparty under the Swap Agreement and/or the Repurchase Agreement and/or the Loan Participation Agreement, as the case may be, is increased. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition, or the amount received or recovered upon maturity, of such Charged Assets, or that the proceeds of any such sale or disposition would be sufficient to repay the principal of the Securities of the related Series and amounts payable prior thereto. Where this is the case and the Counterparty is unable to perform its obligations under the Swap Agreement and/or the Repurchase Agreement and/or the Loan Participation Agreement, as the case may be, the relevant Issuer will be unable to meet the payments owed to investors under the Securities in full, resulting in investors losing some or all of the money invested in Securities.

**(e) Entry into Swap Agreement in circumstances where there are no Charged Assets**

If, in respect of a Series of Securities, the relevant Issuer enters into a Swap Agreement and there are no Charged Assets specified in the applicable Issue Terms, then, absent any other form of credit support arrangement between the relevant Issuer and the relevant Counterparty, such as a credit support annex, the relevant Issuer will have uncollateralised exposure to and will rely solely on the creditworthiness of the Counterparty. Where this is the case, the Securityholders' exposure to the credit risk of the Counterparty will be increased and, if the Counterparty is unable to perform its obligations under the Swap Agreement, investors may lose some or all of the money invested in Securities.

**(f) Entry into Loan Participation Agreement**

If the relevant Issuer enters into a Loan Participation Agreement in respect of a Series of Securities and there are no Charged Assets specified in the applicable Issue Terms, then, absent any other form of credit support arrangement between the relevant Issuer and the relevant Counterparty, the relevant Issuer will have uncollateralised exposure to both the creditworthiness of the Counterparty and the borrower in respect of the loan which is the subject of the Loan Participation Agreement.

**(g) Substitution of Charged Assets and Investment or Reinvestment of Charged Assets**

The terms of the Securities may provide that the Charged Assets may be substituted in accordance with the terms of Condition 4 (*Charged Assets*).

Such substitution may either be at the direction of a Counterparty pursuant to Condition 4(b)(i) (*Substitution at direction of Counterparty*) on a Nominal Basis, Market Value Basis or Fair Value Basis or at the request of Securityholders pursuant to Condition 4(b)(ii) (*Substitution at the request of Securityholders*). Such substitution may be in whole or in part and may be for cash or other assets. In the event that such request is made by Securityholders representing at least 50 per cent. of the aggregate Outstanding Principal Amount of the Securities, the Securities shall be restructured and amended as set out in Condition 4(b)(ii) (*Substitution at the request of Securityholders*). All

Securityholders are deemed to have accepted Condition 4(b)(ii) (*Substitution at the request of Securityholders*) and to be bound by the terms thereof even if not Consenting Holders.

**(h) Substitution of Initial Charged Assets for Cash Collateral where Initial Charged Assets are not delivered**

Where the Securities are secured by Cash Collateral on the Issue Date, prospective purchasers should be aware that Initial Charged Assets may be substituted, pursuant to Condition 4(c) (*Substitution with Cash Collateral*), for the Cash Collateral following the Issue Date. If an event of default (howsoever described in the terms and conditions of the Initial Charged Assets) has occurred with respect to the Initial Charged Assets prior to the delivery by the Vendor of all or any part of the Initial Charged Assets, any undelivered Initial Charged Assets shall be deemed to have been delivered by the Vendor to the relevant Issuer and sold by the Selling Agent in accordance with the Agency Agreement. As a result, the value of and the return on the Securities might be less than anticipated.

**(i) Resolution and financial institutions**

Following the global financial crisis, in 2011 the Financial Stability Board (the “**FSB**”) produced a document setting out key attributes of effective resolution regimes for financial institutions. Resolution is the process by which the authorities can intervene to manage the failure of a firm in an orderly fashion. The FSB’s proposals have been implemented in the laws of, among others, the European Union and the United States. The taking of any actions by the relevant resolution authorities under any regime may adversely affect the Securityholders. Whilst the relevant Issuer itself is unlikely to be within scope of any implementing legislation, if the obligor in respect of any Charged Assets (including the Initial Charged Assets), the Swap Agreement Counterparty, the Repurchase Agreement Counterparty or the Loan Participation Counterparty is within the scope of any implementing legislation:

- (i) any applicable bail-in power might be exercised in respect of the Charged Assets, the Swap Agreement, the Repurchase Agreement or the Loan Participation Agreement (as the case may be) to convert any claim of the Issuer as against such person;
- (ii) any applicable suspension power might prevent the relevant Issuer from exercising any termination rights under the Swap Agreement, the Repurchase Agreement or the Loan Participation Agreement; or
- (iii) any applicable close out power might be exercised to enforce a termination of the Swap Agreement, the Repurchase Agreement or the Loan Participation Agreement and to value the transactions in respect of such agreements (which value may be different to the value that would have been determined by the relevant Issuer, the Swap Agreement Counterparty, the Repurchase Agreement Counterparty or the Loan Participation Counterparty (as the case may be)).

The operation of resolution regimes and their application to cross-border financial institutions is complex and the resolution of any obligor of Charged Assets, the Swap Agreement Counterparty, the Repurchase Agreement Counterparty or the Loan Participation Counterparty is likely to adversely affect the Securities in multiple and unpredictable ways. Following an exercise of any powers by a resolution authority, the relevant Issuer may have insufficient assets or sums to meet its obligations under the Securities or any Transaction Document for that Series, the Securities may be the subject of an early redemption and any payment of redemption proceeds to Securityholders may be delayed.

Each Securityholder should take such advice as it deems necessary to ensure that it understands the impact that a resolution regime may have on its investment in the Securities

## **5 Risks relating to Index-Linked Securities**

An Issuer may issue Index-Linked Securities where the Final Redemption Amount or interest or other interim amounts payable are dependent upon the level of or changes in the level of an index, indices and/or a formula. The index or indices may relate to reference equities, bonds, other securities, property, currency exchange rates or other assets or bases of reference and may be a well-known and widely published index or indices or an index or indices established by the Arranger or the Dealer or an Affiliate of the Arranger or the Dealer or another entity which may not be widely published or available. An investment in Index-Linked Securities will entail significant risks not associated with a conventional fixed rate or floating rate debt security.

## **6 Risks relating to Equity-Linked Securities**

An Issuer may issue Equity-Linked Securities where the Final Redemption Amount, or interest or other interim amounts payable are dependent upon the price of or changes in the price of equity, equities or a formula or where, depending on the price or change in the price of the equities or basket of equities, the relevant Issuer may have the obligation to deliver specified assets. Accordingly, an investment in Equity-Linked Securities may bear similar market risks to a direct equity investment and investors should take advice accordingly. An investment in Equity-Linked Securities will entail significant risks not associated with a conventional debt security.

Prospective investors should be aware that the market value of the Securities may not have a direct relationship with the prevailing price of the underlying equity or equities, in that changes in the prevailing price of the underlying equity or equities will not necessarily result in a comparable change in the market value of the Securities.

## **7 Risks relating to Fund Share-Linked Securities**

An Issuer may issue Fund Share-Linked Securities where the Final Redemption Amount or interest or other interim amounts payable are dependent upon the price or changes in the price of a fund share or unit or interest or a basket of fund shares or units or interests or where, depending on the price or changes in the price of a fund share or unit or interest or a basket of fund shares or units or interests, the relevant Issuer has an obligation to deliver specified assets. Accordingly, an investment in Fund Share-Linked Securities may bear similar market risks to a direct fund investment and investors should take advice accordingly. An investment in Fund Share-Linked Securities will entail significant risks not associated with a conventional debt security.

## **8 Risks relating to Credit-Linked Securities**

### **(a) Credit Events**

An Issuer may issue Credit-Linked Securities where the redemption amount payable is dependent upon whether certain events ("**Credit Events**") have occurred in respect of one or more Reference Entity/Entities and, if so, on the value of certain specified assets of such Reference Entity/Entities or where, if such events have occurred, on redemption or cancellation (as applicable) the relevant Issuer's obligation is to deliver certain specified assets.

Prospective investors in any such Credit-Linked Securities should be aware that depending on the terms of the Credit-Linked Securities (i) they may receive no or a limited amount of interest (or other periodic payments), (ii) payments may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

**(b) The Reference Entity may change**

In respect of Credit-Linked Securities, in accordance with the terms of the related CDS Transaction, it is possible that one or more Successors may be determined with respect to such CDS Transaction. In the event of multiple Successors, the credit default swap transaction may be divided into the same number of new CDS Transactions as there are Successors, such that each Successor will be the Reference Entity for the purposes of one of the new CDS Transactions. Therefore the Reference Entity to which the performance of the Credit-Linked Securities is linked may change and it is possible that the Credit-Linked Securities may be linked to more Reference Entities as a result of such determination.

**(c) Modification to the terms of the Credit-Linked Securities**

In respect of Credit-Linked Securities and an Event Determination Date (i) following the identification of more than one Successor in respect of a Reference Entity or (ii) following an M(M)R Restructuring Credit Event, the terms of the Credit-Linked Securities and the Swap Agreement may be amended without the consent of the holders of the Credit-Linked Securities, in order to preserve as far as possible the economic effect of the original terms of the Credit-Linked Securities, and such modifications shall be binding on Securityholders.

## CONFLICTS OF INTEREST

### Business relationships

Each of the Issuers, the Dealer(s), the Trustee, the Agents and/or any of their affiliates may have existing or future business relationships with any Counterparty, issuer(s) or obligor(s) in respect of any Charged Assets or any reference entity of any Series of Securities (including, but not limited to, lending, depository, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Securityholder. Furthermore, the Dealer(s), the Trustee, the Agents or any of their respective affiliates may buy, sell or hold positions in obligations of, or act as investment or commercial bankers, advisers or fiduciaries to, or hold directorship and officer positions in, any issuer(s) or obligor(s) in respect of Charged Assets or any reference entity.

### Other Conflicts of Interest

Each of the Counterparty and any of its affiliates is acting or may act in a number of capacities in connection with the issue of Securities. The Counterparty and any of its affiliates acting in such capacities in connection with the issue of Securities shall have only the duties and responsibilities expressly agreed to by it in the relevant capacity and shall not, by virtue of its or any other affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. Each of the Counterparty and any of its affiliates in its various capacities in connection with the issue of Securities may enter business dealings, including the acquisition of investment securities as contemplated by the Transaction Documents from which it may derive revenues and profits in addition to any fees stated in various documents, without any duty to account therefor, provided that any such revenue, profits or fees will be paid or received only in accordance with applicable regulations.

Various potential and actual conflicts of interest may arise between the interests of the Securityholders and either the Issuers and/or the Counterparty, as a result of the various businesses, management, investment and other activities of such persons, and none of such persons is required to resolve such conflicts of interest in favour of the Securityholders. In respect of Credit-Linked Securities, unless Auction Settlement (as defined in the Issue Terms) applies, the Counterparty will determine if a Credit Event has occurred and select the cheapest reference obligation(s) or deliverable obligation(s) practicable, thereby maximising a Securityholder's loss. The following briefly summarises some of those conflicts, but is not intended to be an exhaustive list of all such conflicts. The Counterparty shall manage any conflicts of interest in accordance with its conflicts of interest policy.

Such persons may (a) deal in Charged Assets, or securities or other obligations of any reference entity, (b) enter into other credit derivatives involving reference entities that may include the reference entities in respect of the Credit-Linked Securities (including credit derivatives to hedge its obligations under the Swap Agreement), (c) advise and distribute securities on behalf of, arrange or manage transactions on behalf of, accept deposits from, make loans or otherwise extend credit to and generally engage in any kind of commercial or investment banking or other business with, any reference entity or any other person or other entity having obligations relating to any reference entity and (d) act with respect to such business in the same manner as if the Securities did not exist, regardless of whether any such relationship or action might have an adverse effect on any reference



entity (including, without limitation, any action which might constitute or give rise to a Credit Event), the Charged Assets, the Securities, or on the position of any other party to the transaction described herein or otherwise.

## **USE OF PROCEEDS**

The net proceeds from each Series of Securities will be applied by the relevant Issuer to purchase or acquire the Charged Assets applicable to such Series and/or to fund any initial payment obligations under any related Charged Agreement(s) and/or in meeting certain expenses and fees payable in connection with the operations of the relevant Issuer and the issue of any Securities as set out in the relevant Issue Terms relating to any Series of Securities or as may otherwise be specified in the relevant Series Information Memorandum.

## **TERMS OF THE SECURITIES**

Each Series of Securities shall have the terms and conditions as set out in the Conditions Modules incorporated by reference and as completed, modified or supplemented by the provisions set out in the Issue Terms.

As so completed, modified or supplemented, such terms and conditions will be the “Conditions” for the purposes of such Securities.

**BEARER SECURITIES BASE CONDITIONS MODULE**

**JULY 2021 EDITION**

**to be incorporated by reference into  
the Conditions and the Trust Instrument for  
an issue of repackaged Securities  
arranged by**

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

# BEARER SECURITIES BASE CONDITIONS MODULE

JULY 2021 EDITION

This Bearer Securities Base Conditions Module sets out the basic terms and conditions for Securities governed by English law and will apply in respect of all Series of Securities issued in bearer form. Other Conditions Modules will apply in addition, as specified in the Issue Terms.

## 1 Form, Denomination and Title

- (a) Bearer Securities are serially numbered and in the Specified Denomination(s) set out in the Issue Terms. Interest bearing definitive Bearer Securities have Coupons and, if indicated in the applicable Issue Terms, Talons attached on issue. Definitive Bearer Securities repayable in instalments have Receipts for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Securities do not have Receipts, Coupons or Talons attached on issue. Title to Bearer Securities and (if applicable) the related Receipts, Coupons and Talons will pass by delivery.
- (b) Bearer Securities will either:
  - (i) initially be represented by a Temporary Bearer Global Security; or
  - (ii) be represented on issue by a Permanent Bearer Global Security, as specified in the Issue Terms.

The Temporary Bearer Global Security or Permanent Bearer Global Security, as the case may be, will be delivered on or before the Issue Date to the Common Safekeeper.

Beneficial interests in a Temporary Bearer Global Security will be exchangeable for either beneficial interests in a Permanent Bearer Global Security or definitive Bearer Securities, as provided in the Temporary Bearer Global Security. A Temporary Bearer Global Security may be exchanged on or after the Exchange Date and upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and that the transferee is not a U.S. Person.

A Permanent Bearer Global Security will be exchangeable, in whole but not in part, for definitive Bearer Securities only upon the occurrence of an Exchange Event, as provided in the Permanent Bearer Global Security and upon certification that the transferee is not a U.S. Person.

Beneficial interests in a Bearer Global Security may not be offered, sold, resold, delivered or transferred within the United States or its possessions or to, or for the account or benefit of, U.S. Persons. Such beneficial interest may only be transferred upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and that the transferee is not a U.S. Person.

- (c) No beneficial owner of an interest in a Global Security will be able to exchange or transfer that interest, except in accordance with the applicable procedures of the Clearing Systems and in accordance with and subject to the terms of such Global Security.
- (d) For so long as any of the Securities is represented by a Bearer Global Security held by a Common Safekeeper, each person who is for the time being shown in the records of the Clearing Systems as entitled to a particular nominal amount of Securities shall be treated as

the holder of such nominal amount of Securities for all purposes other than with respect to the payment of principal, premium (if any), or interest or other amount on such Securities. With respect to such payment, the bearer of the Bearer Global Security shall be treated as the holder of such nominal amount of Securities in accordance with and subject to the terms of the relevant Global Security. Any certificate or other document issued by the Clearing Systems as to the nominal amount of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error. In determining whether a particular person is entitled to a particular nominal amount of Securities as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

- (e) Subject to paragraph (d) above, the relevant Issuer, the Counterparty (if any), the Trustee and the Agents may treat the bearer of any Bearer Security as the owner thereof for all purposes. Except as ordered by a court of competent jurisdiction or as required by applicable law, the relevant Issuer, each Counterparty, the Trustee and the Agents shall not be affected by any notice to the contrary, whether or not the Security shall be overdue. All payments made to any such holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon such Securities.
- (f) Where a Minimum Tradeable Amount is specified in the Issue Terms, Securities will be transferable only in a minimum aggregate nominal amount equal to the Minimum Tradeable Amount specified in the Issue Terms.

## 2 Status

The Securities are secured, limited recourse obligations of the relevant Issuer, secured in the manner described in Condition 3 (*Security*) and recourse in respect of which is limited in the manner described in Condition 12 (*Enforcement*). The Securities rank and will rank, unless otherwise specified in the Issue Terms, *pari passu* without any preference among themselves (except in case of the Prioritised Tranches which will rank *pari passu* and without preference only among Securities of the same Prioritised Tranche).

## 3 Security

The Securities are constituted and secured by a Trust Instrument.

Unless otherwise specified in the Issue Terms, the relevant Issuer's obligations under the Securities and the Charged Agreement(s) (if any) will be secured by the following security:

- (a) a first fixed charge on, and/or an assignment by way of security of or other security interest over, the relevant Charged Asset (if any) and on all rights and sums derived therefrom;
- (b) an assignment by way of security of the relevant Issuer's rights against the Custodian with respect to the Charged Assets (if any) relating to such Series under the relevant Agency Agreement, and a first fixed charge on all funds in respect of the Charged Assets (if any) relating to such Series held from time to time by the Custodian;
- (c) an assignment by way of security of the relevant Issuer's rights, title and interest under the relevant Agency Agreement;

- (d) an assignment by way of security of all of the relevant Issuer's rights, title, benefit and interest in, to and under any Charged Agreement (if any) and any sums and any other assets derived therefrom;
- (e) an assignment by way of security of the relevant Issuer's rights, title and interest against each Arranger and each Dealer under the relevant Placing Agreement and against the seller of the Charged Assets under the relevant Sale Agreement (if any) and all sums derived therefrom in respect of the Securities of such Series;
- (f) an assignment by way of security of the relevant Issuer's rights, title and interest under the Loan Transfer Agreement (if any);
- (g) an assignment by way of security of the relevant Issuer's rights, title and interest under the Loan Servicing Agreement (if any); and
- (h) an assignment by way of security of the relevant Issuer's rights, title and interest under the Schuldschein Loan (if any) together with such additional security (if any) as may be described in the applicable Issue Terms.

*The secured creditors of all Series of Securities of the Douro Issuer will also be secured under the Trust Instrument executed in respect of the first Series of Securities by a first floating charge over the whole of the assets and undertaking of the Douro Issuer (other than, inter alia, the money representing paid up ordinary share capital of the Douro Issuer, any transaction fees payable to the Douro Issuer on each issue of Securities and assets over which security is granted in respect of each separate Series of Securities) which will become enforceable upon formal notice being given of an intention to appoint an administrator in relation to the Douro Issuer or an application being made to, or a petition being lodged or documents being filed with, the court for administration in relation to the Douro Issuer.*

The Issue Terms will specify whether any other security interest will be created under the Trust Instrument and/or under an Additional Charging Document.

Each Series of Securities will be secured by the Mortgaged Property as set out in the relevant Issue Terms relating to such Series of Securities.

#### **4 Charged Assets**

##### **(a) Initial Charged Assets**

Subject as provided below, the Vendor will procure that the Initial Charged Assets (if any) as specified in the Issue Terms are delivered to the Custodian on the Issue Date, to the extent that such Charged Assets are capable of being delivered. Subject to Condition 4(d) (*Repo of Charged Assets*) and Condition 4(e) (*Release of Charged Assets for delivery under Swap Agreements or Repurchase Agreements*) below, with effect from such delivery, the Charged Assets will be held by the Custodian on behalf of the relevant Issuer, subject to the Security Interests. Any cash comprising the Charged Assets will be held in the Cash Deposit Account or the relevant Issuer Series Account.

Where the Initial Charged Assets comprise contractual rights in respect of a loan such Initial Charged Assets will be transferred by the Loan Transferor to the relevant Issuer pursuant to the Loan Transfer Agreement on the Transfer Date.

(b) **Substitution of Charged Assets**

(i) **Substitution at direction of Counterparty**

The Issue Terms will specify whether the Charged Assets may be substituted from time to time in whole or in part for alternative charged assets, subject to any Rating Agency Requirements, and, if substitution is applicable, whether such substitution is on the Nominal Basis, the Market Value Basis or the Fair Value Basis. If no such specification is made in the Issue Terms, substitution at the direction of a Counterparty shall be deemed to be not applicable. Where such substitution is applicable, the relevant Counterparty (if any) may, from time to time, at its cost and subject to the Trust Instrument, by giving not less than 5 Business Days' notice (or such other period of notice as may be specified in the Issue Terms) (a "**Substitution Notice**") in writing to the relevant Issuer and the Trustee, together with a copy to each Rating Agency in the case of Securities that are rated, require that any securities, cash or other assets for the time being comprising the Charged Assets (but excluding any Charged Assets which have been transferred to the Repurchase Agreement Counterparty pursuant to the Repurchase Agreement) be replaced by Eligible Investments and the Trustee shall accordingly release the Charged Assets from the Security Interests in accordance with the Trust Terms Module to enable such substitution.

A substitution may occur provided that:

- (A) upon any release of the substituted Charged Assets from the Security Interests, the replacement Charged Assets are secured by the relevant Issuer on the same terms (*mutatis mutandis*) as the substituted Charged Assets;
- (B) all requirements of any relevant Stock Exchange or competent authority are complied with;
- (C) any other conditions specified in the Issue Terms are complied with; and
- (D) the Counterparty shall have provided the Trustee with a certificate signed by two authorised signatories of the Counterparty confirming that preconditions (A) to (C) above have been, or will be, satisfied on the date on which the release of the substituted Charged Assets takes effect and the Trustee shall be entitled to rely on such a certificate without further investigation and without liability to any person.

Upon receipt of a Substitution Notice, the relevant Issuer shall notify the Principal Paying Agent, the Custodian, the Calculation Agent, the Securityholders and, in the case of Securities that are rated, the relevant Rating Agencies.

The relevant Counterparty at whose direction the substitution occurs shall bear and pay, and shall indemnify the relevant Issuer and the Trustee against, all costs, expenses and taxes (including, without limitation, stamp duty) payable in connection with a substitution.

(ii) **Substitution at the request of Securityholders**

The Issue Terms will specify whether the Charged Assets may be substituted from time to time in whole or in part for alternative charged assets and, if substitution is applicable, whether such substitution is on the Nominal Basis, the Market Value Basis or the Fair Value Basis. If no such specification is made in the Issue Terms, substitution



at the request of the Securityholders shall be deemed to be not applicable. If such specification is made in the Issue Terms the mechanics for such substitution shall be set out therein also (including, in the case of a Series of Securities consisting of Non-Fungible Tranches, whether such substitution may be made at the request of holders of a specified Non-Fungible Tranche or specified Non-Fungible Tranches only).

(iii) **Substitution by the Loan Servicer**

The Issue Terms will specify whether the Loan Servicer may sell or otherwise dispose of any of the Charged Assets, where such Charged Assets comprise loans, and may reinvest the sale proceeds of the Charged Assets in the purchase on behalf of the Issuer of Replacement Assets (as defined in the Loan Servicing Agreement), subject to any Rating Agency requirements and subject to satisfaction of the Eligibility Criteria (as defined in the Loan Servicing Agreement) and/or any other criteria specified in the Issue Terms, as provided for in the Loan Servicing Agreement.

(c) **Substitution with Cash Collateral**

- (i) In the event the Vendor does not deliver to the relevant Issuer on the Issue Date all or any part of the Initial Charged Assets pursuant to the Sale Agreement or, where the Initial Charged Assets comprise contractual rights in respect of a loan, the Initial Charged Assets are not transferred by the Loan Transferor to the relevant Issuer on the relevant Transfer Date, the relevant Issuer shall, on the Issue Date, deposit the Cash Collateral into the Cash Deposit Account or the Issuer Series Account, as the case may be. The Cash Collateral shall form part of the Charged Assets and shall be subject to the security interest in favour of the Trustee created pursuant to the Trust Instrument.
- (ii) The Vendor or the Loan Transferor, as the case may be, will use reasonable endeavours to procure delivery or transfer of the Initial Charged Assets (whether or not such Initial Charged Assets are subject to default (howsoever described)) to the relevant Issuer in accordance with normal market practice pursuant to the Sale Agreement or the Loan Transfer Agreement, as the case may be. In the event the Vendor or the Loan Transferor, as the case may be, delivers or transfers the Initial Charged Assets (or part thereof) to the relevant Issuer after the Issue Date or the relevant Transfer Date, as the case may be, the relevant Issuer shall substitute the Initial Charged Assets (or part thereof) for an amount of cash held in the Cash Deposit Account or the Issuer Series Account, as the case may be, equal to an amount which is the product of (1) the principal amount of such Initial Charged Assets divided by the aggregate principal amount of the Initial Charged Assets multiplied by (2) the Price. Such Initial Charged Assets shall be deposited, other than in the case where the Initial Charged Assets comprise rights under a loan, with the Custodian in the Custodian's account pursuant to the Agency Agreement. From the time of such deposit or transfer, as the case may be, such amounts removed from the Cash Deposit Account or the Issuer Series Account, as the case may be, will not form part of the Charged Assets.
- (iii) The relevant Issuer's ability to deposit cash on the Issue Date or the relevant Transfer Date, as the case may be, pursuant to (i) above shall be for the purposes of ensuring that the Securities are fully secured. Where so specified in the confirmation to the relevant Swap Agreement or Repurchase Agreement, any interest earned on the Cash Deposit Account or the Issuer Series Account, as the case may be, shall be paid by the relevant Issuer to the Counterparty under the Swap Agreement or Repurchase

Agreement (as applicable). For the avoidance of doubt, any substitution pursuant to this Condition 4(c) (*Substitution with Cash Collateral*) shall not affect the payments by the Counterparty to the relevant Issuer under the Swap Agreement or the Repurchase Agreement (as applicable).

(d) **Repo of Charged Assets**

- (i) The Issue Terms will specify whether the relevant Issuer (a) will, on the Issue Date, enter into a Repurchase Agreement in respect of the Charged Assets or (b) may, at any time after the Issue Date, enter into a Repurchase Agreement in respect of the Charged Assets and, if so, whether Securityholder consent is required pursuant to (iii) below and such specification is binding on the Securityholders. If no such specification is made in the Issue Terms, the entry by the relevant Issuer into a Repurchase Agreement in respect of the Charged Assets shall not be permitted.
- (ii) The relevant Issuer shall ensure that any such Repurchase Agreement provides that:
  - (A) the sale proceeds received by the relevant Issuer in respect of the Charged Assets shall be not less than the Nominal Value, Market Value or the Fair Value (as specified in the Issue Terms or any Securityholder notice given pursuant to (iii)(A) below) (the “Sale Proceeds”); and
  - (B) the Charged Assets shall be resold to the relevant Issuer no later than the Maturity Date and at a price no greater than the Sale Proceeds,and the relevant Issuer shall, until such repurchase, hold the Sale Proceeds and any Cash Margin received by the relevant Issuer pursuant to the terms of such Repurchase Agreement (less any Cash Margin which may be payable by the relevant Issuer pursuant to the terms of such Repurchase Agreement) in the Cash Deposit Account.
- (iii) If “Securityholders’ consent to Repurchase Agreements” is specified as applicable in the Issue Terms, the relevant Issuer may at any time enter into a Repurchase Agreement in respect of the Charged Assets, subject to:
  - (A) the relevant Issuer giving notice of the terms of any proposed Repurchase Agreement to the Securityholders (in accordance with Condition 15 (*Notices*)), the Trustee and (in the case of Securities that are rated) each Rating Agency; and
  - (B) obtaining consent of the holders of not less than the percentage specified in the Issue Terms in Outstanding Principal Amount of the Securities (or, in the case of a Series of Securities consisting of Non-Fungible Tranches, consent of the holders of not less than the percentage specified in the Issue Terms in Outstanding Principal Amount of the Non-Fungible Tranche(s) specified in the Issue Terms) in accordance with Condition 19 (*Meetings of Securityholders, Modification, Waiver and Substitution*) in respect of the same.
- (iv) Upon entering into a Repurchase Agreement at any time after the Issue Date, the relevant Issuer shall give notice of the same to the Securityholders (in accordance with Condition 15 (*Notices*)), the Trustee and (in the case of Securities that are rated) each Rating Agency as soon as practicable thereafter.

(e) **Release of Charged Assets for delivery under Swap Agreements or Repurchase Agreements**

If at any time the relevant Issuer is required to transfer Charged Assets to a Counterparty pursuant to and in accordance with the terms of any Swap Agreement(s) or Repurchase Agreement(s), the Trustee is irrevocably authorised to release such Charged Assets from the security created by or pursuant to the Trust Instrument immediately prior to such transfer. If at any time the relevant Issuer receives any cash and/or securities from a Counterparty pursuant to and in accordance with the terms of any Swap Agreement(s) or Repurchase Agreement(s), the relevant Issuer shall notify the Trustee accordingly and such cash and/or securities shall be Charged Assets and held subject to the Security Interests.

(f) **Realisation of Charged Assets upon early redemption or Event of Default**

If the Security Interests over any of the Charged Assets become enforceable following an early redemption of the Securities or an Event of Default, the Trustee may in its discretion and, if requested by an Instructing Creditor, shall (subject to being indemnified, secured and/or prefunded to its satisfaction) realise such Charged Assets and/or take such action as may be permitted under applicable laws against any obligor in respect of such Charged Assets. The Trustee will not have any liability as to the consequence of such action and will not have regard to the effect of such action on individual Securityholders or the Counterparty. On the occurrence of any such event, each Charged Agreement will terminate in accordance with its terms.

Notwithstanding anything to the contrary in the Issue Terms, if (i) the Counterparty is the Defaulting Party in respect of the Swap Agreement and/or the Repurchase Agreement and/or the Loan Participation Agreement at any time; and (ii) "the Counterparty only" is specified as the Instructing Creditor in the Issue Terms, the Instructing Creditor shall be deemed to be the Counterparty or the Securityholders.

## **5 Application of Proceeds**

The Trust Instrument provides for the application of the Realisation Amount in accordance with the relevant Security Ranking Basis, after payment or satisfaction of all amounts: (i) then due and unpaid to the Trustee and/or (without duplication) any Appointee and/or (without duplication) any Agent as provided in the Trust Instrument and/or (ii) which the Trustee considers necessary to pay any amounts that may thereafter become due to be paid to it or any Appointee, to the extent it considers that proceeds received by it thereafter under the Trust Instrument may be insufficient and/or may not be received in time to pay such amounts.

The Issue Terms will specify the "Security Ranking Basis" in accordance with which the remaining proportion of the Realisation Amount will be applied, being one of the following (or otherwise as specified in the Issue Terms):

- (a) "Securityholder Priority Basis" meaning, first, in meeting claims of the Securityholders under the Securities on a *pari passu* and pro rata basis (or, in case of a Series of Securities consisting of Prioritised Tranches, in the order of priorities set out in the relevant Issue Terms) and, thereafter, in meeting the claims of the Counterparty (or if more than one Counterparty, of all such Counterparties) under the Charged Agreement(s) and the claims of the Loan Servicer (if any) under the Loan Servicing Agreement on a *pari passu* and pro rata basis; or

- (b) “Pari Passu Basis” meaning in meeting the claims of the Securityholders and the Counterparty (or if more than one Counterparty, of all such Counterparties) under the Charged Agreement(s) and the claims of the Loan Servicer (if any) under the Loan Servicing Agreement on a *pari passu* and pro rata basis (provided that, in case of a Series of Securities consisting of Prioritised Tranches, the distribution of amounts available for meeting the claims of Securityholders shall be distributed amongst the holders of each Prioritised Tranche in the order of priorities set out in the relevant Issue Terms); or
- (c) “Counterparty Priority Basis” meaning, first, in meeting the claims of the Counterparty (or, if more than one Counterparty, meeting the claims of all such Counterparties) under the Charged Agreement(s) and the claims of the Loan Servicer (if any) under the Loan Servicing Agreement on a *pari passu* and pro rata basis and, thereafter, in meeting the claims of the Securityholders on a *pari passu* and pro rata basis (or, in case of a Series of Securities consisting of Prioritised Tranches, in the order of priorities set out in the relevant Issue Terms); or
- (d) “Counterparty/Securityholder Priority Basis” meaning, Counterparty Priority Basis, provided that if a Counterparty is the Defaulting Party in respect of the Charged Agreement at any time, the Security Ranking Basis shall be Securityholder Priority Basis. Notwithstanding the above, if there is more than one Counterparty (and they are separate legal entities) and one of the Counterparties defaults, the Security Ranking Basis shall remain Counterparty Priority Basis other than in respect of the defaulting Counterparty to which Securityholder Priority Basis will apply.

For the avoidance of doubt, the Counterparty shall not have any claim in respect of the relevant Issuer’s Rights under the Charged Agreement(s).

In case of a Series of Securities consisting of Prioritised Tranches, prior to the security granted in respect of such Series becoming enforceable, amounts received by the relevant Issuer in connection with the Charged Assets and/or any Charged Agreements or otherwise shall be distributed amongst the holders of each Prioritised Tranche in the order of priorities set out in the relevant Issue Terms.

## 6 Shortfall after Application of Proceeds

- (a) All payments to be made by the relevant Issuer in respect of the Securities and the Charged Agreement(s) (if any) will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the relevant Issuer or the Trustee in respect of the Mortgaged Property in accordance with the Security Ranking Basis specified in the Issue Terms;
- (b) to the extent that such sums are less than the amount which the Securityholders and the Counterparty (if any) may have expected to receive (the difference being referred to as a “**Shortfall**”), such Shortfall will be borne by such Securityholders and by the Counterparty (if any) in accordance with the Security Ranking Basis specified in the Issue Terms (and, in case of a Series of Securities consisting of Prioritised Tranches, in accordance with the relevant Issue Terms); and
- (c) each Securityholder, by subscribing for or purchasing the relevant Securities, and each Counterparty (if any) will be deemed to accept and acknowledge that it is fully aware that:
  - (i) the Securityholders, the Counterparty (if any) and the Loan Servicer (if any) shall look solely to the sums referred to in paragraph (a) of this Condition 6 (*Shortfall after*

*Application of Proceeds*), as applied in accordance with paragraphs (a) and (b) above (the “**Relevant Sums**”), for payments to be made by the relevant Issuer in respect of the Securities, the Charged Agreement(s) (if any) and the Loan Servicing Agreement (if any);

- (ii) the obligations of the relevant Issuer to make payments in respect of the Securities, the Charged Agreement(s) (if any) and the Loan Servicing Agreement (if any) will be limited to the Relevant Sums and the Securityholders, the Counterparty (if any) and the Loan Servicer (if any) shall have no further recourse to the relevant Issuer in respect of the Securities, the Charged Agreement(s) (if any) and the Loan Servicing Agreement (if any), respectively;
- (iii) without prejudice to the foregoing, any right of the Securityholders, the Counterparty (if any) and the Loan Servicer (if any) to claim payment of any amount exceeding the Relevant Sums shall be automatically extinguished; and
- (iv) the Securityholders, the Trustee, the Counterparty (if any) and the Loan Servicer (if any) shall not, at any time, institute or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up or any other similar proceedings (whether court-based or otherwise) in relation to the relevant Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors of any of its assets as a consequence of any such Shortfall.

Non-payment of any Shortfall shall not constitute an Event of Default under Condition 11 (*Events of Default*) nor entitle the Counterparty (if any) to terminate the remainder of the Charged Agreement(s) in respect of such Series in the case of a partial termination and in any event, in respect of any other Series.

None of the Trustee, the shareholders of the relevant Issuer, any Dealer or any Counterparty has any obligation to any Securityholder for payment of any amount by the relevant Issuer in respect of the Securities.

## **7 Types of Securities and Interest**

### **(a) Fixed Rate Securities**

Each Fixed Rate Security bears interest on its Outstanding Principal Amount (or, if it is a Partly Paid Security, the amount paid up) as on the first day of an Interest Period from (and including) the Interest Commencement Date (as specified in the Issue Terms) to (but excluding) the Maturity Date or, in the case of Credit-Linked Securities, the Scheduled Maturity Date at the rate(s) per annum equal to the Rate(s) of Interest, subject to any cessation of interest in circumstances as set out in the terms of the Securities.

Interest will be payable in arrear on the Interest Payment Date(s) in each year as specified in the Issue Terms, subject as aforesaid and subject to adjustment in accordance with the relevant Business Day Convention where so specified in the relevant Issue Terms. Interest pursuant to this Condition 7(a) (*Fixed Rate Securities*) shall be calculated in respect of each Security (and subject, in respect of Fixed Rate Securities in definitive form, to the paragraph below) as the product of:

- (i) the Rate of Interest;

- (ii) (A) in the case of Fixed Rate Securities which are represented by a Global Security, such Security's *pro rata* share of the aggregate Outstanding Principal Amount of the Fixed Rate Securities represented by such Global Security (or, if they are Partly Paid Securities, the aggregate amount paid up); or (B) in the case of Fixed Rate Securities in definitive form, the Calculation Amount; and
- (iii) the applicable Day Count Fraction,

the resultant figure being rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded downwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Security in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Security shall be the product of the interest amount (determined in the manner provided above) for the relevant Calculation Amount and the amount by which the relevant Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(b) **Floating Rate Securities and Variable Interest Amount Securities**

(i) **Interest Payment Dates**

Each Security which is a Floating Rate Security or Variable Interest Amount Security bears interest on its Outstanding Principal Amount (or, if it is a Partly Paid Security, the amount paid up) as on the first day of an Interest Period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date or, in the case of Credit-Linked Securities, the Scheduled Maturity Date, subject to any cessation of interest in circumstances as set out in the Issue Terms.

Such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the Issue Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the Issue Terms, each date which falls the number of months or other period specified as the Specified Period in the Issue Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date,

each an "Interest Payment Date", in each case, subject to any adjustment in accordance with the Following Business Day Convention unless otherwise specified in the relevant Issue Terms.

Such interest will be payable in respect of each Interest Period.

(ii) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Securities and Variable Interest Amount Securities (as defined in Condition 7(f) (*Variable Amount Securities*) below) will be determined in the manner specified in the Issue Terms.

(A) **ISDA Determination for Floating Rate Securities**

Where ISDA Determination is specified in the Issue Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each

Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Issue Terms) the Margin (if any).

For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank under an interest rate swap transaction if the Agent Bank were acting as calculation agent for that swap transaction under the terms of an agreement incorporating either of the 2000 ISDA Definitions or the 2006 ISDA Definitions (as specified in the Issue Terms) and under which:

- (1) the Floating Rate Option is as specified in the Issue Terms;
- (2) the Designated Maturity is a period specified in the Issue Terms; and
- (3) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (II) in any other case, as specified in the Issue Terms.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the 2000 ISDA Definitions or the 2006 ISDA Definitions, as the case may be.

When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Agent Bank or the Calculation Agent, as the case may be, will be deemed to have discharged its obligations under Condition 7(b)(iv) (*Determination of Rate of Interest and Interest Amounts*) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (A).

**(B) Screen Rate Determination for Floating Rate Securities**

Where Screen Rate Determination is specified in the Issue Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded downwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date plus or minus (as indicated in the Issue Terms) the Margin (if any), all as determined by the Agent Bank. If 5 or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the

purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such quotation appears or, in the case of (2) above, fewer than 3 such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Securities is specified in the Issue Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Securities will be determined as provided in the Issue Terms.

(iii) **Minimum and/or Maximum Interest Rate**

If the Issue Terms specify a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii) above is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate. In all cases, even if no Minimum Interest Rate is specified, the Rate of Interest may not be less than zero.

If the Issue Terms specify a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii) above is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(iv) **Determination of Rate of Interest and Interest Amounts**

The Agent Bank (in the case of Floating Rate Securities) or the Calculation Agent (in the case of Variable Interest Amount Securities) will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, but in any event no later than the second Business Day thereafter, determine (acting in good faith and in a commercially reasonable manner) and notify the relevant Issuer, the Trustee, the Counterparty (if any) and the Principal Paying Agent of (A) the Rate of Interest for the relevant Interest Period and (B) the amounts payable in respect of each Security (the “**Interest Amounts**”) pertaining to such Interest Period.

The Interest Amount payable in respect of each Security (and subject, in respect of Floating Rate Securities or Variable Interest Amount Securities in definitive form, to the paragraph below) shall be the product of:

- (A) the Rate of Interest;
- (B) (i) in the case of Floating Rate Securities or Variable Interest Amount Securities which are represented by a Global Security, such Security’s pro rata share of the aggregate Outstanding Principal Amount of the Securities represented by such Global Security (or, if they are Partly Paid Securities, the aggregate amount paid up) as of the last day of the relevant Interest Period; or (ii) in the case of Floating Rate Securities or Variable Interest Amount Securities in definitive form, the Calculation Amount; and



(C) the applicable Day Count Fraction,

the resultant figure being rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded downwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Floating Rate Security or a Variable Interest Amount Security in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Floating Rate Security or Variable Interest Amount Security shall be the product of the Interest Amount (determined in the manner provided above) for the relevant Calculation Amount and the amount by which the relevant Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(v) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the Issue Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent Bank (in the case of Floating Rate Securities) or the Calculation Agent (in the case of Variable Interest Amount Securities) by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the Issue Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the Issue Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent Bank or the Calculation Agent (as applicable) shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Designated Maturity**” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(vi) **Publication of Rate of Interest and Interest Amounts**

The Principal Paying Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to any Stock Exchange upon which the Securities are (as specified in the Issue Terms) listed and to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination, but in any event no later than the 4th Business Day thereafter. The Interest Amounts and Interest Payment Date so published may subsequently be amended with the consent of the Trustee (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified as aforesaid to each Stock Exchange on which the relevant Floating Rate Securities or Variable Interest Amount Securities are for the time being listed and to the Securityholders.

(vii) **Determination or calculation by Trustee**

If the Agent Bank or, as the case may be, the Calculation Agent at any material time defaults in its obligation to determine the Rate of Interest or the Interest Amounts in accordance with sub-paragraphs (ii) and (iv) above, the Trustee (or a person appointed by the Trustee for the purpose) at the cost of the relevant Issuer (but without any liability accruing to the Trustee as a result of such determination or appointment) shall, acting in good faith and in a commercially reasonable manner, (i) determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in sub-paragraph (ii) above), it shall deem fair and reasonable in all the circumstances and (ii) calculate the Interest Amounts in the manner specified in sub-paragraph (iv) above. Such determination and calculation shall be deemed to be a determination and calculation by the Agent Bank or, as the case may be, the Calculation Agent.

(viii) **Notifications to be final**

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions summarised under this Condition whether by the Agent Bank, the Calculation Agent or the Trustee, will (in the absence of wilful default, fraud or manifest error) be binding on the relevant Issuer, the Counterparty (if any), the Agent Bank, the Calculation Agent, the Trustee, the Paying Agents and all Securityholders, as applicable, and (subject as aforesaid) no liability to the Securityholders (or, in the case of the Trustee, to any other party) shall attach to the Agent Bank, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to this Condition.

(ix) **Acknowledgement**

If, in respect of a Series, the definition, methodology or formula for a Reference Rate or Floating Rate Option, or other means of calculating such Reference Rate or Floating Rate Option, is changed, then, unless otherwise specified in the Issue Terms, references to that Reference Rate or Floating Rate Option shall be to the Reference Rate or Floating Rate Option as changed.

(c) **Partly Paid Securities**

If the Issue Terms specify that the Securities are Partly Paid Securities, the amount of each payment comprising the issue price, the date on which each payment is to be made and the consequences (if any) of failure to make any such payment will be as set out in the Issue Terms.

Other than Partly Paid Securities which are Zero Coupon Securities, interest will accrue on the paid-up nominal amount of such Securities and as specified in the Issue Terms.

(d) **Index-Linked Securities**

If the Issue Terms specify that the Securities are Index-Linked Securities, if relevant for payments of interest, the Issue Terms will set out the expected dates of payments and the basis for calculating the amount of interest (whether at maturity or otherwise) payable, which may be by reference to an index, indices and/or a formula.

(e) **Equity-Linked Securities**

If the Issue Terms specify that the Securities are Equity-Linked Securities, if relevant for payments of interest, the Issue Terms will set out the dates of any distributions or payments and the basis for calculating the amount of interest (whether at maturity or otherwise), which may be by reference to an equity, equities or a formula.

(f) **Variable Amount Securities**

If the Issue Terms specify that the Securities are Variable Amount Securities, if relevant for payments of interest (“**Variable Interest Amount Securities**”), the Issue Terms will set out the dates of payments and the basis for calculating the interest amounts (whether at maturity or otherwise) payable, which may be by reference to a debt or equity or a commodity index or as otherwise provided.

(g) **Fund Share-Linked Securities**

If the Issue Terms specify that the Securities are Fund Share-Linked Securities, if relevant for payments of interest, the Issue Terms will set out the dates of payments and the basis for calculating the payments in respect of interest (whether at maturity or otherwise), which may be by reference to fund shares or units or interests or a formula.

(h) **Credit-Linked Securities**

If the Issue Terms specify that the Securities are Credit-Linked Securities, if relevant for payments of interest, the Issue Terms will set out the dates of payments and the basis for calculating the payments in respect of interest (whether at maturity or otherwise) of such Securities, which may depend on whether a credit event in respect of one or more reference entities, as specified in the applicable Issue Terms, has occurred.

(i) **Loan Participation Securities**

If the Issue Terms specify that the Securities are Loan Participation Securities, unless otherwise specified in the Issue Terms, the amount of interest (the “**Participation Interest Amount**”) payable in respect of each Security on each Specified Interest Payment Date shall be an amount calculated by the Calculation Agent by multiplying (i) the amount of interest (which term shall include any prepayment fee, prepayment premium and other amount (other than other principal amounts)) (an “**Interest Distribution Amount**”) received by the relevant Issuer in respect of the relevant Loan Participation Interest Payment Date less any Expense Amount and (ii) the Note Factor, provided that the relevant Issuer’s obligation to make payment of any Participation Interest Amount shall be conditional upon actual receipt by the relevant Issuer of the relevant Interest Distribution Amount on the relevant Loan Participation Interest Payment Date. Any amount resulting from such calculations will be rounded downwards to the nearest cent.

For the above purposes:

“**Expense Amount**” means certain costs and expenses which the Loan Participation Counterparty is obliged to pay under the Loan Participation Reference Loan Agreement and which it has deducted from amounts which would otherwise be payable by it under the Loan Participation Agreement.

**“Loan Participation Interest Payment Date”** means the date on which a payment of an amount equal to any Interest Distribution Amount is due to be paid by the Loan Participation Counterparty to the relevant Issuer under the Loan Participation Agreement.

**“Note Factor”** means, at any time with respect to a Security, a fraction the numerator of which is the Outstanding Principal Amount of such Security and the denominator of which is the aggregate Outstanding Principal Amount of the Securities then outstanding.

(j) **Rounding in respect of all Securities**

Subject to Conditions 7(a) (*Fixed Rate Securities*) and 7(b)(iv) (*Determination of Rate of Interest and Interest Amounts*), all amounts resulting from any calculations referred to in these provisions will be rounded downwards to the nearest unit or sub-unit of currency or as described in the Issue Terms.

(k) **Cessation of interest**

Notwithstanding any other terms of these Conditions and unless otherwise specified in the Issue Terms:

(i) if:

- (A) an Event of Default in relation to the Securities occurs or the Securities are redeemed early,
- (B) an event of default in relation to the Charged Assets occurs or any of the Charged Assets are redeemed early, or
- (C) the Securities are redeemed pursuant to a termination under (i) the Swap Agreement, other than a termination of the CDS Transaction as a consequence of an Event Determination Date has occurred and/or (ii) the Repurchase Agreement and/or (iii) the Loan Participation Agreement,

the interest on the Securities will cease to accrue from, and including, the Interest Payment Date immediately preceding the date on which any of the events referred to in (A) to (C) above have occurred (or in the case of the first Interest Period, the Interest Commencement Date); and

(ii) in the case of Credit-Linked Securities, if, under the CDS Transaction, an Event Determination Date has occurred, unless otherwise specified in the Issue Terms, the interest on the Securities will cease to accrue from and including the Interest Payment Date immediately preceding the Event Determination Date (or in the case of the first Interest Period, the Interest Commencement Date).

(l) **Default interest**

If payment to any Securityholder of any amount due in respect of the Securities is improperly withheld or refused, interest shall accrue (before and after judgement) as provided in the Trust Instrument at the rate specified for the purpose in the Issue Terms (or if no such rate is specified, the rate shall be deemed to be zero). References to any payment due or owing in respect of the Securities shall be deemed to include any interest which may be payable under this Condition 7 (*Types of Securities and Interest*).

## 8 Redemption

### (a) Final redemption

Each Security will be redeemed by the relevant Issuer on the Maturity Date at its Final Redemption Amount or by delivery of the Entitlement as set out in Condition 8(n) (*Physical Delivery*) or as otherwise specified in the Issue Terms, unless such Security has been redeemed, purchased or cancelled prior to such date.

Where applicable, the relevant Issue Terms will set out the basis for calculating the Final Redemption Amount in respect of any Index-Linked Securities, Equity-Linked Securities, Variable Amount Securities, Fund Share-Linked Securities, Credit-Linked Securities or Loan Participation Securities which may be by reference to an index, indices and/or a formula, an equity, equities or a formula, a debt or equity or a commodity index or a formula, fund units, shares or interests or a formula or whether any Credit Events have occurred in relation to specified Reference Entities or as otherwise provided in the relevant Issue Terms, as applicable.

### (b) Redemption for taxation reasons

(i) If:

- (A) the relevant Issuer, on the occasion of the next payment due in respect of the Securities, would be required by law to withhold or account for tax in respect of such payment or would suffer tax in respect of its income in respect of the Charged Assets or receipt of payments under any Charged Agreement (including the deductions of tax from such payments but, for the avoidance of doubt, excluding any deduction of tax in respect of payments made under the Loan Participation Reference Loan Agreement), including (I) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or any withholding or deduction otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (“**FATCA Withholding Tax**”) or (II) any taxes relating to ATAD, so that it would be unable to make payment of the full amount payable on the Securities without recourse to further sources of funding or any payment of principal or interest or other distribution in respect of the Charged Assets for the time being is required to be made subject to any deduction or withholding on account of any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any such payment of interest, or on account of any right of set-off, or for any other reason, including FATCA Withholding Tax or any taxes relating to ATAD, or
- (B) the relevant Issuer, on the occasion of the next payment due in respect of any Charged Agreement, would be required by law to withhold or account for tax in respect of such payment or would suffer tax in respect of its income in respect of the Charged Assets (including the deductions of tax from such payments), including FATCA Withholding Tax or any taxes relating to ATAD, so that it would be unable to make payment of the full amount payable under such Charged Agreement without recourse to further sources of funding, or

- (C) the cost to the relevant Issuer of complying with its obligations under the Trust Instrument or meeting its operating or administrative expenses would, in the opinion of the relevant Issuer, be materially increased compared to such cost as of the Issue Date (including, without limitation, as a result of any adverse change in tax rulings in respect of the relevant Issuer or any adverse change of law or practice (or interpretation or administration of the same) which applies to the relevant Issuer), or
- (D) the relevant Issuer would be required to account for any tax or suffer tax in respect of its income in respect of the Charged Assets or receipt of payments (whether actual or deemed) under any Charged Agreement as a result of the then accounting treatment, as certified by the relevant Issuer's auditors,

then the relevant Issuer shall so inform the Trustee, the Principal Paying Agent, the Calculation Agent and the Counterparty (if any).

The date on which any such withholding or deduction is suffered or increased amount is payable is referred to as the "**Shortfall Date**". The relevant Issuer shall use its reasonable endeavours to arrange the substitution as the principal debtor under the Securities of a company, approved by the Trustee and the Counterparty, if any, (and, in the case of Securities that are rated by S&P, subject to Rating Agency Confirmation or, in the case of Securities that are rated by Fitch, prior notification to Fitch or, in the case of Securities that are rated by DBRS, prior notification to DBRS), incorporated in another jurisdiction wherein (in respect of sub-paragraphs (A), (B) and (D) of Condition 8(b)(i)) such withholding would not be applicable, or such tax would not be accountable or suffered, or (in respect of sub-paragraph (C) of Condition 8(b)(i)) such costs or operating or administrative expenses would not materially exceed the relevant Issuer's costs or operating or administrative expenses prior to the increase and in each case, the company concerned would not be in any worse position following the substitution than the relevant Issuer was in before the event occurred which resulted in the relevant Issuer being obliged to use reasonable endeavours to substitute in accordance with this provision.

- (ii) If the relevant Issuer is unable to arrange such substitution before the relevant Shortfall Date, in the case of Condition 8(b)(i)(A) where there is a Charged Agreement which is a Swap Agreement or Repurchase Agreement, the Counterparty shall have the right, but not the obligation, in its sole discretion, under any such Charged Agreement to pay to the relevant Issuer such amounts as will enable it (after any such withholding, accounting or suffering) to pay (and in such event, the relevant Issuer will be obliged to pay) to the Securityholders the amounts which they would have received in the absence of such withholding, accounting or suffering.

If the relevant Issuer is unable to arrange such substitution before the relevant Shortfall Date in the case of Condition 8(b)(i)(B), the Counterparty shall have the right, but not the obligation, in its sole discretion, under any Charged Agreement which is a Swap Agreement or Repurchase Agreement to accept a lesser payment from the relevant Issuer in respect of such Charged Agreement (after any such withholding or accounting or suffering of tax by the relevant Issuer in respect of the Charged Assets).

If the event referred to in Condition 8(b)(i)(C) or (D) has occurred and there is a Charged Agreement which is a Swap Agreement or Repurchase Agreement, the

Counterparty shall have the right, but not the obligation, before the Shortfall Date, to make additional payments to the relevant Issuer under such Charged Agreement so that the relevant Issuer would not be in any worse position as a result of the occurrence of such event.

If the relevant Issuer is unable to arrange such substitution before the relevant Shortfall Date and the Securities are Loan Participation Securities then, the prior paragraphs of this Condition 8(b)(ii) shall not apply and the relevant Issuer shall give notice as soon as practicable to the Trustee and the Securityholders of the date on which the Loan Participation Securities will be redeemed by Physical Delivery (as defined in Condition 8(n)(ii)).

- (iii) If the Counterparty does not exercise such right as referred to in Condition 8(b)(ii) above, any such Charged Agreement will be terminated and the Securities redeemed as follows. The Selling Agent shall arrange for, and administer the sale of, the Charged Assets in accordance with the Agency Agreement in which case, upon the sale of the Charged Assets and receipt of the Realisation Amount, the relevant Issuer shall give notice as soon as reasonably practicable to the Trustee and the Securityholders (which notice shall be irrevocable) of the date on which the Securities will be redeemed at the Early Redemption Amount.
- (iv) Notwithstanding the foregoing, if the requirement to withhold or account for any of the taxes referred to in this Condition arises:
  - (A) owing to any connection of any Securityholder with the taxing jurisdiction to which the relevant Issuer is subject otherwise than by reason only of the holding of any Security or receiving principal, premium or interest in respect thereof; or
  - (B) by reason of the failure by the relevant Securityholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax,

then to the extent it is able to do so, the relevant Issuer shall deduct such taxes from the amounts payable to such Securityholder and the provisions of the preceding paragraph of this Condition 8(b) shall not apply. Any such deduction shall not constitute an Event of Default under Condition 11 (*Events of Default*).

(c) **Mandatory Redemption**

- (i) **Following Default under the Charged Assets or termination or cancellation of a Charged Agreement (other than a Loan Participation Agreement) or a redemption of Securities (other than Loan Participation Securities) following a Regulatory Event, an Illegality Event or a Sanctions Event**

Subject to Condition 4(c) (*Substitution with Cash Collateral*):

- (A) if there has been a payment default in respect of the Charged Assets, or any one or more of the Charged Assets (as the case may be) as provided for in the terms and conditions of the relevant Charged Assets as at the date such Charged Assets become a Charged Asset without taking into account for this purpose any applicable grace period;
- (B) if the Charged Agreements (other than a Loan Participation Agreement) are terminated or cancelled (in whole but not in part) for any reason including due to

the occurrence of an Event Determination Date in respect of a CDS Transaction but other than as a consequence of any other specific provisions relating to scheduled redemption of the Securities or on scheduled settlement of any transaction under such Charged Agreements;

- (C) if any of the Charged Assets (or amounts due pursuant thereto) become capable of being declared due and payable (without taking into account for this purpose any applicable grace period under any terms in effect) prior to their stated date of maturity or other date or dates for their repayment by reason of any event of default (howsoever described) thereunder;
- (D) if any obligor under the Charged Assets stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or if any order is made by any competent court or any resolution passed for the winding-up or dissolution of such obligor or if proceedings are initiated against such obligor under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or any analogous proceedings or such obligor is adjudicated or found bankrupt or insolvent;
- (E) if the relevant Issuer elects to redeem Securities (other than Loan Participation Securities) for a Regulatory Event pursuant to Condition 8(e) (*Redemption or adjustment for a Regulatory Event*);
- (F) if the relevant Issuer elects to redeem Securities (other than Loan Participation Securities) for an Illegality Event pursuant to Condition 8(g) (*Redemption for an Illegality Event*); or
- (G) if the relevant Issuer elects to redeem Securities (other than Loan Participation Securities) for a Sanctions Event pursuant to Condition 8(h) (*Redemption for a Sanctions Event*),

the relevant Issuer shall give notice thereof to the Trustee, the Securityholders and the Selling Agent.

Thereupon, subject as provided below, the Selling Agent shall arrange for, and administer, the sale of all of the Charged Assets in accordance with the Agency Agreement and, if applicable, Condition 8(c)(vii) (*Liquidation of Charged Assets*) below, in which case, upon sale of all of the Charged Assets and receipt of the Realisation Amount, the relevant Issuer shall give notice as soon as reasonably practicable to the Trustee and the Securityholders (which notice shall be irrevocable) of the date on which the Securities will be redeemed at the Early Redemption Amount and the Charged Agreement(s) will be terminated. In the event that the Selling Agent has not sold the Charged Assets, where the Charged Assets comprise one or more Loans, within 15 calendar days of notice being given to it of any event set out in (A) to (G) above or such other period as specified in the applicable Issue Terms, the Securities will be immediately due and repayable and the security will be subject to enforcement by the Trustee pursuant to Condition 12 (*Enforcement*).



(ii) **Following Default under the Loan Participation Reference Loan Agreement or a redemption of Loan Participation Securities following a Regulatory Event, an Illegality Event or a Sanctions Event**

- (A) If there has been a non-payment when due of any amount of principal or interest due under the Loan Participation Reference Loan Agreement (except to the extent that such payment is caused by an administrative or technical error) or if the Loan Participation Reference Loan Agreement has been accelerated following an event of default (as defined in the Loan Participation Reference Loan Agreement) pursuant to the terms thereof, the Loan Participation Agreement will terminate and the Loan Participation Securities will be redeemed by Physical Delivery (as defined in Condition 8(n)(ii)). The relevant Issuer shall give notice as soon as practicable to the Trustee and the Securityholders of the date on which the Loan Participation Securities will be so redeemed.
- (B) If the Loan Participation Agreement is terminated by the Loan Participation Counterparty pursuant to the Loan Participation Agreement, the Loan Participation Securities will be redeemed by Physical Delivery (as defined in Condition 8(n)(ii)). The relevant Issuer shall give notice as soon as practicable to the Trustee and the Securityholders of the date on which the Securities will be so redeemed.
- (C) If the relevant Issuer elects to redeem the Loan Participation Securities for a Regulatory Event pursuant to Condition 8(e) (*Redemption or adjustment for a Regulatory Event*), for an Illegality Event pursuant to Condition 8(g) (*Redemption for an Illegality Event*) or for a Sanctions Event pursuant to Condition 8(h) (*Redemption for Sanctions Event*), the Loan Participation Securities will be redeemed by Physical Delivery. The relevant Issuer shall give notice as soon as practicable to the Trustee and the Securityholders of the date on which the Loan Participation Securities will be so redeemed.
- (D) **Redemption in the event that the Loan participation is not granted**
- (I) If the Loan Participation Agreement is terminated pursuant to Clause 2.3 of the Loan Participation Agreement, the relevant Issuer will redeem each Security on the relevant Termination Date (as defined in the Loan Participation Agreement) (the “**Redemption Date**”) at the Redemption Amount.
- (II) The relevant Issuer must give notice to the Securityholders, the Trustee and the Principal Paying Agent of the redemption no later than the Business Day prior to the Redemption Date. No amount of interest or any other amount will be payable in respect of the Securities and the relevant Issuer will have no further obligations in respect of the Securities following payment of the Redemption Amount.
- (III) For the purpose of this Condition 8(c)(ii)(D), “Redemption Amount” means the relevant Security’s *pro rata* share of the Issue Price, minus an amount equal to the relevant Security’s *pro rata* share of the total amount of any and all costs associated or incurred by the relevant Issuer and/or BBVA (in any or all of its capacities in respect of the Securities) in connection with such early redemption, including, without limitation, any costs (including

legal costs) associated with unwinding and/or incurring any funding, any fees or other arrangements relating to the Securities, all as determined by the Calculation Agent and/or as may be specified in the Issue Terms.

(iii) **Following occurrence of an Event Determination Date**

In the case of Credit-Linked Securities, where the CDS Transaction is to be settled following the occurrence of an Event Determination Date, the Securities will be subject to mandatory redemption on (a) the second Business Day following the Settlement Date pursuant to the CDS Transaction or (b) if Credit Maturity Redemption is specified to apply in the Issue Terms, if later, the Scheduled Maturity Date, which will be the relevant "Early Redemption Date" and the Early Redemption Amount payable in respect of the mandatory redemption of the Securities pursuant to Condition 8(c)(i)(B) on such Early Redemption Date, shall be an amount determined by the Calculation Agent as specified in the Issue Terms.

For the avoidance of doubt the Early Redemption Date for these purposes may occur after the Scheduled Maturity Date. If an Event Determination Date has occurred pursuant to the CDS Transaction, the Calculation Agent shall as soon as reasonably practicable give notice on behalf of the relevant Issuer to the Principal Paying Agent, the Trustee and the Securityholders in accordance with Condition 15 (*Notices*) specifying the following information: (i) the fact that an Event Determination Date has occurred and (ii) the date of occurrence thereof.

Unless otherwise specified in the Issue Terms and subject as provided below, the Selling Agent shall not arrange for, and administer, the sale of, all of the Charged Assets in accordance with the Agency Agreement but, in accordance with the terms of the Swap Agreement, (i) all Charged Assets will be delivered to the Counterparty and (ii) the Counterparty shall pay to the relevant Issuer an amount equal to and in the same currency as the aggregate Early Redemption Amounts. Notwithstanding this provision, if any of the events or circumstances in Condition 8(c)(i)(A), (C), (D), (E), (F) or (G) occurs prior to the transfer of all Charged Assets to the Counterparty then the CDS Transaction will be terminated early and the Selling Agent shall arrange for, and administer, the sale of all of the Charged Assets in accordance with the Agency Agreement and, if applicable, Condition 8(c)(vii) (*Liquidation of Charged Assets*) below, in which case upon sale of all of the Charged Assets and receipt of the Realisation Amount, the relevant Issuer shall give notice as soon as reasonably practicable to the Trustee and the Securityholders (which notice shall be irrevocable) of the date on which the Securities will be redeemed at the Early Redemption Amount and all other Charged Agreement(s) will be terminated. In the event that the Selling Agent has not sold the Charged Assets, where the Charged Assets comprise one or more Loans, within 15 calendar days of notice being given to it of any event set out in (A) to (G) of Condition 8(c)(i) or such other period as specified in the applicable Issue Terms, the security will be subject to enforcement by the Trustee pursuant to Condition 12 (*Enforcement*).

The occurrence of any Credit Event, and all calculations, determinations and other steps required to be taken in connection therewith, under or in respect of the Charged Agreements are conclusive and binding on the relevant Issuer, the Trustee, the Securityholders and the Principal Paying Agent, and all other persons when and as they occur or they are made or taken under or in connection with the Charged Agreements pursuant to its terms, without further notice, consultation or determination hereunder.

If, in accordance with the terms of the definition of Event Determination Date, (i) following the determination of an Event Determination Date, such Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date or (B) not to have occurred or (ii) an Event Determination Date is deemed to have occurred prior to one or more preceding Interest Payment Dates, the Calculation Agent will determine (1) such adjustment(s) to these Conditions (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Securityholders as would have prevailed had an Event Determination Date been determined and known on such deemed date of occurrence or not occurred, as applicable and (2) the effective date of such adjustment(s).

(iv) **Following early redemption, termination or prepayment of the Charged Assets**

Subject to Condition 4(c) (*Substitution with Cash Collateral*), where any one or more of the Charged Assets (unless such Charged Assets comprise rights under Loan(s) and such Loans are repaid or prepaid in whole or in part prior to its or their final scheduled repayment date for any reason pursuant to the terms of such Loan(s)) in relation to a Series of Securities are redeemed pursuant to an early unscheduled redemption of such Charged Assets prior to their stated date of maturity (other than by reason of a payment default or exercise of a call option), the relevant Issuer shall give notice as soon as reasonably practicable to the Trustee, the Securityholders and the Selling Agent (which notice shall be irrevocable) of the date on which the net redemption proceeds of such Charged Assets shall be applied as specified in Condition 5 (*Application of Proceeds*). The relevant Issuer shall give notice as soon as reasonably practicable to the Trustee and the Securityholders (which notice shall be irrevocable) of the date on which the Securities will be redeemed at the Early Redemption Amount and the Charged Agreement(s) will be terminated. In such circumstances, in relation to any Charged Assets not so redeemed, the Selling Agent shall arrange for, and administer the sale of, such Charged Assets (and the relevant Issuer shall give notice of the Realisation Amount relating thereto in accordance with the provisions set out in Condition 8(c)(i) above, which, for the avoidance of doubt, shall be applied on the same date as, and together with, the net redemption proceeds received in relation to the redeemed Charged Assets as specified in Condition 5 (*Application of Proceeds*)).

In the event of an early unscheduled redemption, repayment, prepayment or termination of the Initial Charged Assets prior to their stated date of maturity or final repayment (other than by reason of a payment default) prior to the delivery by the Vendor of all or any part of the Initial Charged Assets or, in the case where the Initial Charged Assets comprise rights under Loan(s), prior to the transfer by the Loan Transferor of such Initial Charged Assets, any Initial Charged Assets not so delivered or transferred, as the case may be, shall be deemed to have been delivered or transferred, as the case may be, by the Vendor or the Loan Transferor, as the case may be, to the relevant Issuer and sold by the Selling Agent in accordance with the Agency Agreement. In the event that the deemed proceeds of the sale of such Initial Charged Assets not so delivered or transferred, as the case may be, are less than the amount of cash held in the Cash Deposit Account or the Issuer Series Account, as the case may be, at such time, the Selling Agent, on behalf of the relevant Issuer, shall pay any such difference to the Vendor or the Loan Transferor, as the case may be, as soon as reasonably practicable

thereafter. Each Security will thereafter be redeemed on a pro rata basis of the aggregate amount allocated to the Securityholders.

In the event that the Charged Assets comprise rights under Loan(s) and such Loan(s) is/are repaid or prepaid in whole or in part prior to its or their scheduled final repayment date for any reason pursuant to the terms of such Loan(s), the Securities shall not redeem early pursuant to this Condition 8(c)(iv) and the proceeds of such early repayment or prepayment shall be credited to the Issuer Series Account. Unless otherwise specified in the Issue Terms, the Loan Servicer may apply such proceeds in the purchase on behalf of the Issuer of Replacement Assets (as defined in the Loan Servicing Agreement), subject to any Rating Agency requirements, all as more particularly set out in the Loan Servicing Agreement and the Issue Terms.

(v) **Following the exercise of a call option in relation to the Charged Assets**

Subject to Condition 4(c) (*Substitution with Cash Collateral*) and if specified as applicable in the Issue Terms, where any one or more of the Charged Assets (unless such Charged Assets comprise rights under Loan(s) and such Loan(s) is/are repaid or prepaid for any reason pursuant to the terms of such Loan(s)) in relation to a Series of Securities are redeemed pursuant to the exercise of a call option, the relevant Issuer shall give notice as soon as reasonably practicable to the Trustee, the Securityholders and the Selling Agent (which notice shall be irrevocable) of the date on which the net redemption proceeds of such Charged Assets shall be applied as specified in Condition 5 (*Application of Proceeds*). The relevant Issuer shall give notice as soon as reasonably practicable to the Trustee and the Securityholders (which notice shall be irrevocable) of the date on which the Securities will be redeemed at the Early Redemption Amount and the Charged Agreement(s) will be terminated. In such circumstances, in relation to any Charged Assets not so redeemed, the Selling Agent shall arrange for, and administer the sale of, such Charged Assets (and the relevant Issuer shall give notice of the Realisation Amount relating thereto in accordance with the provisions set out in Condition 8(c)(i) (*Following Default under the Charged Assets or termination or cancellation of a Charged Agreement (other than a Loan Participation Agreement) or redemption of Securities (other than Loan Participation Securities) following a Regulatory Event, an Illegality Event or a Sanctions Event*) above, which, for the avoidance of doubt, shall be applied on the same date as, and together with, the net redemption proceeds received in relation to the redeemed Charged Assets as specified in Condition 5 (*Application of Proceeds*)).

In the event of an early unscheduled redemption of the Initial Charged Assets prior to their stated date of maturity or final repayment pursuant to the exercise of a call option or other right to repay or prepay prior to the delivery by the Vendor of all or any part of the Initial Charged Assets, or, in the case where the Initial Charged Assets comprise rights under a loan, prior to the transfer by the Loan Transferor of such Initial Charged Assets, any Initial Charged Assets not so delivered or transferred, as the case may be, shall be deemed to have been delivered by the Vendor or the Loan Transferor, as the case may be, to the relevant Issuer and sold by the Selling Agent in accordance with the Agency Agreement. In the event that the deemed proceeds of the sale of such Initial Charged Assets not so delivered or transferred, as the case may be, are less than the amount of cash held in the Cash Deposit Account or the Issuer Series Account, as the case may be, at such time, the Selling Agent, on behalf of the relevant Issuer, shall pay

any such difference to the Vendor or the Loan Transferor, as the case may be, as soon as reasonably practicable thereafter. Each Security will thereafter be redeemed on a pro rata basis of the aggregate amount allocated to the Securityholders.

In the event that the Charged Assets comprise rights under Loan(s) and such Loan(s) is/are repaid or prepaid in whole or in part prior to its and their scheduled final repayment date for any reason pursuant to the terms of such Loan(s), the Securities shall not redeem early pursuant to this Condition 8(c)(v) and the proceeds of such early repayment or prepayment shall be credited to the Issuer Series Account. Unless otherwise specified in the Issue Terms, the Loan Servicer may apply such proceeds in the purchase on behalf of the Issuer of Replacement Asset (as defined in the Loan Servicing Agreement), subject to any Rating Agency requirements, all as more particularly set out in the Loan Servicing Agreement and the Issue Terms.

(vi) **Following Event of Default under the Swap Agreement and/or the Repurchase Agreement and/or the Loan Participation Agreement with the Counterparty as Defaulting Party**

If there has been an Event of Default under and as defined in the Swap Agreement and/or the Repurchase Agreement and/or the Loan Participation Agreement and the Counterparty is the Defaulting Party, the relevant Issuer shall give notice thereof to the Securityholders, the Selling Agent and the Trustee. At any time at which the Event of Default under and as defined in the Swap Agreement and/or the Repurchase Agreement and/or the Loan Participation Agreement is continuing (having taken into account any applicable grace period), (a) the Securityholders may instruct the relevant Issuer by way of Extraordinary Resolution (with a copy to the Trustee and the Selling Agent) or (b) the Selling Agent (provided it is a Replacement Selling Agent) may instruct the relevant Issuer (with a copy to the Trustee and the Securityholders) (i) to terminate the Swap Agreement, Repurchase Agreement and the Loan Participation Agreement, in each case if any and (ii) to redeem the Securities in accordance with this Condition 8(c)(vi). Thereupon, the Selling Agent shall (I) terminate the Swap Agreement, Repurchase Agreement and Loan Participation Agreement, in each case if any on behalf of the relevant Issuer and (II) arrange for, and administer the sale of, all of the Charged Assets in accordance with the Agency Agreement and, if applicable, Condition 8(c)(vii) (*Liquidation of Charged Assets*) below. Upon sale of all of the Charged Assets and receipt of the Realisation Amount, the relevant Issuer shall give notice as soon as reasonably practicable to the Trustee and the Securityholders (which notice shall be irrevocable) of the date on which the Securities will be redeemed at the Early Redemption Amount.

(vii) **Liquidation of Charged Assets**

In the event of a payment default in respect of the Initial Charged Assets prior to the delivery or transfer, as the case may be, by the Vendor or Loan Transferor, as the case may be, of all or any part of the Initial Charged Assets, any Initial Charged Assets not so delivered or transferred, as the case may be, shall be deemed to have been delivered or transferred by the Vendor or the Loan Transferor, as the case may be, to the relevant Issuer and sold by the Selling Agent in accordance with the Agency Agreement. In the event that the deemed proceeds of the sale of such undelivered Initial Charged Assets are less than the amount of cash held in the Cash Deposit Account or the Issuer Series Account, as the case may be, at such time, any such difference shall be paid to the

Vendor or the Loan Transferor, as the case may be, as soon as reasonably practicable thereafter.

(viii) **Following a Custodian Convertibility Disruption Event**

(A) If “Settlement Exchange Rate” is specified as applicable in the Issue Terms, in the event that there is a Custodian Convertibility Disruption Event continuing for 15 calendar days, the relevant Issuer shall give notice thereof as soon as reasonably practicable to the Trustee, the Securityholders, the Custodian, the Selling Agent and the Principal Paying Agent (which notice shall be irrevocable). Thereupon, subject as provided below, the Selling Agent shall arrange for, and administer the sale of all of the Charged Assets in accordance with the Agency Agreement, in which case upon sale of all of the Charged Assets and receipt of the Realisation Amount, the relevant Issuer shall give notice as soon as reasonably practicable to the Trustee and the Securityholders (which notice shall be irrevocable) of the date on which the Securities will be redeemed at the Early Redemption Amount and the Charged Agreement(s) will be terminated. In the event that the Selling Agent has not sold the Charged Assets, where the Charged Assets comprise one or more Loans, within 15 calendar days of such notice being given to it or such other period as specified in the applicable Issue Terms, the Securities will be immediately due and repayable and the security will be subject to enforcement by the Trustee pursuant to Condition 12 (*Enforcement*). The Early Redemption Amount shall, if the Realisation Amount is denominated in the currency in which the Charged Assets are denominated, also be denominated in such currency.

(B) In order to obtain payment of the Early Redemption Amount in respect of the Securities:

- (1) if such Security is represented by a Global Security, the relevant Securityholder must deliver or have delivered to the relevant Clearing System, with a copy to the relevant Issuer and Principal Paying Agent, not later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Early Redemption Amount Payment Notice (as defined below); and
- (2) in all other cases, the relevant Securityholder must deliver to the Principal Paying Agent, with a copy to the relevant Issuer, not later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Early Redemption Amount Payment Notice.

Forms of the Early Redemption Amount Payment Notice may be obtained during normal business hours from the specified office of the Principal Paying Agent.

An Early Redemption Amount Payment Notice may only be delivered (i) if such Security is represented by a Global Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be or (ii) if such Security is a definitive Registered Security, in writing.

If (ii) above applies the relevant Security must be delivered together with the duly completed Early Redemption Amount Payment Notice.

(C) An “**Early Redemption Amount Payment Notice**” must:

- (1) specify the name and address of the relevant Securityholder and the person from whom the relevant Issuer may obtain details for the transfer of the relevant portion of the Early Redemption Amount;
- (2) include an undertaking to pay all Expenses and, in the case of Securities represented by a Global Security, an authority to debit a specified account of the Securityholder at the relevant Clearing System, as the case may be, in respect thereof and/or to deduct an amount equal to such Expenses from the relevant portion of the Early Redemption Amount payable to the Securityholder;
- (3) specify an account to which the Early Redemption Amount is to be paid;
- (4) give such certification as to U.S. or other regulatory and/or tax status as may be set out in the form of Early Redemption Amount Payment Notice; and
- (5) authorise the production of such notice in any applicable administrative or legal proceedings.

No Early Redemption Amount Payment Notice may be withdrawn after receipt thereof by the relevant Clearing System or the Principal Paying Agent, as the case may be, as provided above. After delivery of an Early Redemption Amount Payment Notice, the relevant Securityholder may not transfer the Securities which are the subject of such notice.

In the case of Securities represented by a Global Security, upon receipt of such notice, the relevant Clearing System, shall verify that the person specified therein as the Securityholder is the holder of the specified principal amount of Securities according to its books.

Failure properly to complete and deliver an Early Redemption Amount Payment Notice may result in such notice being treated as null and void. Any determination as to whether such Early Redemption Amount Payment Notice has been properly completed and delivered as provided in these Conditions shall be made by the relevant Clearing System, as the case may be, after consultation with the relevant Issuer and Principal Paying Agent and shall be conclusive and binding on the relevant Issuer and the relevant Securityholder.

If such Early Redemption Amount Payment Notice is subsequently corrected to the satisfaction of the relevant Clearing System or the Principal Paying Agent, it shall be deemed to be a new Early Redemption Amount Payment Notice submitted at the time such correction was delivered as provided above.

The relevant Clearing System shall use its best efforts promptly to notify the Securityholder submitting an Early Redemption Amount Payment Notice if, in consultation with the Principal Paying Agent and the relevant Issuer, it has determined that such Early Redemption Amount Payment Notice is incomplete or not in proper form. In the absence of negligence or

wilful misconduct on its part, none of the relevant Issuer, the relevant Clearing System or the Principal Paying Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Securityholder.

If a Securityholder fails to give an Early Redemption Amount Payment Notice as provided herein with a copy to the relevant Issuer and Principal Paying Agent, not later than the close of business in each place of receipt on the Cut-Off Date, then the Early Redemption Amount will be paid as soon as practicable thereafter; provided that, if in respect of a Security, an Early Redemption Amount Payment Notice is not delivered to the relevant Clearing System with a copy to the Principal Paying Agent and the relevant Issuer by the close of business in each place of receipt on the 180th calendar day following the Cut-Off Date, the relevant Issuer's obligations in respect of such Security shall be discharged and no further liability in respect thereof shall attach to the relevant Issuer. For the avoidance of doubt, in such circumstances such Securityholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such were to be redeemed and no liability in respect thereof shall attach to the relevant Issuer and any unpaid Early Redemption Amount shall be paid to the account of the Counterparty.

(D) For these purposes:

**"Custodian Convertibility Disruption Event"** means, in the opinion of the Custodian or any sub-custodian appointed by it, the occurrence of any of the following:

- (1) Charged Assets Price Source Disruption;
- (2) Charged Assets Illiquidity Disruption;
- (3) Charged Assets Dual Exchange Rate;
- (4) Charged Assets General Inconvertibility;
- (5) Charged Assets General Non-Transferability;
- (6) Charged Assets Nationalisation; and/or

any other event that, in the opinion of the Custodian or sub-custodian appointed by it to hold Charged Assets, is analogous to any of (i) to (vi) above (inclusive).

**"Charged Assets Price Source"** means any published source, information vendor or provider or method which is used by the Custodian or sub-custodian appointed by it for the calculation of the Charged Assets Conversion Rate.

**"Charged Assets Price Source Disruption"** means that it becomes impossible to obtain the rate or rates from the Charged Assets Price Source from which the Charged Assets Conversion Rate is calculated.



**“Charged Assets Conversion Rate”** means the rate of exchange for the conversion of a Charged Assets Currency into a Specified Currency as determined by the Calculation Agent.

**“Charged Assets Illiquidity Disruption”** means the occurrence of any event in respect of any Charged Assets Currency whereby it becomes impossible for the Calculation Agent to obtain a firm quote for the Charged Assets Conversion Rate.

**“Charged Assets Dual Exchange Rate”** means that any Charged Assets Currency splits into dual or multiple currency exchange rates.

**“Charged Assets General Inconvertibility”** means the occurrence of any event that generally makes it impossible to convert a Charged Assets Currency into a Specified Currency through customary legal channels.

**“Charged Assets General Non-Transferability”** means the occurrence of any event that generally makes it impossible to deliver the Charged Assets Currency from accounts inside a Charged Assets Currency Jurisdiction to accounts outside a Charged Assets Currency Jurisdiction.

**“Charged Assets Nationalisation”** means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives a sub-Custodian appointed by it of all or substantially all of its assets in the Charged Assets Currency Jurisdiction.

**“Charged Assets Currency Jurisdiction”** means each country for which the Charged Assets Currency is the lawful currency.

(ix) **Following a Charged Assets Currency Redenomination Event**

- (A) If “Charged Assets Currency Redenomination Event” is specified as applicable in the Issue Terms, in the event that there is a Charged Assets Currency Redenomination Event, the relevant Issuer shall give notice thereof as soon as reasonably practicable to the Trustee, the Securityholders, the Custodian, the Selling Agent and the Principal Paying Agent (which notice shall be irrevocable). Thereupon, subject as provided below, the Selling Agent shall arrange for, and administer the sale of all of the Charged Assets in accordance with the Agency Agreement, in which case upon sale of all of the Charged Assets and receipt of the Realisation Amount, the relevant Issuer shall give notice as soon as reasonably practicable to the Trustee and the Securityholders (which notice shall be irrevocable) of the date on which the Securities will be redeemed at the Early Redemption Amount and the Charged Agreement(s) will be terminated. In the event that the Selling Agent has not sold the Charged Assets, where the Charged Assets comprise one or more Loans, within 15 calendar days of such notice being given to it or such other period as specified in the applicable Issue Terms, the Securities will be immediately due and repayable and the security will be subject to enforcement by the Trustee pursuant to Condition 12 (*Enforcement*). The Early Redemption Amount shall, if the Realisation Amount is denominated in the currency in which the Charged Assets are denominated following the Charged Assets Currency Redenomination Event, also be denominated in such currency.

**“Charged Assets Currency Redenomination Event”** means, in respect of any Charged Assets, the Calculation Agent determines that the currency in which the relevant obligor of such Charged Assets pays (or is required to pay) interest or principal is redenominated, substituted or otherwise changed from the currency in which any such payment of interest or principal was, at the date the relevant Charged Asset(s) became Charged Assets for the purposes of the Securities, due to be made.

- (B) In order to obtain payment of the Early Redemption Amount in respect of the Securities:
- (I) if such Security is represented by a Global Security, the relevant Securityholder must deliver or have delivered to the relevant Clearing System, with a copy to the relevant Issuer and Principal Paying Agent, not later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Early Redemption Amount Payment Notice (as defined in Condition 8(c)(viii)(C) above); and
  - (II) in all other cases, the relevant Securityholder must deliver to the Principal Paying Agent, with a copy to the relevant Issuer, not later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Early Redemption Amount Payment Notice.

Forms of the Early Redemption Amount Payment Notice may be obtained during normal business hours from the specified office of the Principal Paying Agent.

An Early Redemption Amount Payment Notice may only be delivered (i) if such Security is represented by a Global Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be or (ii) if such Security is a definitive Registered Security, in writing.

If (ii) above applies the relevant Security must be delivered together with the duly completed Early Redemption Amount Payment Notice.

(x) **General**

- (A) Once the net proceeds of sale or redemption of the Charged Assets have been applied in accordance with this Condition, failure to make any further payment due in respect of a mandatory redemption of part of the principal amount of the Securities or interest thereon or any termination payment under any Charged Agreement shall not constitute an Event of Default.
- (B) In accordance with Condition 4(e) (*Release of Charged Assets for delivery under Swap Agreements or Repurchase Agreements*), solely for the purpose of determining whether a Mandatory Redemption has been triggered, references to “Charged Assets” in Condition 8(c) shall be deemed to include any Charged Assets that have been transferred to the relevant Counterparty(ies) pursuant to and in accordance with the terms of the relevant Swap Agreement(s) or Repurchase Agreement(s), notwithstanding that such Charged Assets may have been released from the security created by or pursuant to the Trust Instrument immediately prior to such transfer and are not held subject to the Security Interests and may not form part of the Mortgaged Property during such period. Notwithstanding the foregoing, such references to “Charged Assets” in Condition

8(c) shall be deemed not to include any cash or assets from time to time transferred to the relevant Issuer by the relevant Counterparty pursuant to and in accordance with the terms of any credit support annex entered into by the relevant Issuer and the Counterparty pursuant to a Swap Agreement.

(d) **Redemption at the option of the Issuer**

- (i) The Issue Terms may specify that the relevant Issuer has the option to redeem all or some of the Securities on the Optional Call Redemption Date(s) at the Optional Call Redemption Amount together with accrued interest to (but excluding) the Optional Call Redemption Date.
- (ii) The relevant Issuer may only exercise such option by giving notice to the Securityholders, the Trustee, the Counterparty (if any) and the Principal Paying Agent within the Issuer's Option Period (as specified in the Issue Terms).
- (iii) In the case of a partial redemption of the Securities, the Securities to be redeemed will be selected individually by lot (where the Securities are in definitive form) or in accordance with the rules of the Clearing Systems (where the Securities are in global form) (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in the nominal amount, at their discretion).

(e) **Redemption or adjustment for a Regulatory Event**

- (i) If the Calculation Agent determines that a Regulatory Event has occurred, the relevant Issuer may and will, if so directed by a Counterparty in respect of the relevant Series (I) require the Calculation Agent to determine and make any adjustment(s) to the Conditions to account for the Regulatory Event in accordance with Condition 19 (*Meetings of Securityholders, Modification, Waiver and Substitution*) below or (II) elect to redeem the Securities in accordance with Condition 8(c) above. The relevant Issuer will give notice of any such determination or election to the Trustee and the Securityholders. The determinations of the Calculation Agent under this paragraph shall be made in good faith and in a commercially reasonable manner.
- (ii) **"Regulatory Event"** means the occurrence at any time on or after the Issue Date of any of the following events:
  - (A) a change in the official interpretation or application of the relevant international, European or Spanish regulations, rules and instructions (the **"Bank Regulations"**) by any relevant competent international, European or national body (including any relevant international, European or other competent authority) which has the effect that BBVA directly or indirectly in connection with any Securities would be subject to materially less favourable regulatory capital or capital adequacy treatment and/or results in an increase in the amount of capital required or expected to be maintained by BBVA;
  - (B) a change in, or in the official interpretation or other interpretation of, (I) the Dodd-Frank Wall Street Reform and Consumer Protection Act (the **"Dodd-Frank Act"**) or any existing or future rules, regulations, guidance, interpretations or directives from the U.S. bank regulatory agencies relating to the FAS 166/167 Capital Guidelines or the Dodd-Frank Act and/or (II) the CEA, or any related existing or future rules, regulations, guidance, interpretations or directive (in each case whether or not having the force of law) which would require the relevant Issuer,

Banco Bilbao Vizcaya Argentaria, S.A. (“**BBVA**”) and/or any other relevant party to take any action in relation to or for purposes of the Securities, whether such change commences prior to, on or after the Issue Date;

- (C) the relevant Issuer is required to register with the CFTC as a Commodity Pool Operator (a “**CPO**”) or is otherwise required to have another entity registered with the CFTC as a CPO for the relevant Issuer, or the relevant Issuer becomes subject to any other registration, reporting or disclosure requirements with the CFTC or any other U.S. regulator or agency; or
- (D) the Calculation Agent has determined that a Benchmark Event has occurred and that such Benchmark Event cannot be resolved by making amendments and/or adjustments to the Securities and/or any provisions of the Transaction Documents pursuant to Condition 8(f)(i)(C) below.

(f) **Additional provisions relating to a Benchmark Event**

- (i) If ‘Benchmark Regulatory Event’ is stated to be applicable in the Issue Terms and the Calculation Agent determines that a Benchmark Event has occurred, it shall give notice of such determination to the relevant Issuer, the Trustee, each Counterparty and the Securityholders (which notice the Trustee shall be entitled to rely on without further enquiry or investigation), and:
  - (A) the Calculation Agent shall use reasonable efforts to determine what amendments and/or adjustments, if any, can be made to the terms of the Securities and any provisions of the Transaction Documents that:
    - (I) would result in such Benchmark Event (as applicable) ceasing to apply;
    - (II) would not be materially prejudicial to the interests of any Counterparty or of the Securityholders; and
    - (III) would not result in any Counterparty incurring any increased costs in connection with the Securities or related transactions;
  - (B) the relevant Issuer shall make such amendments and/or adjustments to the terms of the Securities and any provisions of the Transaction Documents referred to in sub-paragraph (A) above as may be directed by the Calculation Agent; and
  - (C) if the Calculation Agent either:
    - (I) after using reasonable efforts to do so is unable to make the determination in sub-paragraph (A) above; or
    - (II) determines that no amendments and/or adjustments can be made to the terms of the Securities and any provisions of the Transaction Documents within 20 calendar days of the relevant Issuer receiving notice of the Benchmark Event (as applicable) that would (1) result in the Benchmark Event ceasing to apply, (2) not be materially prejudicial to the interests of any Counterparty or of the Securityholders, and (3) not result in any Counterparty incurring any increased costs in connection with the Securities or related transactions, then the Calculation Agent shall notify the relevant Issuer of such determination and notification of such determination shall be a “Regulatory Event” pursuant to Condition 8(e).

The Trustee shall be bound to concur in any amendments referred to in this Condition 8(f), provided that it has received a certificate, on which it can rely without liability, from the relevant Issuer or the Calculation Agent stating that such amendments comply with the requirements of sub-paragraph (A) above and such amendments do not impose any additional obligations on the Trustee, expose the Trustee to any liability or reduce the rights, powers and/or protections of the Trustee and provided that the Trustee has been indemnified and/or secured and/or pre-funded to its satisfaction.

- (ii) **“Benchmark Event”** means, with respect to any Benchmark relevant to a Series, that the Calculation Agent makes a determination, in good faith and based on publicly available information, that:
- (A) any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Benchmark or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant body, in each case with the effect that either:
    - (I) the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Benchmark to perform its or their respective obligations under the Securities; or
    - (II) the Swap Agreement Counterparty, the Repurchase Agreement Counterparty or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Benchmark to perform its or their respective obligations under any transactions in place to hedge the Swap Agreement Counterparty’s obligations under the Swap Agreement and/or the Repurchase Agreement Counterparty’s obligations under the Repurchase Agreement (as applicable);
  - (B) a Benchmark is, with respect to over-the-counter derivatives transactions which reference such Benchmark, the subject of any market-wide development (which may be in the form of a protocol by ISDA) pursuant to which such Benchmark is replaced with a risk-free rate (or near risk-free rate) established in order to comply with recommendations in the Financial Stability Board’s paper titled “Reforming Major Interest Rate Benchmarks” dated 22 July 2014;
  - (C) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that it has ceased or will cease to provide the Benchmark permanently or indefinitely has been made, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Benchmark;
  - (D) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark has been made, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of the statement

or publication, there is no successor administrator that will continue to provide the Benchmark; and/or

- (E) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark has been made, announcing that the regulatory supervisor has determined that such Benchmark is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

“**Benchmark**” means, with respect to a Series, any benchmark, interest rate (including any Reference Rate or Floating Rate Option), index or price source which is relevant to (i) a payment on the Securities of such Series by the relevant Issuer; and/or (ii) the Charged Assets.

(g) **Redemption for an Illegality Event**

In the event that the relevant Issuer determines in good faith and in a commercially reasonable manner that the performance of its obligations under the Securities or any other agreement(s) entered into by it in connection with the Securities has or will become unenforceable, illegal or otherwise prohibited in whole or in part as a result of the relevant Issuer’s compliance with any applicable present or prospective law, rule, regulation, judgment, order or directive of or in any jurisdiction or any governmental administrative, legislative or judicial power or the interpretation thereof (an “**Illegality Event**”), the relevant Issuer may and will, if so directed by a Counterparty in respect of the relevant Series, elect to redeem the Securities in accordance with Condition 8(c) above.

(h) **Redemption for a Sanctions Event**

- (i) If the Calculation Agent determines that a Sanctions Event has occurred, the relevant Issuer may and will, if so directed by a Counterparty in respect of the relevant Series, elect to redeem the Securities in accordance with Condition 8(c) above. The relevant Issuer will give notice of any such determination or election to the Trustee and the Securityholders. The determinations of the Calculation Agent under this paragraph shall be made in good faith and in a commercially reasonable manner.
- (ii) A “**Sanctions Event**” shall occur if, in the determination of the Calculation Agent (I) on any day, any Security, Securityholder, the Issuer, the Charged Assets, the issuer or obligor of the Charged Assets, a Counterparty and/or any entity referenced under a Charged Agreement (including a reference entity under any credit default swap), has become subject to Sanctions, and (II) as a result of such Sanctions, it becomes unlawful or otherwise prohibited for the Issuer or any Counterparty to perform any of its obligations under the Securities or any Charged Agreement or such performance may result in the Issuer or any Counterparty or any affiliate of a Counterparty becoming subject to Sanctions.

(i) **Redemption at the option of the Securityholders**

- (i) The Issue Terms may specify that the relevant Issuer shall, at the option of the Securityholders (either individually or acting together, subject to a minimum percentage of all the Securityholders, as specified in the Issue Terms), redeem all or some of the Securities on the Optional Put Redemption Date at the Optional Put Redemption Amount, together with interest to (but excluding) the date of redemption.

- (ii) A Securityholder may only exercise such option by giving notice to the relevant Issuer within the Securityholder's Option Period (as specified in the Issue Terms). If the Securities are in definitive form, the Securityholder must deposit the relevant Security at the specified office of a Paying Agent together with a duly completed and signed notice of exercise (the "**Put Notice**"). If the Securities are represented by a Global Security, to exercise the right to require redemption of the Security the Securityholder must, within the notice period, give notice of such exercise in accordance with the standard procedures of the Clearing Systems (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in the nominal amount, at their discretion, and which may include notice being given on his instruction by the Clearing Systems or any Common Service Provider for them to the Principal Paying Agent by electronic means) in a form acceptable to the Clearing Systems from time to time.
- (iii) Any Put Notice shall be irrevocable except where, prior to the due date of redemption, an Event of Default shall have occurred and be continuing and the Trustee shall have declared the Securities due and repayable. In such event, a Securityholder may, at its option, elect to withdraw the Put Notice.
- (iv) Notwithstanding the foregoing provisions of this Condition 8(i) and subject to the terms of the relevant Issue Terms, no holder of a Security which forms part of a Prioritised Tranche which is subordinated to another Prioritised Tranche of the same Series may serve notice requiring the relevant Issuer to redeem its Securities for so long as any Securities of such other Prioritised Tranche is outstanding. The relevant Issuer shall give notice to the Trustee, holders of Securities comprising Prioritised Tranches which are subordinated to any other Prioritised Tranche of the same Series and, if the Securities are rated, the relevant Rating Agency(ies) promptly on redemption (or purchase and cancellation) of all Securities comprised within any such Prioritised Tranche.

(j) **Redemption of Zero Coupon Securities**

- (i) For the purpose of this Condition 8 (*Redemption*) and Condition 11 (*Events of Default*), each Zero Coupon Security will be redeemed at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

- (ii) Amortised Face Amount =  $RP \times (1 + AY)_y$

where:

"RP" means the Reference Price (as defined in the Issue Terms);

"AY" means the Accrual Yield expressed as a decimal; and

"y" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Securities to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Security becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the Issue Terms.

- (iii) If the amount payable in respect of any Zero Coupon Security upon redemption of such Zero Coupon Security pursuant to this Condition 8 (*Redemption*) or upon its becoming

due and repayable as provided in Condition 11 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Security shall be the amount calculated as provided in sub-paragraph (i) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Security becomes due and payable were replaced by references to the date which is the earlier of:

- (A) the date on which all amounts due in respect of such Zero Coupon Security have been paid; and
- (B) 5 days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Securities has been received by the Agent or the Trustee and notice to that effect has been given to the Securityholders in accordance with Condition 15 (*Notices*).

(k) **Instalments**

Instalment Securities will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Securities will be redeemed at the relevant Early Redemption Amount.

(l) **Cancellation**

All Securities redeemed early (together, in the case of definitive Bearer Securities, with such unmatured Receipts, Coupons and Talons as are attached thereto or are surrendered therewith at the time of such redemption) or (where in definitive form) purchased and subject to cancellation by the relevant Issuer pursuant to the Issue Terms shall be cancelled and may not be reissued or resold. The relevant Issuer may (but is not obliged to) cancel any Securities that are not in definitive form that are purchased by the relevant Issuer or it may re-sell such Securities in its discretion.

(m) **Maturity Date extension**

In respect of a Credit-Linked Security, the Maturity Date shall be postponed to a date (such date the "**Postponed Maturity Date**") being either (x) the Termination Date of the CDS Transaction or, if earlier, (y) the third Business Day immediately following the date as of which the Calculation Agent determines the Termination Date of the CDS Transaction is the Scheduled Termination Date determined in respect of the CDS Transaction and the Calculation Agent may at its option notify the Securityholders in accordance with Condition 15 (*Notices*) that the Maturity Date has been so postponed. Failure to provide such notice shall not affect the postponement of the Maturity Date in accordance with these provisions in any way.

(n) **Physical Delivery**

(i) Other than in the case of Loan Participation Securities, if physical delivery is specified as applicable in the Issue Terms, the provisions of this Condition 8(n) (*Physical Delivery*) shall apply.

- (A) In order to obtain delivery of the Entitlement in respect of such Security:
  - (1) if such Security is represented by a Global Security, the relevant Securityholder must deliver or have delivered to the relevant Clearing System, with a copy to the relevant Issuer and Principal Paying Agent, not



later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Asset Transfer Notice (as defined below); and

- (2) in all other cases, the relevant Securityholder must deliver to the Principal Paying Agent, with a copy to the relevant Issuer, not later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice (which may include forms of transfer to be completed and submitted with the Asset Transfer Notice) may be obtained during normal business hours from the specified office of the Principal Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Security is represented by a Global Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be or (ii) if such Security is a definitive Registered Security, in writing.

If (ii) above applies the relevant Security must be delivered together with the duly completed Asset Transfer Notice.

(B) An Asset Transfer Notice must:

- (1) specify the name and address of the relevant Securityholder and the person from whom the relevant Issuer may obtain details for the delivery or transfer of the Entitlement;
- (2) in the case of Securities represented by a Global Security, specify the principal amount of Securities which are the subject of such notice and the number of the Securityholder's account at the relevant Clearing System, to be debited with such Securities and irrevocably instruct and authorise the relevant Clearing System, to debit the relevant Securityholder's account with such Securities on or before the Delivery Date (as defined below);
- (3) include an undertaking to pay all Expenses and, in the case of Securities represented by a Global Security, an authority to debit a specified account of the Securityholder at the relevant Clearing System, as the case may be, in respect thereof and to pay such Expenses;
- (4) specify an account to which dividends (if any) or any other cash amounts payable by the relevant Issuer are to be paid, including without limitation, any cash amount constituting the Entitlement or any dividends relating to the Entitlement;
- (5) give such certification as to U.S. or other securities, regulatory and/or tax status as may be set out in the form of Asset Transfer Notice;
- (6) authorise the production of such notice in any applicable administrative or legal proceedings; and
- (7) be accompanied with any duly completed forms of transfer or undertakings attached or exhibited to the form of the Asset Transfer Notice.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System or the Principal Paying Agent, as the case may be, as provided

above. After delivery of Asset Transfer Notice, the relevant Securityholder may not transfer the Securities which are the subject of such notice.

In the case of Securities represented by a Global Security, upon receipt of such notice, the relevant Clearing System, shall verify that the person specified therein as the Securityholder is the holder of the specified principal amount of Securities according to its books.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such Asset Transfer Notice has been properly completed and delivered as provided in these Conditions shall be made by the relevant Clearing System, as the case may be, after consultation with the relevant Issuer and Principal Paying Agent and shall be conclusive and binding on the relevant Issuer and the relevant Securityholder.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the relevant Clearing System or the Principal Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

The relevant Clearing System shall use its best efforts promptly to notify the Securityholder submitting an Asset Transfer Notice if, in consultation with the Principal Paying Agent and the relevant Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the relevant Issuer, the relevant Clearing System or the Principal Paying Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Securityholder.

Delivery or transfer of the Entitlement in respect of each Security shall be made at the risk of the relevant Securityholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine to be appropriate and notified to the person designated by the Securityholder in the relevant Asset Transfer Notice on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the "**Delivery Date**"), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System with a copy to the relevant Issuer and Principal Paying Agent, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date specified in the applicable Issue Terms.

If a Securityholder fails to give an Asset Transfer Notice as provided herein with a copy to the relevant Issuer and Principal Paying Agent, not later than the close of business in each place of receipt on the Cut-Off Date, then the Entitlement will be delivered or transferred as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Securityholder in the manner provided above; provided that, if in respect of a Security, an Asset Transfer Notice is not delivered to the relevant Clearing System with a copy to the Principal Paying Agent and the relevant Issuer by the close of business in each place of receipt on the 180th calendar day following the Cut-Off Date, the relevant Issuer's obligations in respect of such Security shall be

discharged and no further liability in respect thereof shall attach to the relevant Issuer. For the avoidance of doubt, in such circumstances such Securityholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the relevant Issuer and any non-delivered assets comprising the Entitlement shall be delivered to the account of the Counterparty.

(C) **Delivery of Entitlement – General Provisions**

- (1) All Expenses arising from the delivery of the Entitlement in respect of such Securities shall be for the account of the relevant Securityholder and no delivery or transfer of the Entitlement shall be made until all Expenses have been paid to the satisfaction of the relevant Issuer by the relevant Securityholder.
- (2) After delivery or transfer of the Entitlement and for such period of time after the Delivery Date as any person other than the relevant Securityholder shall continue to be the legal owner of the securities, loan or other obligations comprising the Entitlement (the “**Intervening Period**”), none of the relevant Issuer, the Calculation Agent, Principal Paying Agent nor any other person shall at any time (a) be under any obligation to deliver, transfer or procure delivery or transfer to any Securityholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, loan or other obligations, (b) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities, loan or other obligations or (c) be under any liability to the relevant Securityholder in respect of any loss or damage which such Securityholder may sustain or suffer as a result, whether directly or indirectly, of that person being during such Intervening Period the legal owner of such securities, loan or other obligations.
- (3) Where the Entitlement is, in the determination of the relevant Issuer not capable of delivery or transfer in full, an amount other than an amount of Relevant Assets capable of being delivered or transferred, the Securityholders will receive an Entitlement comprising of the nearest number (rounded down) or principal amount of Relevant Assets capable of being delivered or transferred by the relevant Issuer (taking into account that a Securityholder’s entire holding may be aggregated at the relevant Issuer’s discretion for the purpose of delivering or transferring the Entitlements), and in respect of the amount of Relevant Assets not capable of being delivered or transferred the Securityholder will receive an amount in the Specified Currency (“**Cash Adjustment**”) which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment will be made to the account specified by the Securityholder in the Asset Transfer Notice referred to in Condition 8(n)(i)(B) or otherwise in such

manner as shall be notified to the Securityholders in accordance with Condition 15 (*Notices*).

(D) **Settlement Disruption Event**

- (1) If, prior to the delivery or transfer of the Entitlement in accordance with this Condition, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Security shall be postponed until the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event and notice thereof shall be given to the relevant Securityholder, in accordance with Condition 15 (*Notices*). Such Securityholder shall not be entitled to any payment, whether of interest or otherwise, on such Security as a result of any delay in the delivery of the Entitlement pursuant to this Condition.
- (2) Where delivery of the Entitlement has been postponed as provided in this Condition the relevant Issuer shall not be in breach of these Conditions and no liability in respect thereof shall attach to the relevant Issuer.
- (3) For so long as delivery or transfer of the Entitlement in respect of any Security is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the relevant Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by payment to the relevant Securityholder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election is given to the Securityholders in accordance with Condition 15 (*Notices*). Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 15 (*Notices*).

(E) If “Failure to Deliver due to Illiquidity” is specified as applicable in the Issue Terms and if, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver or transfer, when due, some or all of the Relevant Assets comprising the Entitlement (the “**Affected Relevant Assets**”) due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (1) subject as provided elsewhere in these Conditions and/or the applicable Issue Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered or transferred pro rata on the originally designated Delivery Date in accordance with this Condition 8(n) (*Physical Delivery*); and
- (2) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the relevant Issuer may elect in its sole discretion, in lieu of delivery or transfer of the Affected Relevant Assets, to pay to the Securityholder the Failure to Deliver Settlement Price on the fifth Business Day following the date on which the Failure to Deliver Notice (as defined below) is given to the Securityholders in accordance with Condition 15 (*Notices*).

Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with Condition 15 (*Notices*). The relevant Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Securityholders in accordance with Condition 15 (*Notices*) that the provisions of this Condition 8(n)(i)(E) apply.

- (ii) If the Securities are Loan Participation Securities and such Securities fall to be redeemed by Physical Delivery the provisions of this Condition 8(n)(ii) (*Physical Delivery*) shall apply.
  - (A) References to the Loan Participation Securities being redeemed by “Physical Delivery” means that the relevant Issuer shall assign or procure the assignment to each Securityholder of such Securityholder’s Loan Entitlement.
  - (B) The obligation of the relevant Issuer to redeem the Securities by Physical Delivery is conditional upon:
    - (1) arrangements satisfactory to the relevant Issuer and the Loan Participation Counterparty having been made for the relevant assignment (including, without limitation, the nomination by the relevant Securityholder of a person or entity which is capable of being the assignee of such assignment and the lender of record pursuant to the terms of the Loan Participation Loan Reference Agreement);
    - (2) payment by the relevant Securityholder of all Expenses arising from or associated with the relevant assignment; and
    - (3) provision by the relevant Securityholder of all certifications as to U.S. or other securities, regulatory and/or tax or other status necessary or desirable in connection with such assignment.
  - (C) For the purposes of the above, references to a “**Securityholder’s Loan Entitlement**” means (i) a portion of the Relevant Proportion (as defined in the Loan Participation Agreement) of the principal amount of the Loan which is the subject of the Participation (as defined in the Loan Participation Agreement) and (ii) a portion of any amounts of principal or interest received by the relevant Issuer under the Participation Agreement (less any Expense Amount) and not previously paid to the Securityholders as an Interest Amount or Instalment Amount, in each case, equal to the proportion which the aggregate of the Specified Denominations of the Securities held by such Securityholder bears to the aggregate of all the Specified Denominations of all the Securities outstanding.
  - (D) If on the Maturity Date amounts of interest and principal outstanding on the Loan on such date are not repaid in full, the Securities will be redeemed on the Maturity Date by Physical Delivery in accordance with the provisions of Condition 8(n)(ii) (*Physical Delivery*).
  - (E) The conditions set out in (ii)(A) – (D) above are herein referred to as the “**Delivery Conditions**”.
  - (F) If at any time prior to physically settling any of the Securities, the relevant Issuer determines that (i) any of the Delivery Conditions have not been satisfied by a Securityholder, or (ii) that it is otherwise impracticable or impossible to effect such

Physical Delivery in relation to Loan Participation Securities held by a Securityholder (such Loan Participation Securities the “**Affected Securities**”) then the relevant Affected Securities will be redeemed by the relevant Issuer by paying in respect of each Affected Security the relevant Net Realisation Proceeds no later than the fifth Business Day following determination of the Net Realisation Proceeds, all as determined by the Selling Agent, in its sole and absolute discretion, which will perform its obligations in accordance with the Agency Agreement.

The relevant Issuer shall give notice as soon as practicable to the Trustee and the Securityholders of the date on which the Loan Participation Securities will be redeemed by Cash Settlement.

For such purposes:

“**Cash Settlement**” means an amount in cash equal to the Net Realisation Proceeds.

“**Net Realisation Proceeds**” means the net proceeds realised from the sale, assignment, novation or other disposal (a “**Disposal**”) of the rights of the lender of record of the Relevant Portion of the Relevant Proportion of the principal amount of the Loan which is the subject of the Loan Participation Agreement after deduction of all costs, charges, expenses, liabilities (including any taxes, stamp duty, stamp duty reserve taxes and documentary taxes) relating to such Disposal.

“**Relevant Portion**” means, in respect of Affected Securities, the proportion which the Affected Securities bear to the total principal amount of the Loan Participation Securities.

(o) **Redemption of Prioritised Tranches**

In respect of a Series of Securities comprised of Non-Fungible Tranches, the relevant Issue Terms shall specify whether any redemption of some only of the Securities in accordance with this Condition 8 (*Redemption*) shall take place *pari passu* in respect of all Non-Fungible Tranches or whether redemption of any Non-Fungible Tranche(s) shall take priority over the redemption of any other Non-Fungible Tranche(s).

(p) **Treatment of the loan which is the subject of the Loan Participation Reference Loan Agreement**

For the purposes of the Conditions (including, without limitation, Condition 4(f) and Condition 8(c)(vi) and 8(n)(ii)(F)) and the Transaction Documents, notwithstanding the first paragraph of the Participation Agreement, the loan which is the subject of the Loan Participation Reference Loan Agreement is deemed to be a Charged Asset if: (i) the Securities are subject to redemption other than pursuant to Condition 8(a) and the Physical Delivery provisions do not apply; and (ii) the Grantor has assigned its rights, title and interests thereto to or to the order of the relevant Issuer pursuant to the Participation Agreement.

Notwithstanding any other provision of the Conditions or the Agency Agreement, in such circumstances BBVA or any Affiliate of BBVA may buy from the Selling Agent the loan which is the subject of the Loan Participation Reference Loan Agreement for its own account.

## 9 Purchase

- (a) The relevant Issuer may, through the Counterparty or an Affiliate, provided that no Event of Default has occurred and is continuing and subject as follows in the case of Securities comprising a Prioritised Tranche, purchase the Securities (or any of them) at any time in the open market or otherwise at any price. The relevant Issuer shall not purchase any definitive Bearer Security unless it purchases all unmatured Receipts, Coupons and Talons (if any) in respect of such Bearer Security.
- (b) On any such purchase and cancellation the Charged Agreements (or a proportionate part thereof which corresponds to the Securities to be purchased) may be terminated in accordance with their terms. The Trust Instrument provides that the security over the Mortgaged Property (or a proportionate part thereof) will be automatically released against receipt by the Trustee of the net proceeds of the realisation of such Mortgaged Property.
- (c) No interest will be payable with respect to a Security purchased and cancelled in respect of the period from the Issue Date or the previous Interest Payment Date, as the case may be, to the date of such purchase.
- (d) On a purchase and cancellation under this Condition of a proportion of the Securities, the Calculation Agent shall, having:
  - (i) received the prior consent of the Trustee; and
  - (ii) first notified each Rating Agency and, in the case of Securities that are rated by S&P only, having received Rating Agency Confirmation from S&P,

but without the consent of any other person, make such amendments as are necessary to preserve the economic equivalence of the remaining Securities including without limitation, any consequential amendments to the Notional Amount, and, in the case of Securities that are rated, notify the Rating Agencies of such amendments. The Trustee may only withhold its consent to such amendments in circumstances where the Trustee determines that, in its opinion, such amendments would result in materially onerous obligations being imposed on the Trustee or on liabilities being imposed on the Trustee, the repayment of which the Trustee is not satisfied is assured to it.

- (e) Notwithstanding the foregoing, in respect of any Series of Securities comprised of Prioritised Tranches, the relevant Issuer may not, unless otherwise permitted in the relevant Issue Terms, purchase and cancel any Security which forms part of a Prioritised Tranche that is subordinated to another Prioritised Tranche of the same Series for so long as any Securities of such other Prioritised Tranche is outstanding.

## 10 Payments

- (a) Payments of principal and premium (if any) in respect of Bearer Securities or a Bearer Global Security will be made at the specified office of any of the Paying Agents against surrender (or, in the case of partial payment, presentation) of the Bearer Securities or the Bearer Global Security, as the case may be. Payments of interest, if applicable, in respect of Bearer Securities or a Bearer Global Security due on an Interest Payment Date will be made at the specified office of any of the Paying Agents outside the United States (which expression, as used herein, means the United States of America (including the States thereof, the District of Columbia and the territories, possessions and other areas subject to the jurisdiction of the

United States of America)), subject as provided in Condition 10(d) below, against surrender (or, in the case of partial payment, presentation) of the relevant Coupons or, as applicable, against presentation of the Bearer Global Security.

- (b) Payments of instalments of principal (if any) in respect of definitive Bearer Securities, other than the final instalment, will be made at the specified office of any of the Paying Agents only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt. Payment of the final instalment will be made at the specified office of any of the Paying Agents only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Security. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Security to which it appertains. Receipts presented without the definitive Bearer Security to which they appertain do not constitute valid obligations of the relevant Issuer. Upon the date on which any definitive Bearer Security becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Such payments shall be made by a cheque payable in the Specified Currency drawn on, or, at the option of the holder, by transfer to an account denominated in the Specified Currency with, a bank in the city specified in the Issue Terms as the place of payment, or, in the case of the euro, a city in which banks have access to the TARGET2 System, subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

The Paying Agent to which a Bearer Global Security shall have been presented for payment shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of such Bearer Global Security.

As long as Bearer Securities are represented by a Bearer Global Security, each of the persons shown in the records of the Clearing Systems as the holder of a Bearer Security must look solely to the Clearing Systems for his share of each payment so made by the relevant Issuer to the bearer of the Bearer Global Security, subject to and in accordance with the respective rules and procedures of the Clearing Systems.

Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Bearer Securities for so long as the Bearer Global Security is outstanding. The relevant Issuer will be discharged by payment to the bearer of the Bearer Global Security in respect of each amount so paid.

Notwithstanding the foregoing, payments on a Temporary Bearer Global Security due prior to the Exchange Date will only be made upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and that the holder thereof is not a U.S. Person. No payments due after the Exchange Date will be made on the Temporary Bearer Global Security.

- (c) Each Bearer Security should be presented for payment together with, if applicable, all unmatured related Coupons. If any Bearer Security in respect of a Fixed Rate Security is presented for payment without, if applicable, all unmatured related Coupons (not being a Talon), the full amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount in the Specified Currency of such missing unmatured Coupon which the sum of principal so paid bears to the total amount of principal due) will be deducted from the principal amount due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time thereafter but before the expiry of a period of 10 years from the Relevant



Date (as defined in Condition 13 (*Prescription*)) for the payment of such principal (whether or not such Coupon would otherwise have become void pursuant to Condition 13 (*Prescription*)) or, if later, 5 years from the date for payment stated on such Coupon, but not thereafter. All (if any) unmatured Talons and all unmatured Coupons appertaining to a Floating Rate Security or Index-Linked Security (whether or not attached to the relative Bearer Security) shall become void upon the date on which such Bearer Security becomes due and repayable and no payment or exchange shall be made in respect thereof.

- (d) No payments of principal and/or interest in respect of Bearer Securities denominated in U.S. dollars will be made at the specified office of any Paying Agent in the United States. Notwithstanding the foregoing, such payments of principal and/or interest will be made at the specified office of any Paying Agent in the United States if:
- (i) the relevant Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on such Securities in the manner provided above when due;
  - (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
  - (iii) such payment is then permitted under United States law without involving, in the opinion of the relevant Issuer, adverse tax consequences to the relevant Issuer.

If no appointment of a Paying Agent with a specified office in the United States is then in effect, the relevant Issuer shall appoint a Paying Agent with a specified office in New York City at which such payments will be made. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the Paying Agents will be given to the Securityholders in accordance with Condition 15 (*Notices*).

- (e) After all the Coupons attached to or issued in respect of a definitive Bearer Security have matured, further Coupons and, where applicable, one further Talon will (subject to Condition 13 (*Prescription*)) be issued against surrender of the relevant Talon at the specified office of any Paying Agent.
- (f) If the due date for payment of any amount of principal, premium (if any) or, if applicable, interest in respect of any Security is not a Business Day, the holder of such Security shall be entitled to payment:
- (i) unless (ii) below applies, on the next following Business Day; or
  - (ii) in respect of payments of interest only and where a Business Day Convention is specified as applicable in the relevant Issue Terms, on the relevant Business Day determined in accordance with the Business Day Convention so specified,

and shall not be entitled to any adjusted amount of interest or other payment in relation to such due date for payment in respect of any resulting delay. If a Security is presented for payment at a time when, as a result of differences in time zones, it is not practicable to transfer the relevant amount to an account for value on the date of presentation, the relevant

Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to such account for value on the first practicable date after the date of presentation.

- (g) Subject as provided in this Condition 10 (*Payments*):
- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
  - (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.
- (h) Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable to such payments; (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto; and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code. The relevant Issuer shall not be liable as a result for, or otherwise obliged to pay, any additional amount to any of the Securityholders in respect of, or compensation for, any such withholding or deduction or any other amounts withheld or deducted pursuant to this Condition 10 (*Payments*). This Condition is without prejudice to the provisions of Condition 8(b) (*Redemption for taxation reasons*).
- (i) Unless otherwise specified in the Issue Terms, any reference in the Conditions to principal in respect of the Securities shall be deemed to include, as applicable:
- (i) any additional amounts which the Counterparty (if any) may elect to pay to the relevant Issuer with respect to principal under Condition 8(b) (*Redemption for taxation reasons*);
  - (ii) the Final Redemption Amount of the Securities;
  - (iii) the Early Redemption Amount of the Securities;
  - (iv) the Optional Call Redemption Amount(s) (if any) or Optional Put Redemption Amount (s) of the Securities;
  - (v) in relation to Securities redeemable in instalments, the Instalment Amounts;
  - (vi) in relation to Zero Coupon Securities, the Amortised Face Amount; and
  - (vii) any premium and any other amounts (other than interest) which may be payable by the relevant Issuer under or in respect of the Securities.

Any reference in the Conditions to interest in respect of the Securities shall be deemed to include, as applicable, any additional amounts which the Counterparty may elect to pay with respect to interest under Condition 8(b) (*Redemption for taxation reasons*).

- (j) **Settlement Exchange Rate**

If “Settlement Exchange Rate” is specified as applicable in the Issue Terms, then the Issue Terms shall specify the dates of payments of interest, principal and other amounts relevant to the Securities which dates shall fall on or on a date falling a specified number of days after the relevant Charged Assets Receipts Payment Date and the amount of such payment shall equal the corresponding Charged Assets Receipts converted by the Custodian or any sub-Custodian appointed by the Custodian into the Specified Currency in the manner set out in the Agency Agreement.

“**Charged Assets Receipts**” means amounts (whether interest amounts, principal amounts or other amounts) received by the Custodian or any sub-Custodian appointed by the Custodian pursuant to the terms of the Agency Agreement in respect of the Charged Assets (each date on which such Charged Assets Receipts are so received the “**Charged Assets Receipts Payment Date**”) in the currency of denomination of such Charged Assets (the “**Charged Assets Currency**”).

## 11 Events of Default

Upon the occurrence of an Event of Default, the Trustee at its discretion may, and, if requested by the Instructing Creditor, shall (subject to being indemnified, secured and/or prefunded to its satisfaction), give notice to the relevant Issuer that the Securities in respect of which the Event of Default occurred, or continues to occur, are, and the Securities shall accordingly immediately become, due and repayable at the Early Redemption Amount. Upon such notice being given, the Securities shall become enforceable (as provided in the Trust Instrument) and the proceeds of realisation of such Securities shall be applied as specified in Condition 5 (*Application of Proceeds*).

“**Event of Default**” means any of the following events:

- (a) if default is made for a period of 14 days or more in the payment of any sum due in respect of the Securities (or any Security); or
- (b) if (i) the relevant Issuer fails to perform or observe any of its other obligations under the Securities or the Trust Instrument, (ii) the breach of which obligation the Trustee shall have certified to be in its opinion materially prejudicial to the interests of the Securityholders and (iii) where in the opinion of the Trustee such failure is capable of remedy and such failure continues for a period of 30 days following the service by the Trustee on the relevant Issuer of notice requiring the same to be remedied; or
- (c) if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the relevant Issuer other than for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangements on terms approved by the Trustee.

For the avoidance of doubt, other than in the case of (c) above, an Event of Default in respect of one Series of Securities will not constitute an Event of Default in respect of any other Series of Securities.

## 12 Enforcement

At any time after the Securities (or any Security) shall have become due and repayable and have not been repaid, the Trustee may, at its discretion and without further notice, and if requested by the Instructing Creditor shall (subject to being indemnified, secured and/or prefunded to its satisfaction), institute such proceedings against the relevant Issuer as it may think fit to enforce repayment thereof and to enforce the provisions of the Trust Instrument.

No Securityholder shall be entitled to proceed against the relevant Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable time and such failure is continuing. After realising the Securities which have become enforceable and distributing the net proceeds in accordance with Condition 5 (*Application of Proceeds*), if any outstanding claim, debt or liability against the Issuer in relation to the Securities of a particular Series or the Transaction Documents relating to the Series remains unpaid, then such outstanding claim, debt or liability, as the case may be, shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following extinguishment in accordance with this Condition 12, none of the Securityholders, the Trustee, the Counterparty (if any) and the Loan Servicer (if any) or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors to recover any further sum in respect of the extinguished claim, debt or liability and no debt shall be owed to any such persons by the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors in respect of such further sum in respect of the Series.

In particular, neither the Trustee, the Counterparty (if any), any Securityholder nor any Loan Servicer (if any), shall, at any time, institute or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up or any other similar proceedings (whether court-based or otherwise) in relation to the relevant Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors of any of its assets (other than the lodging of a claim by the Trustee in extant winding up proceedings) nor shall any of them have any claim in respect of the Mortgaged Property for any other Series.

**The Relevant Sums (as defined in Condition 6(c)(i)) may be insufficient to pay all amounts due to, among others, the Trustee, the Counterparty (if any) and the Securityholders. The other assets (if any) of the relevant Issuer including, in particular, assets securing other series of Securities will not be available to make up any Shortfall.**

### 13 Prescription

Claims under the Bearer Securities, the Bearer Global Securities and, if applicable, any Receipts or Coupons (which for this purpose shall not include Talons) will be prescribed and become void unless the same are presented for payment within a period of 10 years in the case of principal or premium (if any) and 5 years in the case of interest from the Relevant Date relating thereto. Talons may not be exchanged for Coupons which would be void on issue.

For this purpose, the “**Relevant Date**” means the date on which the payment in respect of the Security, Receipt or the Coupon first becomes due and payable. However, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Securityholders in accordance with Condition 15 (*Notices*).

### 14 Replacement of Securities

If any Security is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and Stock Exchange or other relevant authority rules or regulations, at the specified office of the Principal Paying Agent (or such other place of which notice shall have been given in accordance with Condition 15 (*Notices*)). Such replacement is subject to payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and

indemnity as the relevant Issuer may reasonably require. Mutilated or defaced Securities must be surrendered before replacements will be issued.

## **15 Notices**

All notices regarding Securities represented by a Bearer Global Security will be valid if (i) published in one leading London daily newspaper or, if this is not possible, in one other English language daily newspaper approved by the Trustee with general circulation in Europe or (ii) delivered to the Common Service Provider for communication by the Clearing Systems to the Securityholders. Any notice delivered to a Common Service Provider as aforesaid shall be deemed to have been given on the day of such delivery. It is expected that such publication will be made in the Financial Times.

All notices regarding Securities represented by Bearer Securities in definitive form will be valid if published in accordance with option (i) in the above paragraph.

The relevant Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other Stock Exchange on which the Securities are for the time being listed.

Any notice published in a newspaper as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication. If publication is not practicable in any such newspaper as is mentioned above, notice will be valid if given in such other manner, and shall be deemed to have been given on such date, as the Trustee shall determine.

## **16 Agents**

The Issue Terms will specify the relevant Agents for an issue of a Series of Securities. The duties of each of the Agents shall be as specified in the Trust Instrument, the Agency Agreement and in the Issue Terms in respect of the Securities.

Subject to the following paragraph, the relevant Issuer reserves the right, subject to the approval of the Trustee and the Counterparty (if any), at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that it will at all times maintain Agents as specified in the Issue Terms.

Upon the occurrence of a Selling Agent Default, a Calculation Agent Default, a Loan Servicer Default and/or an Agent Bank Default in respect of the Selling Agent, the Calculation Agent, the Loan Servicer or the Agent Bank, as the case may be, the relevant Issuer may appoint a Replacement Selling Agent, a Replacement Calculation Agent, a Replacement Loan Servicer and/or a Replacement Agent Bank, as the case may be, pursuant to Condition 17 (*Appointment of Replacement Selling Agent, Replacement Calculation Agent, Replacement Loan Servicer and Replacement Agent Bank*).

## **17 Appointment of Replacement Selling Agent, Replacement Calculation Agent, Replacement Loan Servicer and Replacement Agent Bank**

- (a) Upon the occurrence of a Selling Agent Default, a Calculation Agent Default, a Loan Servicer Default and/or an Agent Bank Default, the relevant Issuer may (or shall if instructed by means of an Extraordinary Resolution of the Securityholders or by the Trustee) (x) terminate, with immediate effect, the appointment of the Selling Agent, the Calculation Agent, the Loan Servicer or the Agent Bank, as the case may be, and (y) at no additional cost to the relevant

Issuer, appoint a Replacement Selling Agent, a Replacement Calculation Agent, a Replacement Loan Servicer or a Replacement Agent Bank, as the case may be, provided that (i) the relevant Extraordinary Resolution or direction from the Trustee, as applicable, specifies the Replacement Selling Agent, Replacement Calculation Agent, Replacement Loan Servicer or Replacement Agent Bank, as the case may be, to be appointed, (ii) the Replacement Selling Agent, Replacement Calculation Agent, Replacement Loan Servicer or Replacement Agent Bank, as the case may be, is appointed on substantially the same terms as the Selling Agent, the Calculation Agent, the Loan Servicer or the Agent Bank, as the case may be, is appointed under the Agency Agreement or Loan Servicing Agreement, as the case may be, (other than any fee arrangements which may be agreed from time to time with the Securityholders by a Replacement Selling Agent, a Replacement Calculation Agent, a Replacement Loan Servicer or a Replacement Agent Bank, as the case may be, and notified, as soon as reasonably practicable, to the relevant Issuer in writing, but which shall not for the avoidance of doubt include any fee arrangements that would affect the Security Ranking Basis from time to time), (iii) the Replacement Selling Agent, Replacement Calculation Agent, Replacement Loan Servicer or Replacement Agent Bank, as the case may be, has the ability, experience and qualifications necessary to professionally and competently perform the duties required of the Selling Agent, the Calculation Agent, the Loan Servicer or the Agent Bank, as the case may be, and (iv) the Replacement Selling Agent, Replacement Calculation Agent, Replacement Loan Servicer or Replacement Agent Bank, as the case may be, agrees to be appointed in accordance with this Condition and is able to be so appointed by the relevant Issuer.

- (b) If the relevant Issuer fails (if instructed by means of an Extraordinary Resolution of the Securityholders or by the Trustee) to (x) terminate, with immediate effect, the appointment of the Selling Agent, the Calculation Agent, the Loan Servicer or the Agent Bank, as the case may be, and/or (y) appoint a Replacement Selling Agent, a Replacement Calculation Agent, a Replacement Loan Servicer and/or a Replacement Agent Bank, as the case may be, in accordance with paragraph (a) above, within 30 calendar days from receipt of the relevant instruction of the Trustee or Extraordinary Resolution, the Trustee may (x) terminate, with immediate effect, the appointment of the Selling Agent, the Calculation Agent, the Loan Servicer or the Agent Bank, as the case may be, and/or (y) appoint a Replacement Selling Agent, a Replacement Calculation Agent, a Replacement Loan Servicer and/or a Replacement Agent Bank, as the case may be, in accordance with paragraph (a) above, on behalf of the relevant Issuer and at the relevant Issuer's cost.

## 18 Restrictions

So long as any of the Securities remain outstanding, the relevant Issuer will not, without the written consent of the Trustee and the Counterparty (if any):

- (a) engage in any activity or do anything whatsoever, except:
- (i) issue Securities and issue or, as the case may be, enter into Alternative Investments subject to a maximum aggregate principal amount outstanding at any time of EUR 5,000,000,000 (or its equivalent in other currencies);
  - (ii) acquire and own Charged Assets or any assets used to secure any Debt Investments and exercise its rights and perform its obligations in respect thereof;
  - (iii) enter into and perform its obligations under the Transaction Documents;

- (iv) enforce any of its rights under the Transaction Documents, any Securities or the Mortgaged Property relating to any Series;
  - (v) as permitted by Condition 18(b) below; and
  - (vi) perform any act incidental to or necessary in connection with any of the above, including without limitation, entering into any swap, option or forward foreign exchange agreement in connection with the issue of Securities;
- (b) have any Subsidiaries except, if the relevant Issuer has issued rated Securities, with the written consent of S&P (in the case of Securities rated by S&P) and with prior notification to Fitch (in case of Securities rated by Fitch) and with prior notification to DBRS (in case of Securities rated by DBRS) and, in any event, only Subsidiaries:
- (i) which are wholly owned by the relevant Issuer;
  - (ii) whose share capital is fully paid up by the relevant Issuer;
  - (iii) whose activities are limited to the same extent as those of the relevant Issuer under the Trust Instrument (including, without limitation, the terms of any securities or other debt instruments issued or loans entered into, by such Subsidiary being required to be on substantially the same terms as those of the Securities); and
  - (iv) in respect of whose activities the relevant Issuer will have no liability;
- (c) subject to sub-paragraph (a) above, dispose of any of its property or other assets or any part thereof or interest therein (otherwise than in accordance with Condition 8(n) (*Physical Delivery*));
- (d) create or permit within its control to subsist any charge, mortgage, lien or other encumbrance over the Mortgaged Property other than the Security Interests in respect of all Series of Securities of the relevant Issuer;
- (e) have any employees;
- (f) declare any dividends or make any distributions of any other kind;
- (g) issue any further shares;
- (h) take any action which would lead to its dissolution, liquidation or winding up or to the amendment of its constitutional documents; or
- (i) perform such other activities as are expressly restricted in the Trust Instrument.

## 19 Meetings of Securityholders, Modification, Waiver and Substitution

The Trust Instrument contains provisions for convening a single meeting of the Securityholders and the holders of securities of other Series in certain circumstances where the Trustee so decides. The Trust Instrument also contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of the Issue Terms or other provisions of the Trust Instrument. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing in aggregate not less than  $66\frac{2}{3}$  per cent. in Outstanding Principal Amount of the Securities for the time being outstanding, or at any adjourned such meeting one or more persons being or representing Securityholders whatever the Outstanding Principal Amount of the Securities held or represented by them. An

Extraordinary Resolution passed at any meeting of Securityholders or in the form of a written resolution (as described in the Trust Instrument) will be binding on all Securityholders, whether or not they are present at the meeting.

The Trustee may, without the consent of the Securityholders (but, in the case of Securities which are rated, subject to (in the case of Securities rated by S&P) Rating Agency Confirmation from S&P and (in the case of Securities rated by Fitch) prior notification to Fitch) and (in the case of Securities rated by DBRS) prior notification to DBRS), at any time and from time to time concur with the relevant Issuer in making any modification (a) to the Securities, the Trust Instrument or any other Transaction Document (as more fully set out in the Trust Instrument) that, in the opinion of the Trustee, is not materially prejudicial to the interests of the Securityholders or (b) to the Trust Instrument or any other Transaction Document if in the opinion of the Trustee such modification is of a formal, minor or technical nature or to correct a manifest error. No such modification shall be effective without the consent of the Counterparty (if any) (such consent not to be unreasonably withheld or delayed).

Notwithstanding the foregoing, the Trustee shall agree to make any modification (whether or not it may be materially prejudicial to the Securityholders) requested by the Dealer in respect of a Series of Securities if, and to the extent that, such modification is required in order to correct an error in the Transaction Documents and/or the Conditions arising from a discrepancy between the Transaction Documents and/or the Conditions and the final term sheet provided to the initial Securityholders (the “**Discrepancy**”), subject to receipt by the Trustee of a certificate of the relevant Dealer certifying to the Trustee that the requested amendments are to be made solely for the purpose of correcting the Discrepancy.

The Trustee shall, without the consent of any of the Securityholders, concur with the relevant Issuer in making any modifications to the Transaction Documents and/or the Conditions that are requested by the relevant Issuer in order to enable the relevant Issuer to comply with any requirements which apply to it under Regulation (EU) 648/2012 (the “**European Market Infrastructures Regulation**” or “**EMIR**”), subject to receipt by the Trustee of a certificate of the relevant Issuer certifying to the Trustee that the requested amendments are to be made solely for the purpose of enabling the relevant Issuer to satisfy its requirements under EMIR upon which the Trustee shall be entitled to rely upon without further investigation and without any liability to any person.

The Trustee shall, without the consent of any of the Securityholders (and whether or not it may be materially prejudicial to the Securityholders), concur with the relevant Issuer in making any modifications to the Conditions that are requested by the Calculation Agent pursuant to Condition 8(e) (*Redemption or adjustment for a Regulatory Event*), subject to receipt by the Trustee of a certificate of the Calculation Agent certifying to the Trustee that the requested amendments are to be made solely for the purpose of enabling the relevant Issuer to account for the Regulatory Event upon which the Trustee shall be entitled to rely upon without further investigation and without any liability to any person.

The Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (a) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Trustee in the Transaction Documents and/or the Conditions or (c) otherwise prejudicing the interests of the Trustee.

Any such modification may be made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding upon the Counterparty and the Securityholders and, unless



the Trustee agrees otherwise, shall be notified by the relevant Issuer to the Securityholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

The Trustee may, without the consent of the Securityholders or the Counterparty (but, where the Securities are rated, subject to (in the case of Securities rated by S&P) Rating Agency Confirmation from S&P and/or (in the case of Securities rated by Fitch) prior notification to Fitch) and/or (in the case of Securities rated by DBRS) prior notification to DBRS), without prejudice to its rights in respect of any subsequent breach, Event of Default or Potential Event of Default from time to time and at any time but only if and in so far as in its opinion the interests of the Securityholders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the relevant Issuer of any of the covenants or provisions contained in the Trust Instrument or determine that any Event of Default or Potential Event of Default in relation to Securities shall not be treated as such for the purposes of the Trust Instrument provided always that the Trustee shall not exercise any powers conferred on it by the Trust Instrument in contravention of any express direction given by Extraordinary Resolution of the Securityholders or by a request of the Instructing Creditor under Condition 11 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Counterparty and the Securityholders and, if, but only if, the Trustee, shall so require, shall be notified by the relevant Issuer to the Securityholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

Subject as provided in the Trust Instrument, the Trustee, if it is satisfied that it would not be materially prejudicial to the interests of the Securityholders, may agree, without the consent of the Securityholders (but, in the case of Securities which are rated by S&P, subject to Rating Agency Confirmation or, in the case of Securities that are rated by Fitch, prior notification to Fitch or, in the case of Securities that are rated by DBRS, prior notification to DBRS), to the substitution of any other company in place of the relevant Issuer as principal debtor under the Securities, the Trust Instrument and the Transaction Documents. No such substitution shall be effective without the consent of the Counterparty (if any) (such consent not to be unreasonably withheld or delayed). Under the Trust Instrument, the Trustee may require the relevant Issuer to use its reasonable endeavours to procure the substitution as principal debtor of a company incorporated in a jurisdiction other than that of the relevant Issuer upon the occurrence of one of the events referred to in Condition 8(b) (*Redemption for taxation reasons*).

In connection with any exercise of its trusts, powers, authorities or discretions, the Trustee shall not have regard to the consequences of such exercise for individual Securityholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, no person shall be entitled to claim, whether from the relevant Issuer, any substitute relevant Issuer, the Counterparty (if any), the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon any person.

Any such modification, waiver, authorisation or substitution shall be binding on the Counterparty (if any and provided that it has consented to the same) and all Securityholders and (if the Securities are listed and the Stock Exchange so requires) the Stock Exchange and, unless the Trustee agrees otherwise, any such modification or substitution shall be notified to the Securityholders by the relevant Issuer as soon as practicable thereafter.

In respect of a Series of Securities comprised of Non-Fungible Tranches, for the purposes of voting, each Non-Fungible Tranche shall be treated as a separate Series, provided that, in respect of a

direction or resolution which, in the opinion of the Trustee, affects each Non-Fungible Tranche or more than one Non-Fungible Tranche and gives or may give rise to a conflict of interest between the holders of the Securities of each Non-Fungible Tranche or such Non-Fungible Tranches, any such direction or resolution will only be duly given or passed if duly given or passed in respect of each Non-Fungible Tranche or in respect of such Non-Fungible Tranches, as applicable.

In the case of a Series of Securities consisting of Non-Fungible Tranches, the relevant Issue Terms will state whether the reference to Securityholders for the purpose of determining the Instructing Creditor refers to the Securityholders of a specified Non-Fungible Tranche(s). If a specified Non-Fungible Tranche(s) is not stated in the relevant Issue Terms for this purpose, the reference to Securityholders for the purpose of determining the Instructing Creditor will be deemed to refer to all Securityholders of the relevant Series of Securities.

In the event of a conflict in respect of any direction or resolution in relation to the enforcement of the security over the Mortgaged Property of a Series of Securities comprised of Prioritised Tranches, the direction or resolution of the holders of Securities comprising each senior ranking Prioritised Tranche shall prevail over that of the holders of Securities of any subordinated Prioritised Tranche and be binding on such holders of Securities.

The relevant Issue Terms may include other provisions in respect of a Series of Securities comprised of Non-Fungible Tranches regarding the requirements for passing of Extraordinary Resolutions, and the definition of Instructing Creditor.

## 20 Further Issues

The relevant Issuer shall be at liberty from time to time, without the consent of the Securityholders (but subject to the consent of the Counterparty (if any) (such consent not to be unreasonably withheld or delayed) in the case of (a) below), to create and issue further securities either:

- (a) as one or more Fungible Tranches which will be consolidated and form a single Series with the Securities (each a **“Further Tranche”**), provided that the relevant Issuer provides additional Charged Assets as security for the original issue of Securities and any Further Tranches either on a Nominal Basis or a Market Value Basis as specified in the Issue Terms and enters into an additional or supplemental Charged Agreement(s) (if applicable) (and references to “Securities”, “Charged Assets” and “Charged Agreements” shall thereafter be deemed to be references to such terms as amended to take into account the further issue); or
- (b) as one or more Non-Fungible Tranches.

Any such securities shall be constituted in accordance with the Trust Instrument.

In addition, such Further Tranches, when issued, shall preserve the economic equivalence of the existing Series of Securities (including, in the case of a Series of Securities comprised of Prioritised Tranches, the levels of priority and subordination as between such Prioritised Tranches unless otherwise permitted in the relevant Issue Terms) and the Calculation Agent shall, subject to Rating Agency Confirmation in the case of Securities that are rated by S&P or, in the case of Securities that are rated by Fitch, prior notification to Fitch or, in the case of Securities that are rated by DBRS, prior notification to DBRS, but without the consent of any other person, make such amendments as are necessary, including without limitation, any consequential amendments to the Notional Amount.

For the avoidance of doubt, in respect of a Series of Securities comprised of Non-Fungible Tranches, no Further Tranches of any Non-Fungible Tranche may be issued to the extent that this would have

an adverse impact on the rights (either economic or in respect of voting, control or otherwise) of the holders of any other Non-Fungible Tranche of that Series.

In the event further Securities are issued the relevant Issuer may make such amendments to the terms and conditions of the Securities which the Calculation Agent determines to be necessary or desirable to preserve the economic benefit of the provisions of the Issue Terms to account for the economic effect thereof.

## **21 Conflicts of Prioritised Tranches**

Where, in the opinion of the Trustee, there is a conflict between the interests of the holders of Securities comprising different Prioritised Tranches of the same Series, the Trustee shall, except where expressly provided otherwise in the Trust Instrument, act solely on behalf of the holders of the Securities comprising the senior ranking Prioritised Tranche and shall have regard to their interests alone and shall not be responsible to the holders of Securities comprising any other Prioritised Tranches of the same Series for so doing.

In the case of a Series of Securities consisting of Non-Fungible Tranches, the relevant Issue Terms will state whether the reference to Securityholders for the purpose of determining the Instructing Creditor refers to the Securityholders of a specified Non-Fungible Tranche(s). If a specified Non-Fungible Tranche(s) is not stated in the relevant Issue Terms for this purpose, the reference to Securityholders for the purpose of determining the Instructing Creditor will be deemed to refer to all Securityholders of the relevant Series of Securities.

## **22 Liabilities and Indemnification of the Trustee**

The Trust Instrument contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings unless indemnified, secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the relevant Issuer, the Counterparty (if any), any obligor in respect of the Charged Assets or any of their subsidiary or associated companies without accounting for any profit resulting therefrom.

The Trustee is exempted from any liability in respect of any loss or theft or diminution in value of the Mortgaged Property, from any obligation to insure the Mortgaged Property and from any claim arising from the fact that the Mortgaged Property is held in a clearing system or in safe custody by a bank or other custodian. The Trust Instrument also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the relevant Issuer may have in and to any of the Mortgaged Property and is not bound to make any investigation into the same or into the Mortgaged Property in any respect.

The Trustee shall not be bound or concerned to make any investigation into the creditworthiness of any obligor in respect of the Mortgaged Property, the validity of any such obligor's obligations under or in respect of the Mortgaged Property or any of the terms of the Charged Assets (including, without limitation, whether the cashflows from the Charged Assets and the Securities are matched) or to monitor the value of any Charged Assets.

## **23 Consequences of Multiple Successors**

In respect of Credit-Linked Securities, upon the identification of more than one Successor pursuant to the terms of the related CDS Transaction, the relevant Issuer may amend:

- (a) the terms of the Securities; and

- (b) the terms of each of the CDS Transaction and the Swap Transaction with the consent of the Swap Agreement Counterparty,

in each case without the consent of the Trustee or the Securityholders, in a manner which the Calculation Agent acting in good faith determines necessary to reflect the same and preserve as far as possible the economic effects of the original terms of the Securities and each of the CDS Transaction and the Swap Transaction.

The relevant Issuer will cause the amended terms of the Securities to be substituted for the original terms of the Securities and such revised terms shall, in the absence of manifest error, be binding on the relevant Issuer, the Trustee and the Securityholders.

Without prejudice to the foregoing provisions, upon the identification of more than one Successor, the Calculation Agent shall apportion the outstanding principal amount and any other relevant calculation amounts in respect of the Securities equally in relation to each Successor.

Pursuant to the Swap Transaction, following the occurrence of an Event Determination Date in respect of a Successor (excluding the occurrence of an Event Determination Date that is a Partial Restructuring Exercise (as defined in Condition 24 (*M(M)R Restructuring*) below)), a portion of such Swap Transaction shall terminate equal to the portion which the Relevant Principal Amount (as defined below) bears to the outstanding principal amount of each Security.

Without prejudice to the above, following the occurrence of an Event Determination Date in respect of a Successor (excluding the occurrence of an Event Determination Date that is a Partial Restructuring Exercise or an Event Determination Date in respect of a sole remaining Successor):

- (i) each Security shall be redeemed in part (not in whole) and the notional amount of each Security to be redeemed (the “**Relevant Principal Amount**”) shall be the portion of the outstanding principal amount of each Security attributable to such Successor;
- (ii) interest shall cease to accrue on the Relevant Principal Amount of each Security from and including the Interest Payment Date immediately preceding the relevant Event Determination Date or, if none, the Interest Commencement Date;
- (iii) there shall only be a liquidation of a portion of the Charged Assets in respect of the Securities equal to the portion which the Relevant Principal Amount bears to the outstanding principal amount of each Security (subject to adjustment for rounding) and Realisation Amount and the terms of the Securities shall be construed accordingly; and
- (iv) references, as appropriate, to the Early Termination Amount in respect of any Swap Transaction shall be deemed to be references to the Early Termination Amount deemed to be payable in respect of the portion of any such Swap Transaction which has terminated following such Event Determination Date.

## 24 M(M)R Restructuring

In respect of Credit-Linked Securities where an Event Determination Date has occurred, and the Credit Event is an M(M)R Restructuring and the Exercise Amount (as defined pursuant to the CDS Transaction) is less than the aggregate outstanding principal amount of the Securities attributed to the Reference Entity affected by the M(M)R Restructuring (a “**Partial Restructuring Exercise**”), the relevant Issuer may amend:

- (a) the terms of the Securities; and

- (b) the terms of each of the CDS Transaction and the Swap Transaction with the consent of the Swap Agreement Counterparty,

in each case without the consent of the Trustee or the Securityholders, in a manner which the Calculation Agent acting in good faith determines necessary to reflect the same and preserve as far as possible the economic effects of the original terms of the Securities and each relevant Swap Transaction.

The relevant Issuer will cause the amended terms of the Securities to be substituted for the original terms of the Securities and such revised terms shall, in the absence of manifest error, be binding on the relevant Issuer, the Trustee and the Securityholders.

Pursuant to the terms of each Swap Transaction (if any) (other than a CDS Transaction), following the occurrence of a Partial Restructuring Exercise, a portion of each such Swap Transaction shall terminate equal to the portion which the Allocated Principal Amount (as defined below) bears to the outstanding principal amount of each Security.

Without prejudice to the above provisions, following the occurrence of a Partial Restructuring Exercise:

- (i) each Security shall be redeemed in part (not in whole) and the notional amount of each Security to be redeemed (the “**Allocated Principal Amount**”) shall be a portion of the outstanding principal amount of such Security equal to the Exercise Amount divided by the number of Securities outstanding;
- (ii) interest shall cease to accrue on the Allocated Principal Amount of each Security from and including the Interest Payment Date immediately preceding the relevant Event Determination Date or, if none, the Interest Commencement Date;
- (iii) there shall only be a liquidation of a portion of the Charged Assets in respect of the Securities equal to the portion which the Allocated Principal Amount bears to the outstanding principal amount of each Security (subject to adjustment for rounding) and the Realisation Amount and terms of the Securities shall be construed accordingly; and

references, as appropriate, to the Early Termination Amount in respect of any Swap Transaction shall be deemed to be references to the Early Termination Amount deemed to be payable in respect of the portion of such Swap Transaction which has terminated following such Event Determination Date.

## **25 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Security under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **26 Governing Law**

The Trust Instrument, the Securities and the Charged Agreement(s) and any non-contractual obligations arising out of or in connection with such agreements are governed by, and will be construed in accordance with, English law.

## 27 Jurisdiction

- (a) Subject to Condition 27(c) the relevant Issuer has, in the Trust Instrument, irrevocably agreed that the English courts are to have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Instrument, the Securities and the Charged Agreement(s) including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection therewith (a “**Dispute**”) and each party to the Trust Instrument has submitted to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 27 (*Jurisdiction*), each party has, in the Trust Instrument, waived any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute. Further the relevant Issuer has irrevocably agreed that a judgment in any proceedings brought in the English courts shall be conclusive and binding upon the relevant Issuer and may be enforced in the courts of any other jurisdiction.
- (c) This Condition 27(c) is for the benefit of the Agents and the Trustee only. To the extent allowed by law, any Agent or the Trustee may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.
- (d) The relevant Issuer has appointed the person named in the Trust Instrument as its agent for service of process in any proceedings before the English courts in relation to any Dispute and has agreed that in the event of the person named in the Trust Instrument as its agent for service of process being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute on terms acceptable to the Dealer, failing which the Dealer may appoint another agent for service of process for this purpose. The relevant Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this subclause shall affect the right to serve process in any other manner permitted by law.

## 28 Definitions

Capitalised terms used in these Conditions have the meanings given to them in the Definitions Module as modified and supplemented by the relevant Trust Instrument and/or Issue Terms.

**REGISTERED SECURITIES CONDITIONS MODULE**

**JULY 2021 EDITION**

**for use in  
an issue of repackaged Securities  
arranged by**

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

## REGISTERED SECURITIES CONDITIONS MODULE

This Registered Securities Conditions Module modifies and supplements the basic terms and conditions for Securities governed by English law as set out in the Bearer Securities Base Conditions Module and will apply in respect of all Series of Securities issued in registered form. Other Conditions Modules will apply in addition, as specified in the Issue Terms.

*All references to “Bearer Securities” in the Bearer Securities Base Conditions Module will be deemed to be references to “Registered Securities”.*

*All references to “Principal Paying Agent” and “Paying Agent” in the Bearer Securities Base Conditions Module will, where the context so requires, be deemed to be references to the “Registrar”.*

Condition 1 (*Form, Denomination and Title*) as set out in the Bearer Securities Base Conditions Module will not apply and the following Conditions 1.1 (*Form, Denomination and Title*), 1.2 (*Registration*), 1.3 (*Exchange of Registered Securities*), and 1.4 (*Transfer of Registered Securities*) shall be substituted therefor.

### 1 Form, Denomination and Title

#### 1.1 Form, Denomination and Title

- (a) Registered Securities are in the Specified Denomination(s) specified in the Issue Terms and integral multiples thereof.

Title to Registered Securities will pass by transfer and registration in accordance with Condition 1.4 (*Transfer of Registered Securities*) and in accordance with the terms of the Trust Instrument and the Agency Agreement.

Registered Securities do not have receipts, coupons or talons attached on issue.

- (b) Unless otherwise provided in the Issue Terms, a Series of Registered Securities will be represented by (i) a Regulation S Global Certificate, deposited with a Common Depository and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg, or (ii) Individual Certificates. Beneficial interests in a Regulation S Global Certificate and Individual Certificates may not be offered or sold to, or for the account or benefit of, a U.S. Person. A Regulation S Global Certificate may not be held otherwise than through Euroclear and Clearstream, Luxembourg. If the applicable Issue Terms state that the Registered Securities are to be issued in the form of Individual Certificates, such Individual Certificates will not be eligible for deposit or clearance with any clearing system.
- (c) No beneficial owner of an interest in a Global Security will be able to exchange or transfer that interest, except in accordance with the applicable procedures of the Clearing Systems. In addition, Regulation S Global Certificates and Individual Certificates will be subject to certain restrictions on transfer set out in a legend or legends thereon.
- (d) For so long as any of the Securities is represented by a Regulation S Global Certificate held by a Common Depository, each person who is for the time being shown in the records of the Clearing Systems as entitled to a particular nominal amount of Securities shall be deemed to be the holder of such nominal amount of Securities for all purposes



other than with respect to the payment of principal, premium (if any) or interest on such Securities. With respect to such payment, such Common Depositary or its nominee shall be deemed to be the holder of such nominal amount of Securities in accordance with and subject to the terms of the relevant Global Security. Any certificate or other document issued by the Clearing Systems as to the nominal amount of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error. In determining whether a particular person is entitled to a particular nominal amount of Securities as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

- (e) Subject to paragraph (d) above, the relevant Issuer, the Counterparty, the Trustee and the Agents may deem and treat the person or persons in whose name(s) a Registered Security is registered as the absolute owner(s) of such Security for all purposes. Except as ordered by a court of competent jurisdiction or as required by applicable law, the relevant Issuer, the Counterparty, the Trustee and the Agents shall not be affected by any notice to the contrary, whether or not the Security shall be overdue and notwithstanding any notation of ownership or other writing thereon. All payments made to any such person shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon such Securities.

## **1.2 Registration**

The relevant Issuer will cause to be kept at the specified office of the Registrar for the time being the Register. The relevant Issuer will procure that, as soon as practicable after the Issue Date, the Register is duly made up in respect of the subscribers of the Registered Securities and certificates for the Registered Securities will be despatched.

The relevant Issuer has initially appointed the person named as Registrar in the Issue Terms acting through its specified office set out in the Issue Terms. The relevant Issuer may also appoint one or more Transfer Agents for the purpose of facilitating exchanges of Securities, in which case references in the following provisions of this Condition and in Conditions 1.3 (*Exchange of Registered Securities*) and 1.4 (*Transfer Of Registered Securities*) to the Registrar shall include, where the context so permits, references to such Transfer Agent(s).

The relevant Issuer reserves the right, with the approval of the Trustee, at any time to vary or terminate the appointment of the Registrar and to appoint another or a further Registrar, provided that there will at all times be a Registrar with a specified office in such place as the Trustee may approve. Any variation or termination of appointment shall only take effect (other than in the case of insolvency of the Registrar, when it shall be of immediate effect) after not more than 60 nor less than 45 days' notice thereof shall have been given to the Securityholders in accordance with Condition 15 (*Notices*) and any change in the Specified Office of the Registrar shall also be promptly so notified.

## **1.3 Exchange of Registered Securities**

### **(a) Exchange of Regulation S Global Certificates for definitive Registered Securities**

Subject to Condition 1.1(e), for so long as Euroclear or Clearstream, Luxembourg or its common nominee is the registered holder of the Regulation S Global Certificate, Euroclear or Clearstream, Luxembourg or such common nominee, as the case may be,

will be considered the sole holder of the Securities represented thereby for all purposes. Registration of title to Securities in a name other than a depositary or a common nominee for Euroclear or Clearstream, Luxembourg, will not be permitted unless (i) an event of default has occurred and is continuing, or (ii) Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days or the relevant Issuer has been notified of such closure of Euroclear and Clearstream, Luxembourg, and no successor clearing system is available.

A person having an interest in a Regulation S Global Certificate must provide the Registrar with a written order containing instructions and such other information as the relevant Issuer and the Registrar may require to complete, execute and deliver such definitive Registered Securities. Any definitive Registered Securities so issued shall bear a legend substantially to the effect set out on the Regulation S Global Certificate, with such modifications and amendments as are necessary to account for the definitive nature of the Securities.

(b) **General**

Securities may be presented for exchange at the specified office of the Registrar. Any such exchange shall be effected without service charge but upon payment of any taxes and other governmental charges, including stamp duties by the relevant Securityholder. Definitive Registered Securities issued in exchange will be delivered at the specified office of the Registrar, or (at the risk and, if mailed at the request of the holder otherwise than by ordinary uninsured mail, expense of the holder) mailed to such address, subject to the restrictions (if any) specified in the Issue Terms, as the holder may request, as soon as practicable after issue.

Securityholders wishing to exchange Securities should apply to the specified office of the Registrar for information relating to the procedure for such exchange.

#### **1.4 Transfer of Registered Securities**

(a) **Transfer of Regulation S Global Certificates and Individual Certificates**

Registered Securities that are sold in offshore transactions outside the United States to persons who are not U.S. persons (as defined in Regulation S) in compliance with Regulation S in the form of Regulation S Global Certificates or in the form of Individual Certificates to, or for the account of persons who are not U.S. persons (as defined in Regulation S) may, subject to Condition 1.1(d) and to the provisions of the Trust Instrument and of the Agency Agreement, be transferred by the registered holder free of and without regard to any set-off, counterclaim or equity between the relevant Issuer and the first or any subsequent registered holder of such Securities, in whole or in part (being the Specified Denomination(s) of the Securities given in the Issue Terms, or an integral multiple thereof), by delivery of the relevant certificate or certificates to the Registrar at its specified office together with the form of transfer in writing duly completed and signed and upon compliance with such transfer restrictions which may be set out on the legend and such other reasonable requirements as the relevant Issuer and the Registrar may prescribe, without service charge but upon payment, by the transferor or transferee (as applicable), of any taxes, duties and other governmental charges in respect of such transfer.

No transfer of a Registered Security shall be recognised by the relevant Issuer unless entered on the Register. In no event may the Registrar register the transfer of a Regulation S Global Certificate or an Individual Certificate in violation of the restrictive legend (if any) set out on the face of such Security. A Registered Security may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding 4 in number) and the Registrar will not accept transfers of Registered Securities to “bearer”.

The Registrar will within 14 days of any duly made request to register the transfer of a Registered Security enter the transferee in the Register and authenticate and deliver a Registered Security certificate to the transferee (and, in the case of transfer of part only of a Registered Security, a Registered Security certificate for the untransferred balance to the transferor), at the specified office of the Registrar, or (at the risk and, if mailed at the request of the transferee or, as appropriate, transferor otherwise than by ordinary uninsured mail, expense of the transferee or, as appropriate, transferor) mail the Registered Security certificate to such address, subject to the restrictions (if any) specified in the Issue Terms, as the transferee (or, as appropriate, the transferor) may request or, alternatively, in the case of transfers effected through the Stock Exchange (if any) on which the relevant Issuer has agreed to maintain a listing of the Securities or any other recognised stock exchange or similar market approved by the relevant Issuer, will deliver the Registered Security certificate in accordance with the normal procedures and systems of such exchange or market.

(b) **General**

In the event of a partial redemption of Securities under Condition 8 (*Redemption*), neither the relevant Issuer nor the Registrar will be required:

- (i) to register the transfer of interests in Registered Global Securities (or parts of Registered Global Securities) for interests in another Registered Global Security and interests in Registered Global Securities for definitive Registered Securities during the period beginning on the 65th day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Securities called (in whole or in part) for redemption (both inclusive); or
- (ii) to register the transfer of any Registered Security (or part of a Registered Security) called for partial redemption.

***Condition 9 as set out in the Bearer Securities Base Conditions Module will not apply and the following Condition 9 shall be substituted therefor.***

**9 Purchase**

- (a) The Issue Terms will specify whether the relevant Issuer may, through the Counterparty, purchase Securities (or any of them) at any time in the open market or otherwise at any price.
- (b) Where the relevant Issuer purchases Securities such Securities may be held, reissued, resold or, at the option of the relevant Issuer, cancelled.
- (c) On any such purchase the Charged Agreements (or a proportionate part thereof which corresponds to the Securities to be purchased) will be terminated. The Trust Instrument

provides that the Security Interests over the Mortgaged Property (or a proportionate part thereof) will be automatically released against receipt by the Trustee of the net proceeds of the realisation of such Mortgaged Property.

- (d) No interest will be payable with respect to a Security purchased in respect of the period from the Issue Date or the previous Interest Payment Date, as the case may be, to the date of such purchase.

***Condition 10 as set out in the Bearer Securities Base Conditions Module will not apply and the following Condition 10 shall be substituted therefor.***

## **10 Payments**

### **(a) Payments in respect of Regulation S Global Certificates and Individual Certificates**

All payments in respect of Registered Securities will be made in each case subject to such (if any) other provisions (including any requirements as to certification of ownership) as are set out herein or in the Issue Terms and to any fiscal or other laws and regulations applicable in the place of payment.

Payments of principal, premium (if any) and interest (if any) in respect of Individual Certificates or Regulation S Global Certificates, as applicable, will be made to the persons shown on the Register at the close of business on the Record Date following surrender (in the case of payments of principal and premium (if any)) to the Registrar of the relevant Individual Certificate or Regulation S Global Certificate, as applicable.

Subject as provided below, payments in respect of Individual Certificates or Regulation S Global Certificates will be made by a cheque in the Specified Currency drawn on a bank in the city specified in the Issue Terms as the place of payment and mailed (at the risk and, if mailed at the request of the Securityholder otherwise than by ordinary uninsured mail, expense of the Securityholder) on the relevant due date to the holder or to the first named of joint holders of such Registered Security at his registered address or in accordance with mandate instructions acceptable to the Registrar. Notwithstanding the foregoing, all amounts payable to the Clearing Systems or their respective nominees as registered holder of a Regulation S Global Certificate shall be paid by transfer by the Registrar to such account in the Specified Currency as the Clearing Systems or their respective nominees may specify for payment in the Specified Currency or conversion into U.S. dollars (such conversion being effected as specified in the Issue Terms) as the case may be.

If and for so long as Registered Securities are represented by a Regulation S Global Certificate, each of the persons shown in the records of the Clearing Systems as the holder of a Registered Security must look solely to such Clearing Systems for his share of each payment so made by the relevant Issuer to the registered holder of the Regulation S Global Certificate, subject to and in accordance with the respective rules and procedures of the Clearing Systems. Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Registered Securities for so long as such Regulation S Global Certificate is outstanding and the relevant Issuer will be discharged by payment to the registered holder of such Regulation S Global Certificate in respect of each amount so paid.

(b) If the due date for payment of any amount of principal, premium (if any) or, if applicable, interest in respect of any Security is not a Business Day, the holder of such Security shall be entitled to payment:

(i) unless (ii) below applies, on the next following Business Day; or

(ii) in respect of payments of interest only and where a Business Day Convention is specified as applicable in the relevant Issue Terms, on the relevant Business Day determined in accordance with the Business Day Convention so specified,

and shall not be entitled to any adjusted amount of interest or other payment in relation to such due date for payment in respect of any resulting delay. If a Security is presented for payment at a time when, as a result of differences in time zones, it is not practicable to transfer the relevant amount to an account for value on the date of presentation, the relevant Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to such account for value on the first practicable date after the date of presentation.

(c) Subject as provided in the terms relating to payment:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

(d) Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable to such payments; (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto; and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code. The relevant Issuer shall not be liable as a result for, or otherwise obliged to pay, any additional amount to any of the Securityholders in respect of, or compensation for, any such withholding or deduction or any other amounts withheld or deducted pursuant to this Condition 10 (*Payments*). This Condition is without prejudice to the provisions of Condition 8(b) (*Redemption for taxation reasons*).

(e) **Settlement Exchange Rate**

If "Settlement Exchange Rate" is specified as applicable in the Issue Terms, then the Issue Terms shall specify the dates of payments of interest, principal and other amounts relevant to the Securities which dates shall fall on or on a date falling a specified number of days after the relevant Charged Assets Receipts Payment Date and the amount of such payment shall equal the corresponding Charged Assets Receipts converted by the Custodian or any sub-Custodian appointed by the Custodian into the Specified Currency in the manner set out in the Agency Agreement.

**“Charged Assets Receipts”** means amounts (whether interest amounts, principal amounts or other amounts) received by the Custodian or any sub-Custodian appointed by the Custodian pursuant to the terms of the Agency Agreement in respect of the Charged Assets (each date on which such Charged Assets Receipts are so received the **“Charged Assets Receipts Payment Date”**) in the currency of denomination of such Charged Assets (the **“Charged Assets Currency”**).

***Condition 13 as set out in the Bearer Securities Base Conditions Module will not apply and the following Condition 13 shall be substituted therefor.***

### **13 Prescription**

The relevant Issuer shall be discharged from its obligation to pay principal (and premium, if any) on a Registered Security to the extent that the relevant Registered Security certificate or Registered Global Security has not been presented to the Registrar by, or a cheque which has been duly despatched in the Specified Currency remains uncashed at, the end of the period of 10 years from the Relevant Date in respect of such payment. The relevant Issuer shall be discharged from its obligation to pay interest on a Registered Security to the extent that a cheque which has been duly despatched in the Specified Currency remains uncashed at, or (in the case of Registered Securities represented by a Registered Global Security) the Registered Global Security has not been presented to the Registrar by, the end of the period of 5 years from the Relevant Date in respect of such payment.

For this purpose, the “Relevant Date” means the date on which the payment in respect of the Security first becomes due and payable. However, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the Relevant Date” means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Securityholders in accordance with Condition 15 (*Notices*).

***Condition 15 as set out in the Bearer Securities Base Conditions Module will not apply and the following Condition 15 shall be substituted therefor.***

### **15 Notices**

All notices regarding Registered Securities will be valid if (i) published in one leading London daily newspaper or, if this is not possible, in one other English language daily newspaper approved by the Trustee with general circulation in Europe or (ii) at the option of the relevant Issuer, mailed to the holders at their respective addresses as shown in the Register and, if mailed, shall be deemed to have been served when, in the ordinary course of post, they would be received. It is expected that any publication as described in the foregoing will be made in the Financial Times.

All notices regarding Securities represented by a Registered Global Security will be valid if published as described above or if delivered to Euroclear and/or Clearstream, Luxembourg, as the case may be for communication by such Clearing System to the Securityholders. Any notice delivered to a Clearing System as aforesaid shall be deemed to have been given on the day of such delivery.

The relevant Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other Stock Exchange on which the Securities are for the time being listed.

Any notice published in a newspaper as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication or, if

published in two newspapers, on the date of the first such publication in both newspapers. If publication is not practicable in any such newspaper as is mentioned above, notice will be valid if given in such other manner, and shall be deemed to have been given on such date, as the Trustee shall determine.

**GENERAL DEFINITIONS MODULE**

**JULY 2021 EDITION**

**to be incorporated by reference into  
the Conditions and the Trust Instrument  
for an issue of repackaged Securities  
arranged by**

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**



## 1 General Definitions

The following capitalised terms used in the Trust Instrument in respect of a Series of Securities into which this General Definitions Module is incorporated shall have the meanings set out below, except where the context otherwise requires or as may be modified and/or supplemented by the Issue Terms and/or Trust Instrument in respect of such Securities:

**“2000 ISDA Definitions”** means, in relation to a Series of Securities, the 2000 ISDA Definitions as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of such Securities.

**“2002 ISDA Equity Derivatives Definitions”** means, in relation to a series of Equity-Linked Securities, the 2002 ISDA Equity Derivatives Definitions as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of such Equity-Linked Securities.

**“2014 ISDA Credit Derivatives Definitions”** means, in relation to a series of Credit-Linked Securities, the 2014 ISDA Credit Derivatives Definitions as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of such Credit-Linked Securities.

**“2006 ISDA Definitions”** means, in relation to a Series of Securities, the 2006 ISDA Definitions as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of such Securities.

**“Account Bank”** means, in relation to a Series of Securities, the entity (if any) appointed as such under the Agency Agreement and as specified in the Issue Terms.

**“Additional Agreement”** means, in relation to a Series of Securities, any agreements entered into by the relevant Issuer other than the Trust Instrument, Agency Agreement, Charged Agreement(s), Sale Agreement, Placing Agreement and any Additional Charging Document.

**“Additional Charging Document”** means, in relation to a Series of Securities, any non-English law governed security document entered into by the relevant Issuer for the purposes of granting security over or in respect of any part of the Mortgaged Property for such Series.

**“Affiliate”** has the meaning given to such term in the Swap Agreement.

**“Agency Agreement”** means, in relation to a Series of Securities, the agency agreement entered into by, among others, the relevant Issuer, the Trustee and the Agents in respect of such Series by execution of the relevant Trust Instrument and into which the terms of the Agency Terms Module are incorporated by reference, as the same may be modified and supplemented by the Trust Instrument.

**“Agency Terms Module”** means the Agency Terms Module dated 1 July 2021 containing the standard agency and custodian provisions for an issue of Securities or such other edition as specified in the Issue Terms.

**“Agent Bank”** means, in relation to a Series of Securities, the entity (if any) appointed as such under the Agency Agreement and as specified in the Issue Terms, and includes any Replacement Agent Bank.

**“Agent Bank Default”** means, in relation to the Agent Bank, the Agent Bank or any of its Affiliates also acts as the Counterparty in relation to the relevant Series of Securities and, having taken into account any applicable grace period, an Event of Default (as defined in the Swap Agreement) has occurred under the Swap Agreement and the Counterparty is the Defaulting Party (as defined in the Swap Agreement).

**“Agents”** means, in relation to a Series of Securities, each of the agents of the relevant Issuer appointed under the Agency Agreement and as specified in the Issue Terms and shall include any Loan Servicer and any Replacement Selling Agent, Replacement Calculation Agent, Replacement Agent Bank or Replacement Loan Servicer.

**“Alternative Investments”** means any indebtedness in respect of moneys borrowed or raised by the relevant Issuer (other than in the form of Securities) on terms similar to the Securities (in particular as to limited recourse and extinguishment of claims) and includes, without limitation, loans, loan certificates and schuldscheine.

**“Appointee”** means any attorney, manager, agent, delegate, receiver or other person appointed by the Trustee or by another Appointee under the Trust Instrument.

**“Arranger”** means Banco Bilbao Vizcaya Argentaria, S.A.

**“Asset Transfer Notice”** means a duly completed asset transfer notice substantially in the form set out in the relevant Trust Instrument.

**“ATAD”** means Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market (generally referred to as ATAD 1) and Council Directive (EU) 2017/952 of 29 May 2017 amending Directive (EU) 2016/1164 as regards hybrid mismatches with third countries (generally referred to as ATAD 2) (each transposed into Netherlands domestic law).

**“Auditors”** means, in relation to the relevant Issuer, the auditors (if any) for the time being of such Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of the Trust Instrument, such other firm of accountants as may be nominated or approved by the Trustee.

**“Bearer Global Security”** means a Temporary Bearer Global Security and/or a Permanent Bearer Global Security, as the context may require.

**“Bearer Securities”** means those Securities which are for the time being in bearer form.

**“Bearer Securities Base Conditions Module”** means the Bearer Securities Base Conditions Module (July 2021 Edition) containing the base conditions for an issue of Bearer Securities or such other edition as specified in the Issue Terms.

**“Business Day”** means a day which is:

- (a) in relation to any sum payable in euro, a day on which the TARGET 2 System is open (other than a Saturday or Sunday); or
- (b) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively; and
- (c) any Additional Business Centre specified in the Issue Terms; and
- (d) with respect to calculating the date for payment of any amount in respect of any Security in definitive form only, the relevant place of presentation.

**“Business Day Convention”** means one of the following, as specified in the Issue Terms:

- (a) **“FRN Convention”** means that, in any case where Specified Periods are specified in the Issue Terms, the date subject to such convention (i) if there is no numerically corresponding day in the calendar month in which a date subject to such convention should occur, shall be the last day that is a Business Day in the relevant month and the provisions of (b) below shall apply *mutatis mutandis* or (ii) if any date subject to such convention would otherwise fall on a day which is not a Business Day, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such date subject to such convention shall be brought forward to the immediately preceding Business Day and (II) each subsequent date subject to such convention shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable date subject to such convention having occurred; or
- (b) **“Following Business Day Convention”** means that, if any date subject to such convention would otherwise fall on a day which is not a Business Day, such date subject to such convention shall be postponed to the next day which is a Business Day; or
- (c) **“Modified Following Business Day Convention”** means that, if any date subject to such convention would otherwise fall on a day which is not a Business Day, such date subject to such convention shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date subject to such convention shall be brought forward to the immediately preceding Business Day; or
- (d) **“Preceding Business Day Convention”** means that, if any date subject to such convention would otherwise fall on a day which is not a Business Day, such date subject to such convention shall be brought forward to the immediately preceding Business Day.

**“C Rules”** means U.S. Treas. Reg. section 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act).

**“Calculation Agent”** means, in relation to a Series of Securities, the entity (if any) appointed as such under the Agency Agreement and as specified in the Issue Terms, and includes any Replacement Calculation Agent.

**“Calculation Agent Default”** means, in relation to the Calculation Agent, the Calculation Agent also acts as the Counterparty in relation to the relevant Series of Securities and, having taken into account any applicable grace period, an Event of Default (as defined in the Swap Agreement) has occurred under the Swap Agreement and the Counterparty is the Defaulting Party (as defined in the Swap Agreement).

**“Calculation Amount”** means, in relation to a Series of Securities, the Specified Denomination if there is only one Specified Denomination, but where there is more than one Specified Denomination, the highest common factor or otherwise as specified in the Issue Terms. For clarification purposes, there must be a common factor in the case of two or more Specified Denominations.

**“Cash Collateral”** means, in relation to a Series of Securities, (a) the Price payable by the relevant Issuer to the Vendor or the Loan Transferor, as the case may be, in respect of the sale of the Initial Charged Assets multiplied by (b) the principal amount of the Initial Charged Assets not delivered by the Vendor or the Loan Transferor, as the case may be on the Completion Date (or the date

thereafter agreed by the relevant Issuer and the Vendor or the Loan Transferor, as the case may be) divided by the total principal amount of the Initial Charged Assets specified in the Issue Terms.

**“Cash Deposit Account”** means, in relation to a Series of Securities and as may be further described in the Issue Terms, the deposit established in the name of the relevant Issuer with the Account Bank.

**“Cash Margin”** shall, in respect of a Repurchase Agreement, have the meaning given to it in such Repurchase Agreement.

**“CDS Transaction”** has the meaning given to it in the Issue Terms.

**“Charged Agreement(s)”** means, in relation to a Series of Securities, the Swap Agreement(s) and/or the Repurchase Agreement(s) and/or the Loan Participation Agreement(s).

**“Charged Assets”** means, in relation to a Series of Securities, the benefits, interest, right and title in and to the bonds, notes, securities, commodities, loans, schuldscheine, equity interests (including shares and participating income notes), contractual or other rights (including, without limitation, with respect to sub-participations or swap, option, exchange and hedging arrangements (but, for the avoidance of doubt, excluding Charged Agreements)), or other assets as specified in the Issue Terms and, where applicable, the instruments and other documents representing, evidencing, acknowledging and/or transferring or otherwise relating to the same. The term “Charged Assets” shall include the Initial Charged Assets, any cash standing to the credit of the relevant Cash Deposit Account or the relevant Issuer Series Account, as the case may be, and any substitute or replacement Charged Assets.

**“Charged Assets Currency”** has the meaning given to in Condition 10(j) (*Settlement Exchange Rate*) of the Bearer Securities Base Conditions Module and in Condition 10(e) (*Settlement Exchange Rate*) of the Registered Securities Conditions Module, as applicable.

**“Charged Assets Receipts”** has the meaning given to in Condition 10(j) (*Settlement Exchange Rate*) of the Bearer Securities Base Conditions Module and in Condition 10(e) (*Settlement Exchange Rate*) of the Registered Securities Conditions Module, as applicable.

**“Charged Assets Ramp-up Period”** means 90 days unless otherwise specified in the Issue Terms.

**“Charged Assets Redemption Substitution Period”** means 45 days unless otherwise specified in the Issue Terms.

**“Clearing Systems”** means, in relation to a Series of Securities, any of Euroclear and Clearstream, Luxembourg, as the case may be, and includes any additional or alternative clearing systems specified in the Issue Terms.

**“Clearstream, Luxembourg”** means Clearstream Banking S.A.

**“Code”** means the U.S. Internal Revenue Code of 1986.

**“Common Depositary”** means a common depositary on behalf of Euroclear and Clearstream, Luxembourg.

**“Common Safekeeper”** means a common safekeeper for Euroclear and Clearstream, Luxembourg.

**“Completion Date”** means the date specified as such in the Sale Agreement or Loan Transfer Agreement.

**“Common Service Provider”** means a common service provider appointed by Euroclear and Clearstream, Luxembourg to service the Securities.

**“Conditions”** means, in relation to a Series of Securities, the provisions of the Conditions Modules incorporated by reference into the relevant Issue Terms as the same may be modified and/or supplemented by such Issue Terms.

**“Conditions Modules”** means the modules containing terms and conditions which will apply to a Series of Securities to the extent incorporated into the Issue Terms (including, without limitation, the Bearer Securities Base Conditions Module, the Registered Securities Conditions Module and/or such other modules as may be proposed by the Arranger from time to time).

**“Counterparty”** means, in relation to a Series of Securities, the entity or entities (if any) designated as the counterparty or counterparties in the Issue Terms or, in respect of any Counterparty to a Repurchase Agreement entered into after the Issue Date, the entity designated as such in any Securityholders approval pursuant to Condition 4(d)(iii) or (where Securityholders approval is not required) designated as such in the notice to be given to Securityholders pursuant to Condition 4(d)(iv).

**“Counterparty Account”** means, in relation to a Series of Securities, the account of the Counterparty from time to time designated for such purpose, which account being initially as set out in the Issue Terms.

**“Counterparty Priority Basis”** means first, in meeting the claims of the Counterparty (or if more than one Counterparty, meeting the claims of all such Counterparties under the Charged Agreement(s) and the claims of the Loan Servicer (if any) under the Loan Servicing Agreement on a *pari passu* and pro rata basis and, thereafter, in meeting the claims of the Securityholders on a *pari passu* and pro rata basis (or, in case of a Series of Securities consisting of Prioritised Tranches, in the order of priorities set out in the relevant Issue Terms).

**“Counterparty/Securityholder Priority Basis”** means (a) Counterparty Priority Basis or (b) if the Counterparty is the Defaulting Party in respect of and as defined in the Swap Agreement and/or the Repurchase Agreement and/or the Loan Participation Agreement at any time, Securityholder Priority Basis.

**“Couponholders”** means the several persons who are for the time being holders of the Coupons.

**“Coupons”** means the bearer interest coupons appertaining to the Bearer Securities in definitive form (other than in the case of Zero Coupon Securities) or, as the context may require, a specific number thereof and includes any replacements for Coupons issued pursuant to Condition 14 (*Replacement of Securities*) and, where the context so permits, the Talons.

**“Credit Event”** means, in respect of Credit-Linked Securities, the relevant event specified as such in the terms of the Swap Agreement relating to such Credit-Linked Securities.

**“Credit-Linked Securities”** means any Securities specified as such in the relevant Issue Terms.

**“Custodian”** means, in relation to a Series of Securities, the entity (if any) appointed as such under the Agency Agreement and as specified in the Issue Terms and, if applicable, any subcustodian of, or any other entity appointed by, the Custodian.

**“Custodian Account”** means, in relation to a Series of Securities, the segregated account designated as the Custodian Account in the Issue Terms.

“**Cut-Off Date**” means five Business Days prior to the Maturity Date unless otherwise specified in Issue Terms.

“**D Rules**” means U.S. Treas. Reg. section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act).

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest for any Interest Period:

- (a) if “**1/1**” is specified, 1;
- (b) if “**Actual/Actual (ICMA)**” is specified in the Issue Terms:
  - (1) in the case of Securities where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the Issue Terms) that would occur in one calendar year; or
  - (2) in the case of Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (3) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; and
    - (4) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year;
- (c) if “**Actual/365**” or “**Actual/Actual**” is specified in the Issue Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (d) if “**Actual/365 (Fixed)**” is specified in the Issue Terms, the actual number of days in the Interest Period divided by 365;
- (e) if “**Actual/365 (Sterling)**” is specified in the Issue Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (f) if “**Actual/360**” is specified in the Issue Terms, the actual number of days in the Interest Period divided by 360;
- (g) if “**30/360 (Fixed)**” is specified in the Issue Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement

Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

- (h) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the Issue Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30;

- (i) if “**30E/360**” or “**Eurobond Basis**” is specified in the Issue Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30; and

- (j) if “**30E/360 (ISDA)**” is specified in the applicable Issue Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30.

“**DBRS**” means DBRS Ratings Limited or any successor to the rating business thereof.

“**Dealer**” means, in relation to a Series of Securities, the entity or entities designated as dealer in the Issue Terms.

“**Debt Investments**” means the Securities and/or Alternative Investments that may be issued by, or entered into by, the relevant Issuer pursuant to the Programme.

“**Defaulting Party**” means in respect of a Swap Agreement the Defaulted Party as defined in the Swap Agreement and, in respect of a Repurchase Agreement or a Loan Participation Agreement, the party in respect of which an Event of Default as defined in the Repurchase Agreement or the Loan Participation Agreement, as the case may be, has occurred.

“**Definitions Modules**” means the General Definitions Module and/or such other modules as may be proposed by the Arranger from time to time.

“**Determination Date**” means, in relation to a Series of Securities, the dates as set out in the Issue Terms, if applicable.

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

“**Disruption Cash Settlement Price**” means, in respect of each principal amount of Securities equal to the Calculation Amount, an amount equal to the fair market value of the relevant Security (but not taking into account any interest accrued on such Security) on such day as shall be selected by the relevant Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date on which the Election Notice is given as provided above adjusted to take account fully for any losses, expenses and costs in respect of unwinding or adjusting any related hedging arrangements in respect of the Security, all as calculated by the Calculation Agent in its sole and absolute discretion.



**“Distribution Compliance Period”** means the period commencing on the later of the first date the Securities are offered to the public or the settlement date for the Securities, and ending on the day that is 40 calendar days thereafter.

**“Early Redemption Amount”** means, in relation to a Series of Securities, that portion of the Realisation Amount available for distribution to the Securityholders in accordance with the relevant Security Ranking Basis, as apportioned pro rata amongst all the Securities or as may otherwise be specified in the Issue Terms.

**“EEA”** means European Economic Area.

**“Eligible Investments”** means securities, cash or other assets of the type or types specified as such in the relevant Issue Terms.

**“Entitlement”** means the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which the Securityholder is entitled to receive on the Maturity Date following payment of the Expenses, as determined by the Calculation Agent.

**“Equity-Linked Securities”** means Securities which incorporate, amongst other things, the 2002 ISDA Equity Derivatives Definitions.

References to **“EUR”**, **“euro”** and **“€”** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

**“Euroclear”** means Euroclear Bank S.A./N.V.

**“EURIBOR”** means Euro-zone inter-bank offered rate.

**“Event Determination Date”** has the meaning given to it in the Issue Terms.

**“Event of Default”** means, in relation to the Securities of any Series, any of the conditions, events or acts provided in Condition 11 (*Events of Default*) to be events upon the occurrence of which the Securities of such Series would, subject only to notice by the relevant Trustee as therein provided, become immediately due and repayable.

**“Exchange Act”** means the United States Securities Exchange Act of 1934, as amended.

**“Exchange Date”** means, where applicable, the date which is 40 days after the date on which the Temporary Bearer Global Security is issued.

**“Exchange Event”** means that (i) an Event of Default has occurred and is continuing or (ii) Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days or the relevant Issuer has been notified of such closure of Euroclear and Clearstream, Luxembourg, and no successor clearing system is available.

**“Expenses”** means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Entitlement or Securityholder Loan Entitlement, as the case may be.

**“Extraordinary Resolution”** has the meaning set out in paragraph 20 of the Third Schedule to the Trust Terms Module.

**“Failure to Deliver Settlement Price”** means, in respect of each principal amount of the Securities equal to the Calculation Amount, the fair market value of the Affected Relevant Assets on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above,

less the proportionate cost of unwinding or adjusting any related hedging arrangements in respect of the Securities, all as calculated by the Calculation Agent in its sole and absolute discretion.

**“Fair Value Basis”** means, in the case of substitution of Charged Assets, that the value of the assets required to be provided by the relevant Issuer shall be equal to the Fair Value of the then subsisting Charged Assets on the date specified by the Counterparty in the Substitution Notice given by the Counterparty, and, for these purposes, “Fair Value” shall mean the fair market value determined by the Counterparty with reference to such source(s) as the Counterparty determines appropriate in its sole and absolute discretion (and this will not require the Counterparty to obtain any “best execution” price).

**“FCA”** means the Financial Conduct Authority or any successor regulator which may be appointed from time to time.

**“FCA Rules”** means the rules and regulations as amended or varied from time to time, of the FCA, including its Conduct of Business Rules, established under or pursuant to the FSMA by which the Custodian is regulated.

**“Final Redemption Amount”** means, in relation to a Series of Securities, the Final Redemption Amount set out in the Issue Terms.

**“Fitch”** means Fitch Ratings, Inc. or any successor to the rating business thereof.

**“Fixed Rate Securities”** means an issue of Securities in respect of which interest accrues at a fixed rate as stated in the Issue Terms applicable to such Securities.

**“Floating Rate Option”** means, in respect of a Series of Floating Rate Securities, the option (which may, but need not, be provided in the ISDA Definitions) which is specified in the Issue Terms of such Securities.

**“Floating Rate Securities”** means an issue of Securities in respect of which interest at a floating rate is determined in accordance with the Issue Terms applicable to such Securities.

**“FSMA”** means the Financial Services and Markets Act 2000, as amended.

**“Fund Share-Linked Securities”** means any Securities specified as such in the relevant Issue Terms.

**“Fungible Tranche”** means a Tranche of Securities of the same Series which have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon, the date from which interest starts to accrue, the issue date, the issue price and the principal amount and which are intended to be interchangeable with all other Securities of that Series (or, in the case of a Series of Securities comprising Prioritised Tranches or Pari Passu Tranches, all other Securities of the same Prioritised Tranche or Pari Passu Tranche, as applicable).

**“Further Tranches”** has the meaning given to it in Condition 20 (*Further Issues*).

**“General Definitions Module”** means the General Definitions Module (July 2021 Edition) containing general definitions for an issue of Securities or such other edition as specified in the Issue Terms.

**“Global Certificate”** means a Regulation S Global Certificate.

**“Global Security”** means a Temporary Bearer Global Security and/or a Permanent Bearer Global Security and/or a Regulation S Global Certificate, as the context may require.

**“ICSDs”** means the international central securities depositaries, Euroclear and Clearstream, Luxembourg.

**“Illegality Event”** has the meaning given to it in Condition 8(g) (*Redemption for an Illegality Event*).

**“Index-Linked Securities”** means any Securities specified as such in the relevant Issue Terms, being Securities in respect of which payments in respect of principal (whether at maturity or otherwise) and/or interest may be calculated by reference to such index, indices and/or formula as specified in the relevant Issue Terms.

**“Individual Certificates”** means Registered Securities issued in physical definitive form and registered in the name of the holder thereof.

**“Initial Charged Assets”** means, in respect of each Series of Securities, as specified in the Issue Terms (if any).

**“Initial Tranche(s)”** means, if the Securities of a Series are, in accordance with the terms of the Trust Instrument relating to such Series, to be issued in tranches, the initial tranche(s) specified in the Trust Instrument in respect of that Series.

**“Instalment Amount”** means, in relation to a Series of Securities, each Instalment Amount set out in the Issue Terms.

**“Instalment Date”** means, in relation to a Series of Securities, each Instalment Date set out in the Issue Terms.

**“Instalment Securities”** means any Securities specified as such in the relevant Issue Terms.

**“Instructing Creditor”** means, in relation to a Series of Securities, either: (a) the Swap Agreement Counterparty only; (b) Repurchase Agreement Counterparty only; (c) the Loan Participation Counterparty only; (d) the Securityholders only; or (e) the Swap Agreement Counterparty or the Securityholders; or (f) the Repurchase Agreement Counterparty or the Securityholders; or (g) the Loan Participation Counterparty or the Securityholders, as specified in the Issue Terms provided that (i) notwithstanding anything to the contrary in the Issue Terms, if (x) the Counterparty is the Defaulting Party in respect of the Swap Agreement and/or the Repurchase Agreement and/or the Loan Participation Agreement at any time; and (y) “the Swap Agreement Counterparty only” or “the Repurchase Agreement Counterparty only” or “the Loan Participation Counterparty only” is specified as the Instructing Creditor in the Issue Terms, the Instructing Creditor shall be deemed to be “the Swap Agreement Counterparty or the Securityholders” or “the Repurchase Agreement Counterparty or the Securityholders” or “the Loan Participation Counterparty as the Securityholders”, as applicable, and (ii) where “the Swap Agreement Counterparty or the Securityholders” or “the Repurchase Agreement Counterparty or the Securityholders” or “the Loan Participation Counterparty or the Securityholders”, as applicable, are specified as or deemed to be the Instructing Creditor, (I) there is no requirement for the Swap Agreement Counterparty or Repurchase Agreement Counterparty or the Loan Participation Counterparty (as applicable) and the Securityholders to act together as Instructing Creditors, and (II) the instructions of the Swap Agreement Counterparty or Repurchase Agreement Counterparty or the Loan Participation Counterparty (as applicable) shall prevail, unless at such time, the relevant Counterparty is the Defaulting Party in respect of and as defined in the Swap Agreement and/or the Repurchase Agreement and/or the Loan Participation Agreement, in which case the instructions of the Securityholders shall prevail. In the case of a Series of Securities consisting of Non-Fungible Tranches, the relevant Issue Terms will state whether the reference to Securityholders refers to the Securityholders of a specified Non-Fungible Tranche or specified Non-Fungible Tranches only. If a specified Non-Fungible Tranche(s) is not stated in the

relevant Issue Terms for this purpose, the reference to Securityholders for the purpose of determining the Instructing Creditor will be deemed to refer to all Securityholders of the relevant Series of Securities.

**“Interest Amount”** has the meaning set out in Condition 7(b)(iv) (*Determination of Rate of Interest and Interest Amounts*).

**“Interest Commencement Date”** means, in relation to a Series of Securities, if applicable, such date as is specified as the Interest Commencement Date in the Issue Terms.

**“Interest Determination Date”** means, in relation to a Series of Securities, the date(s) set out in the Issue Terms where Screen Rate Determination is specified as applicable.

**“Interest Payment Date”** means, in relation to a Series of Securities, the date(s) set out in the Issue Terms, subject to adjustment in accordance with the Following Business Day Convention unless otherwise specified in the relevant Issue Terms.

**“Interest Period”** means, in respect of a Series of Securities, the period from (and including) the Interest Commencement Date of that Series to (but excluding) the first Interest Period End Date of that Series and each successive period from (and including) an Interest Period End Date to (but excluding) the next succeeding Interest Period End Date of that Series.

**“Interest Period End Date”** means, for a Series of Securities, each date specified as an Interest Payment Date in the applicable Issue Terms (ignoring for this purpose any adjustment in accordance with any Business Day Convention) unless otherwise specified in the applicable Issue Terms, except that each Interest Period End Date may be subject to adjustment in accordance with the relevant Business Day Convention where a Business Day Convention is specified to be applicable to Interest Period End Dates in the relevant Issue Terms and provided that to the extent the application of such Business Day Convention would cause the final Interest Period End Date to fall after the Scheduled Maturity Date, no such adjustment shall be applied to the final Interest Period End Date.

**“ISDA”** means the International Swaps and Derivatives Association, Inc..

**“ISDA Definitions”** means the 2000 ISDA Definitions or the 2006 ISDA Definitions or such other definitions as may be specified in the Issue Terms.

**“Issue Date”** means, in relation to a Tranche of Securities, the date specified in the Issue Terms relating to such Securities as such, being the date on which such Securities are constituted.

**“Issue Terms”** means, in relation to a Series of Securities, the issue terms set out in the Trust Instrument relating to such Securities, including the terms of the Conditions Modules and Definitions Modules incorporated by reference, as the same may be modified and/or supplemented.

**“Issuer Series Account”** means, in relation to a Series of Securities where the Charged Assets comprise rights under a Loan and as may be further described in the Issue Terms, the account opened in the name of the relevant Issuer with the Account Bank.

References to **“Japanese Yen”**, **“Yen”** and **“¥”** are to the lawful currency of Japan.

**“Liability”** means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including, without limitation, any irrecoverable value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.

**“Loan”** means the advance which is the subject of transfer under the Loan Transfer Agreement, as specified in the Issue Terms.

**“Loan Agreement”** means the loan or facility agreement pursuant to which the Loan has been advanced, as specified in the Issue Terms.

**“Loan Participation Agreement”** means, in relation to a Series of Securities, the loan participation agreement entered into by the relevant Issuer and the Loan Participation Counterparty in respect of such Series by execution of the relevant Trust Instrument pursuant to which the Loan Participation Counterparty agrees to make payments to the relevant Issuer by reference to amounts received by it in respect of the Loan Participation Reference Loan Agreement and into which the terms of the Loan Participation Terms Module are incorporated by reference, as the same may be modified and/or supplemented by the Trust Instrument.

**“Loan Participation Counterparty”** means the entity specified in the Issue Terms.

**“Loan Participation Reference Loan Agreement”** means an agreement between, among others, an underlying borrower and a guarantor, as specified in the Issue Terms.

**“Loan Participation Terms Module”** means the Loan Participation Terms Module dated 1 July 2021 containing the standard provisions for the grant of a loan participation to the relevant Issuer or such other edition as specified in the Issue Terms.

**“Loan Servicer”** means, in relation to a Series of Securities, the entity (if any) appointed as such under the Loan Servicing Agreement and as specified in the Issue Terms, and includes any successor thereto.

**“Loan Servicer Default”** means, in relation to the Loan Servicer in relation to the relevant Series of Securities and, having taken into account any applicable grace period, a Loan Servicer Termination Event (as defined in the Loan Servicing Agreement) has occurred under the Loan Servicing Agreement.

**“Loan Servicing Agreement”** means, in relation to a Series of Securities, the loan servicing agreement entered into by, among others, the relevant Issuer, the Trustee and the Loan Servicer in respect of such Series by execution of the relevant Trust Instrument and into which the terms of the Loan Servicing Module are incorporated by reference, as the same may be modified and supplemented by the Trust Instrument.

**“Loan Servicing Module”** means the Loan Servicing Module dated 1 July 2021 containing the standard loan servicing provisions for an issue of Securities or such other edition as specified in the Issue Terms.

**“Loan Transfer Agreement”** means, in relation to a Series of Securities, the loan transfer agreement entered into by the relevant Issuer and the Loan Transferor in respect of such Series by execution of the relevant Trust Instrument pursuant to which the Loan Transferor agrees to transfer its rights under the Loan Agreement and the Loan to the relevant Issuer and into which the terms of the Loan Transfer Agreement Terms Module are incorporated by reference, as the same may be modified and/or supplemented by the Trust Instrument.

**“Loan Transfer Terms Module”** means the Loan Transfer Terms Module dated 1 July 2021 containing the standard provisions for the transfer of rights under loan agreements to the relevant Issuer or such other edition as specified in the Issue Terms.

**“Loan Transferor”** means the entity specified as such in the Issue Terms.

**“LIBOR”** means London inter-bank offered rate.

**“Margin”** means, in relation to a Series of Floating Rate Securities (or, in respect of a Series comprised of Non-Fungible Tranches of Floating Rate Securities, each Non-Fungible Tranche of such Series), the margin (if any) set out in the Issue Terms.

**“Market Value Basis”** means:

- (a) in the case of substitution of Charged Assets, that the value of the assets required to be provided by the relevant Issuer shall be equal to the Market Value of the then subsisting Charged Assets on the date specified by the Counterparty in the Substitution Notice given by the Counterparty, and, for these purposes, **“Market Value”** shall mean, in the case of cash, the value of such cash, if applicable determined by reference to relevant exchange rate(s), or otherwise the firm bid price obtained by the Calculation Agent from 3 dealers (one of whom may be the Counterparty) in such assets as it may in its discretion select (or, if more than one, the arithmetical average of such prices, disregarding the highest and lowest quotes) or, if less than 2 such bid prices are quoted by or available to such Calculation Agent, it shall be calculated by the Calculation Agent in such other manner as it shall determine in good faith and in a commercially reasonable manner; and
- (b) in the case of the issue of Further Tranches, that the additional assets required to be provided by the relevant Issuer in respect of the Further Tranches shall be calculated in accordance with a formula that takes into account the Market Value of the Charged Assets and the replacement costs of the Charged Agreement(s), if any, all as more fully described in the Issue Terms.

**“Master Repurchase Terms Module”** means the Master Repurchase Terms Module dated 1 July 2021 containing the standard provisions of the SIFMA/ICMA Global Master Repurchase Agreement (version 2011) and annex I thereto in relation to an issue of Securities as specified in the Issue Terms or such other edition as specified in the Issue Terms.

**“Maturity Date”** means, in relation to a Series of Securities, the final date on which the Securities are expressed to be redeemable as specified in the Issue Terms (which date may in certain circumstances be extended in accordance with the Issue Terms).

**“Maximum Interest Rate”** means, in relation to a Series of Securities, if applicable, such rate as is specified as the Maximum Interest Rate in the Issue Terms.

**“Minimum Interest Rate”** means, in relation to a Series of Securities, if applicable, such rate as is specified as the Minimum Interest Rate in the Issue Terms.

**“Minimum Tradeable Amount”**, in relation to a Series of Securities, shall have the meaning set out in the Issue Terms.

**“Mortgaged Property”** means, in relation to any Series of Securities, the assets over which the Security Interests are created by the relevant Issuer from time to time in relation to such Securities, including, as applicable, the Charged Assets and the Rights under the Transaction Documents.

**“New Global Note”** means a Temporary Bearer Global Security or a Permanent Bearer Global Security which is intended to be held in new global note form, as specified in the Issue Terms.

**“Nominal Basis”** means:

- (a) in the case of substitution of Charged Assets, that the assets required to be provided by the relevant Issuer shall be of a nominal amount equal to the nominal amount of the Charged Assets being substituted; and
- (b) in the case of the issue of Further Tranches, that the additional assets required to be provided by the relevant Issuer shall be in a nominal amount which bears the same proportion to the nominal amount of the Further Tranches as the proportion which the nominal amount of such assets forming part of the Mortgaged Property for the existing Securities of such Series bears to the nominal amount thereof as at such date.

**“Nominal Value”** means, in respect of any Charged Assets, an amount equal to the nominal amount of such Charged Assets.

**“Non-Fungible Tranche”** means a Pari Passu Tranche and/or a Prioritised Tranche, as the case may be.

**“Series”** means a series of Securities all of which will be offered and sold in offshore transactions outside the United States to persons who are not U.S. Persons.

**“Optional Call Redemption Amount”**, in relation to a Series of Securities, shall have the meaning set out in the Issue Terms.

**“Optional Call Redemption Date”**, in relation to a Series of Securities, shall have the meaning set out in the Issue Terms.

**“Optional Put Redemption Amount”**, in relation to a Series of Securities, shall have the meaning set out in the Issue Terms.

**“Optional Put Redemption Date”**, in relation to a Series of Securities, shall have the meaning set out in the Issue Terms.

**“outstanding”** means, in relation to a Series of Securities, all the Securities of that Series issued (or, in the case of Partly Paid Securities, the paid up amount thereof) other than:

- (a) those Securities to the extent that they shall have been redeemed in part pursuant to the relevant Issue Terms;
- (b) those Securities which have been redeemed in full pursuant to the relevant Issue Terms;
- (c) those Securities in respect of which the date for redemption in accordance with the relevant Issue Terms has occurred and the redemption moneys (including all premium (if any) and interest (if any) payable thereon) have been duly paid to the Trustee, the Registrar and/or the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the Securityholders in accordance with Condition 15 (*Notices*)) and remain available for payment against presentation of the Securities;
- (d) those Securities which have been purchased and cancelled in accordance with and Condition 8(l) (*Cancellation*);
- (e) those Securities in respect of which claims have become void under Condition 13 (*Prescription*);

- (f) those mutilated or defaced Securities which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Securities*);
- (g) (for the purpose only of ascertaining the nominal amount of the Securities of that Series outstanding and without prejudice to the status for any other purpose of the Securities) those Securities which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Securities*); and
- (h) any Temporary Bearer Global Security to the extent that it shall have been exchanged for definitive Bearer Securities or a Permanent Bearer Global Security and any Permanent Bearer Global Security to the extent that it shall have been exchanged for definitive Bearer Securities in each case pursuant to its provisions; and

PROVIDED THAT for each of the following purposes, namely:

- (1) the right to attend and vote at any meeting of the Securityholders or any of them;
- (2) the determination of how many and which Securities are for the time being outstanding for the purposes of Conditions 11 (*Events of Default*) and 12 (*Enforcement*) and paragraphs 2, 5, 6 and 9 of the Third Schedule to the Trust Terms Module;
- (3) any discretion, power or authority (whether contained in the Trust Instrument or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders or any of them; and
- (4) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Securityholders or any of them,

those Securities (if any) which are for the time being held by, for the benefit of, or on behalf of, the relevant Issuer, the Counterparty (if any) or any Subsidiary of the relevant Issuer, the Counterparty shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

**“Outstanding Principal Amount”** means, in relation to a Security, the principal amount of such Security outstanding from time to time.

**“Pari Passu Basis”** means, in meeting the claims of the Securityholders and the Counterparty (or if more than one Counterparty, meeting the claims of all such Counterparties on the basis as specified in the Issue Terms) under the Charged Agreement(s), on a *pari passu* and pro rata basis (provided that, in case of a Series of Securities consisting of Prioritised Tranches, the distribution of amounts available for meeting the claims of Securityholders shall be distributed amongst the holders of each Prioritised Tranche in the order of priorities set out in the relevant Issue Terms).

**“Pari Passu Tranche”** means a Tranche of Securities of the same Series which provides that the claims of the holders of one Tranche of such Series of Securities will rank *pari passu* to the claims of the holders of another such Tranche or Tranches of the same Series of Securities but which (subject to the approval from existing holders of Securities of the same Series) is otherwise issued on terms which are different to the terms of other Tranches of the same Series of Securities.

**“Partly Paid Securities”** means Securities which are issued on a partly paid basis.

**“Paying Agents”** means, in relation to a Series of Securities, the entities (if any) appointed as such under the Agency Agreement and as specified in the Issue Terms and includes, for the avoidance of doubt, the Principal Paying Agent.



**“Permanent Bearer Global Security”** means a permanent bearer global security in the form or substantially in the form set out in Part 2 of the First Schedule to the Trust Terms Module with such modifications (if any) as may be agreed between the relevant Issuer, the Trustee and the Counterparty, comprising some or all of the Bearer Securities of the same Issue, issued by the relevant Issuer pursuant to the Trust Instrument either on issue of the Securities or in exchange for the whole or part of the Temporary Bearer Global Security issued in respect of such Bearer Securities (all as indicated in the Issue Terms).

**“Placing Agreement”** means, in relation to a Series of Securities, the placing agreement entered into by the relevant Issuer and the Dealer(s) in respect of such Series by execution of the relevant Trust Instrument and into which the terms of the Placing Terms Module are incorporated by reference as the same may be modified and/or supplemented by the Trust Instrument.

**“Placing Terms Module”** means the Placing Terms Module dated 1 July 2021 containing the provisions relating to the purchase and/or placing of Securities or such other edition as specified in the Issue Terms.

**“Postponed Maturity Date”** has the meaning given to it in Condition 8(m) (*Maturity Date extension*).

**“Potential Event of Default”** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Event of Default.

**“Price”** has the meaning given in the Sale Agreement.

**“Principal Paying Agent”** means, in relation to a Series of Securities, the entity appointed as such under the Agency Agreement and as specified in the Issue Terms.

**“Principal Protected CDO Securities”** means, unless otherwise specified in the Issue Terms, Securities which do not bear a pre-determined rate of interest and where:

- (a) in the event that distributions are made by, or payments of interest and/or principal are made by, the obligor of the relevant Charged Assets specified in the Issue Terms, such sums will be paid to the Securityholders within two Business Days (or such other number of days as may be specified in the Issue Terms) of receipt thereof; and
- (b) the Issue Terms will set out the expected dates of any distributions or payments.

**“Prioritised Tranche”** means a Tranche of Securities of the same Series which provides that the claims of the holders of one Tranche of such Series of Securities may (subject to the approval from existing holders of Securities of the same Series) rank prior or be subordinated to the claims of the holders of another such Tranche or Tranches of the same Series of Securities prior to and/or following enforcement of the security over the Mortgaged Property relating to such Series of Securities and which is issued on terms which are different to the terms of other Tranches of Securities of the same Series.

**“Programme”** means the EUR Limited Recourse Secured Debt Issuance Programme of the Issuers.

**“Put Notices”** has the meaning given to it in Condition 8(i) (*Redemption at the option of the Securityholders*).

**“Rate of Interest”** means, in relation to a Series of Securities, the Rate of Interest set out in the Issue Terms.

**“Rating Agency”** means, in relation to a Series of Securities that is rated, each rating agency specified in the Issue Terms.

**“Rating Agency Confirmation”** means, in relation to a Series of Securities that is rated (other than by Fitch) the notification of the relevant event specified in the Issue Terms to the Rating Agency and confirmation from the Rating Agency that there has been no adverse change to the credit rating granted by such Rating Agency in respect of such Securities.

**“Realisation Amount”** means the net proceeds of realisation of, or enforcement with respect to the Security Interests over the Mortgaged Property (following payment of all amounts due to the Trustee and/or, as the case may be, the Selling Agent, including any costs, expenses and taxes incurred in connection with such realisation or enforcement).

**“Receiptholders”** means the several persons who are for the time being holders of the Receipts.

**“Receipts”** means the receipts each for the payment of an instalment of principal appertaining to Bearer Securities in definitive form that are redeemable in instalments, or, as the context may require, a specific number thereof and includes any replacements for Receipts issued pursuant to Condition 14 (*Replacement of Securities*).

**“Record Date”** means, in relation to a payment in respect of Individual Certificates or Regulation S Global Certificates, close of business on the Business Day immediately prior to the date on which the relevant payment is due.

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of 4 major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of 4 major banks in the Euro-zone inter-bank market, in each case selected by the Principal Paying Agent or as specified in the Issue Terms.

**“Reference Rate”** means, in relation to a Series of Securities, the Reference Rate set out in the Issue Terms where Screen Rate Determination is specified as applicable.

**“Register”** means a register on which shall be entered the names and addresses of the subscribers of the Registered Securities, together with the particulars of the Registered Securities held by them respectively and of all transfers of Registered Securities.

**“Registered Global Securities”** means the Regulation S Global Certificates.

**“Registered Securities”** means those of the Securities which are for the time being in registered form.

**“Registered Securities Conditions Module”** means the Registered Securities Conditions Module (July 2021 Edition) containing the provisions relating to an issue of Registered Securities and provisions additional to or instead of provisions in the Bearer Securities Base Conditions Module or such other edition as specified in the Issue Terms.

**“Registrar”** means, in relation to a Series of Securities (being, or which are exchangeable for, Registered Securities), the entity appointed as such under the Agency Agreement and as specified in the Issue Terms.

**“Regulation S”** means Regulation S under the Securities Act.

**“Regulation S Global Certificate”** means a registered global security in the form or substantially in the form set out in Part 3-A of the First Schedule to the Trust Terms Module with such modifications (if any) as may be agreed between the relevant Issuer, the Trustee and the Counterparty, comprising

some or all of the Registered Securities of the same Series sold in offshore transactions outside the United States to persons who are not U.S. Persons in reliance on Regulation S, issued by the relevant Issuer pursuant to the Trust Instrument.

**“Regulatory Event”** has the meaning given to it in Condition 8(e) (*Redemption or adjustment for a Regulatory Event*).

**“Relevant Assets”** means the assets specified as such in the Issue Terms.

**“Relevant Date”** has the meaning set out in Condition 13 (*Prescription*).

**“Relevant Screen Rate”** means, in relation to a Series of Securities, the relevant screen rate set out in the Issue Terms where Screen Rate Determination is specified as applicable.

**“repay”, “redeem” and “pay”** shall each include both the others and cognate expressions shall be construed accordingly and shall (where the context so permits) be deemed to include references to delivery of the Charged Assets in accordance with the Issue Terms.

**“Relevant Sums”** has the meaning given to it in Condition 6(c)(i) (*Shortfall after Application of Proceeds*).

**“Replacement Agent Bank”** means the Replacement Agent Bank appointed by the relevant Issuer or the Trustee, as the case may be, in accordance with Condition 17 (*Appointment of Replacement Selling Agent, Replacement Calculation Agent, Replacement Loan Servicer and Replacement Agent Bank*).

**“Replacement Calculation Agent”** means the Replacement Calculation Agent appointed by the relevant Issuer or the Trustee, as the case may be, in accordance with Condition 17 (*Appointment of Replacement Selling Agent, Replacement Calculation Agent, Replacement Loan Servicer and Replacement Agent Bank*).

**“Replacement Loan Servicer”** means the Replacement Loan Servicer appointed by the relevant Issuer or the Trustee, as the case may be, in accordance with Condition 17 (*Appointment of Replacement Selling Agent, Replacement Calculation Agent, Replacement Loan Servicer and Replacement Agent Bank*).

**“Replacement Selling Agent”** means the Replacement Selling Agent appointed by the relevant Issuer or the Trustee, as the case may be, in accordance with Condition 17 (*Appointment of Replacement Selling Agent, Replacement Calculation Agent, Replacement Loan Servicer and Replacement Agent Bank*).

**“Replacement Swap”** has the meaning given to it in Condition 4(b)(ii) (*Substitution at the request of Securityholders*).

**“Repurchase Agreement”** means, in relation to a Series of Securities, each Repurchase Agreement as specified in the Issue Terms entered into by the relevant Issuer and the Counterparty by the execution of the relevant Trust Instrument and into which the terms of the Master Repurchase Terms Module are incorporated by reference, as the same may be modified and supplemented by the Trust Instrument, together with any confirmations relating to such Repurchase Agreement entered into by the relevant Issuer and the Counterparty pursuant thereto, each dated on or any time after the Issue Date.

**“Repurchase Agreement Counterparty”** means the counterparty in respect of a Repurchase Agreement.

**“Rights”** means, in relation to any agreement or asset, all rights, title and interest of the relevant person in, to and under such agreement or asset including, without limitation:

- (a) the relevant Issuer’s rights under the Agency Agreement, including all its rights in respect of all funds and/or assets held from time to time by any of the Agents for payment in respect of the Securities or otherwise in relation to the Securities or the Charged Assets; and
- (b) the relevant Issuer’s rights to the Charged Assets, including all its rights in respect thereof or relating thereto and any sums or assets derived therefrom whether or not against third parties, including, without limitation, the relevant Issuer’s rights against the Custodian to redelivery of equivalent Charged Assets and any proceeds of the sale of the Charged Assets.

**“Sale Agreement”** means, in relation to a Series of Securities, the sale agreement entered into by the relevant Issuer and the Vendor in respect of such Series by execution of the relevant Trust Instrument pursuant to which the relevant Issuer agrees to purchase the relevant Charged Assets and into which the terms of the Sale Agreement Terms Module are incorporated by reference, as the same may be modified and/or supplemented by the Trust Instrument.

**“Sale Agreement Terms Module”** means the Sale Agreement Terms Module dated 1 July 2021 containing the standard provisions of sale of the Charged Assets to the relevant Issuer or such other edition as specified in the Issue Terms.

**“Sanctions”** means any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other government agency of the United States, the United Nations, the European Union, Her Majesty’s Treasury or any other relevant authority.

**“Sanctions Event”** has the meaning given to it in Condition 8(h) (*Redemption for a Sanctions Event*).

**“Scheduled Maturity Date”** has the meaning given to it in the Issue Terms, or if none is so specified, it shall be the Maturity Date specified thereon prior to any adjustment or extension which may be applicable thereto.

**“Scheduled Termination Date”** has the meaning given to it in the Issue Terms.

**“Schuldschein Loan”** means the loans, howsoever described, constituted by the Trust Instrument and incorporating therein the Schuldschein Loan Terms Module.

**“Schuldschein Loan Terms”** means, in relation to a Schuldschein Loan, the Schuldschein loan terms set out in the Trust Instrument relating to such Schuldschein Loan including the terms of the Schuldschein Loan Terms Module and Definitions Modules incorporated by reference, as the same may be modified and/or supplemented.

**“Schuldschein Loan Terms Module”** means the Schuldschein Loan Terms Module dated 1 July 2021 containing the standard provisions of a Schuldschein loan as specified in the Schuldschein Loan Terms or such other edition as specified in the Schuldschein Loan Terms.

**“S&P”** means S&P Global Ratings UK Limited and/or S&P Global Ratings Europe Limited, or any successor to the rating businesses thereof.

**“Securities”** means the bonds, notes or other securities of a Series, howsoever described, constituted by the Trust Instrument and for the time being outstanding or, as the context may require, a specific number thereof, such Securities being denominated in the Specified Currency and:

- (a) having such maturity as may be specified in the Issue Terms and, in any case, such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency; and
- (b) having such minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency,

and reference to “Securities” shall be deemed to include any Coupons and/or Receipts in the case of Bearer Securities in definitive form and Securities comprising Further Tranches unless the context otherwise requires.

**“Securities Act”** means the United States Securities Act of 1933, as amended.

**“Security Documents”** means, in relation to a Series of Securities, the Trust Instrument and any Additional Charging Documents.

**“Security Interests”** means, in relation to a Series of Securities, the security interests created, or intended to be created at any time, in favour of the Trustee under the Security Documents.

**“Security Ranking Basis”** has the meaning given to it in Condition 5 (*Application of Proceeds*).

**“Securityholder Priority Basis”** means, first, in meeting claims of the Securityholders under the Securities on a *pari passu* and pro rata basis (or, in case of a Series of Securities consisting of Prioritised Tranches, in the order of priorities set out in the relevant Issue Terms) and, thereafter, in meeting the claims of the Counterparty (or if more than one Counterparty, meeting the claims of all such Counterparties under the Charged Agreement(s), and the claims of the Loan Servicer (if any) under the Loan Servicing Agreement on a *pari passu* and pro rata basis.

**“Securityholders”** means the several persons who are for the time being holders of the Securities (being, in the case of Bearer Securities, the bearers thereof, and, unless the context requires otherwise, each Couponholder and Receiptholder, and, in the case of Registered Securities, the several persons whose names are entered in the register of holders of the Registered Securities as the holders thereof) save that, in respect of the Securities of any Series, for so long as such Securities or any part thereof are represented by a Bearer Global Security deposited with a depositary for Euroclear and/or Clearstream, Luxembourg each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Securities of such Issue shall be deemed to be the holder of such nominal amount of such Securities (and the holder of the relevant Global Security shall be deemed not to be the holder) for all purposes of the Trust Instrument other than with respect to the payment of principal, premium (if any) or interest (if any) on such Securities, the right to which shall be vested, as against the relevant Issuer and the relevant Trustee, solely in such depositary or its nominee and for which purpose such depositary or its nominee shall be deemed to be the holder of such nominal amount of such Securities in accordance with and subject to its terms and the provisions of the Trust Instrument and the expressions “Securityholder”, “holder of Securities” and related expressions shall be construed accordingly.

**“Selling Agent”** means, in relation to a Series of Securities, the entity (if any) appointed as such under the Agency Agreement and as specified in the Issue Terms, and includes any Replacement Selling Agent.

**“Selling Agent Default”** means, in relation to the Selling Agent, the Selling Agent also acts as the Counterparty in relation to the relevant Series of Securities and an Event of Default (as defined in the Swap Agreement and/or the Repurchase Agreement) has occurred under the Swap Agreement and/or the Repurchase Agreement and the Counterparty is the Defaulting Party.

**“Series”** means a Tranche of Securities (or, together, Non-Fungible Tranches of Securities issued on the same Issue Date which are expressed to form a single series) together with any Further Tranche(s) of Securities which are expressed to form a single series.

**“Settlement Business Day”** has the meaning ascribed to it in the Issue Terms.

**“Settlement Date”** has the meaning given to it in the Issue Terms.

**“Settlement Disruption Event”** means an event beyond the control of the relevant Issuer (including but not limited to non-delivery and/or non-transfer of the Entitlement by a counterparty to any hedging agreements entered into to hedge the Securities) as a result of which, in the opinion of the Calculation Agent, delivery or transfer of the Entitlement by or on behalf of the relevant Issuer in accordance with these Conditions and/or the Issue Terms is not practicable.

**“Shortfall”** has the meaning given to it in Condition 6(b) (*Shortfall after Application of Proceeds*).

**“Shortfall Date”** has the meaning given to it in Condition 8(a) (*Final redemption*).

**“Specified Currency”** means, in relation to a Series of Securities, the currency as specified in the Issue Terms.

**“Specified Denomination”** means, in relation to a Series of Securities, the denomination(s) of the Securities as specified in the Issue Terms.

**“Specified Time”** means 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR).

**“Reference Entity”** has the meaning given to that term in the 2014 ISDA Credit Derivatives Definitions.

References to **“Sterling”**, **“Pounds Sterling”**, **“Pounds”** and **“£”** are to the lawful currency of the United Kingdom.

**“Stock Exchange”** means, in relation to a Series of Securities, each stock exchange or securities market (if any) specified in the Issue Terms.

**“Subsidiary”** means any company which is for the time being a subsidiary (within the meaning of Section 736 of the Companies Act 1985 of Great Britain) or a subsidiary undertaking (within the meaning of Section 258 and Schedule 10A of the Companies Act 1985 of Great Britain).

**“Substitution Notice”** has the meaning given to it in Condition 4(b) (*Substitution of Charged Assets*).

**“sub-unit”** means, with respect to any currency other than the euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to the euro, means one cent.

**“Successor”** has, in respect of any Reference Entity, the meaning given to that term in the 2014 ISDA Credit Derivatives Definitions.

**“successor”** means any successor to any one or more persons appointed in relation to the Securities pursuant to the Trust Instrument and/or such other or further persons appointed as such.

**“Swap Agreement”** means, in relation to a Series of Securities, (a) each interest rate and/or currency exchange and/or credit default swap agreement(s) or other hedging agreement(s) as evidenced by either (i) a 1992 ISDA Master Agreement (Multicurrency – Cross Border) or (ii) a 2002 ISDA Master Agreement, as specified in the Issue Terms and schedule thereto entered into by the relevant Issuer and the Counterparty by the execution of the relevant Trust Instrument and into which the terms of the Swap Schedule Terms Module are incorporated by reference, as the same may be modified and supplemented by the Trust Instrument, together with the confirmation entered into by the relevant Issuer and the Counterparty, each dated the Issue Date; and (b) any credit support annex entered into by the relevant Issuer and the Counterparty in respect thereof specified in the Issue Terms.

**“Swap Agreement Counterparty”** means the counterparty in respect of a Swap Agreement.

**“Swap Schedule Terms Module”** means the Swap Schedule Terms Module dated 1 July 2021 containing the standard provisions of a swap schedule in relation to an issue of Securities as specified in the Issue Terms or such other edition as specified in the Issue Terms.

**“Talons”** means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, the Bearer Securities in definitive form of any Series (other than Zero Coupon Securities) and includes any replacements for Talons issued pursuant to Condition 14 (*Replacement of Securities*).

**“TARGET2 System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (2) System.

**“Temporary Bearer Global Security”** means a temporary bearer global security in the form or substantially in the form set out in Part 1 of the First Schedule to the Trust Terms Module with such modifications (if any) as may be agreed between the relevant Issuer, the Trustee and the Counterparty, comprising some or all of the Securities of the same Series, issued by the relevant Issuer pursuant to the Trust Instrument.

**“Tranche”** means, in relation to a Series of Securities which are, in accordance with the terms of the Trust Instrument, to be issued in tranches, the Initial Tranche(s) and any further tranches issued in accordance with the Trust Instrument relating to that Series.

**“Transaction Documents”** means, in relation to a Series of Securities, the Trust Instrument, the Agency Agreement, the Sale Agreement, the Placing Agreement, the Loan Servicing Agreement, the Charged Agreements, the Additional Agreements and any Additional Charging Document, in each case entered into in relation to such Securities and all agreements incidental to the issue of such Securities.

**“Transfer Agents”** means, in relation to a Series of Registered Securities, the entity or entities appointed as such under the Agency Agreement and as specified in the Issue Terms.

**“Transfer Date”** means in respect of any loan the date such loan is transferred to the relevant Issuer.

**“Trust Corporation”** means a corporation entitled by rules made under the Public Trustee Act 1906 of Great Britain or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee.

**“Trust Instrument”** means, in respect of a Tranche of Securities, a trust instrument dated the Issue Date of such Tranche of Securities and made between, among others, the relevant Issuer and the Trustee.

**“Trust Terms Module”** means the Trust Terms Module dated 1 July 2021 containing the trust terms constituting and/or securing the Securities or such other edition as specified in the Issue Terms.

**“Trustee”** means, in relation to a Series of Securities, the entity designated as the trustee in the Issue Terms.

**“UK”** or **“United Kingdom”** means the United Kingdom of Great Britain and Northern Ireland.

References to **“U.S. dollars”**, **“U.S.\$”** and **“U.S. cents”** are to the lawful currency of the United States of America.

**“U.S.”** or **“USA”** means the United States of America.

**“U.S. Internal Revenue Code”** means the United States Internal Revenue Code of 1986, as amended.

**“U.S. Person”** means any person who is (a) a “U.S. person” (as defined in Regulation S), (b) a “U.S. person” as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the United States Commodity Futures Trading Commission (the “CFTC”), as amended, modified or supplemented from time to time, under the Commodity Exchange Act, as amended (the “CEA”), (c) a person other than a “Non-United States person” as defined in CFTC Rule 4.7, or (iv) a “United States person” as defined in the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time.

**“Variable Interest Amount Securities”** has the meaning given to it in Condition 7(f) (*Variable Amount Securities*).

**“Variable Amount Securities”** means any Securities specified as such in the relevant Issue Terms.

**“Vendor”** means, in relation to a Series of Securities, the entity designated as the vendor of the Charged Assets in the Issue Terms.

**“Zero Coupon Securities”** means an issue of Securities which bear no interest.

## **2 Statutory Provisions**

Save where the context otherwise requires, references in any Transaction Document or Conditions Module to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or to any statutory instrument, order or regulation made thereunder or under any such re-enactment.

## **3 Amendments**

References in any Transaction Document or Conditions Module to that or any other Transaction Document, Conditions Module, agreement, deed or document shall be deemed also to refer to such module, agreement, deed or document as amended, supplemented, varied, replaced or novated (in



whole or in part) from time to time and to modules, agreements, deeds and documents executed pursuant thereto.

#### **4 Schedules**

Any Schedule, Appendix or Exhibit annexed to a Transaction Document or Conditions Module forms part of such Transaction Document or Conditions Module and shall have the same force and effect as if set out in the body of such Transaction Document or Conditions Module. Any reference to a Transaction Document or Conditions Module shall include any such Schedule, Appendix or Exhibit.

#### **5 Headings**

Headings in any Transaction Document or Conditions Module and herein are for ease of reference only.

#### **6 Number**

In any Transaction Document or Conditions Module and herein, save where the context otherwise requires, words importing the singular number include the plural and vice versa.

#### **7 Successors**

Save where the context otherwise requires, references in any Transaction Document or Conditions Module and herein to any party to the Transaction Documents or Conditions Module shall include references to its successors and assigns, whether in security or otherwise, whomsoever.

#### **8 Miscellaneous**

In each Transaction Document or Conditions Module, unless the contrary intention appears, a reference to:

(a) “assets” includes properties, revenues and rights of every description;

an “authorisation” includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration and notarisatio

a “month” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that, if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that calendar month;

a “regulation” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental body, agency, department or regulatory, self-regulatory or other authority or organisation; and

(b) a time of day is a reference to London time.

## DESCRIPTION OF THE DOURO ISSUER

### General

Douro Finance B.V. (the “**Douro Issuer**”), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), was incorporated under the laws of the Netherlands on 11 June 2012, is subject to the laws of the Netherlands and registered at the Dutch Chamber of Commerce with number 55482643 and has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands, with the purpose of issuing Securities and Alternative Investments under the Programme, acquiring collateral and entering into and carrying out its obligations in relation to such Securities and Alternative Investments and any Charged Agreements or other agreements entered into in relation thereto in accordance with the objects clause contained in article 3 of the Articles of Association of the Douro Issuer. The Douro Issuer was established as a special purpose vehicle for the purpose of, among others, issuing asset backed securities.

The Douro Issuer has not previously carried on any business or carried on any activities other than those incidental to its registration, the authorisation and issue of Securities and Alternative Investments contemplated in this Information Memorandum and the other matters described or contemplated in this Information Memorandum and the obtaining of all approvals and the effecting of all registrations and filings necessary or desirable for its business activities. As at the date of this Information Memorandum, the Douro Issuer has prepared audited financial statements for the period from 1 January 2018 to 31 December 2018 and for the period from 1 January 2019 to 31 December 2019. The audited financial statements with explanatory notes have been filed at the Dutch Chamber of Commerce.

The update by the Douro Issuer of the Programme is authorised by a resolution of the board of the Douro Issuer dated on or about 22 June 2021.

### Stock and Registered Office

The Douro Issuer has an issued and outstanding share capital of EUR 18,000, consisting of 180 shares with a nominal value of EUR 100 each, all of which are fully paid up and held by Stichting Douro Finance, a foundation (*stichting*) (the “**Douro Foundation**”) established under Dutch law on 18 May 2012.

The corporate seat of the Douro Issuer is in Amsterdam and its registered office and correspondence address is at Jupiter Building, Herikerbergweg 88, 1101 CM Amsterdam, The Netherlands (Telephone number +31 88 560 9950). The Douro Issuer is registered in the trade register of the Dutch Chamber of Commerce under number 55482643. The Douro Foundation is registered in the trade register of the Dutch Chamber of Commerce under number 55329071.

The Douro Issuer and the Douro Foundation entered into a letter agreement dated 21 June 2012 under which, in order to ensure that the Douro Foundation does not abuse its control of the Douro Issuer, the Douro Foundation, *inter alia*, undertook (1) to manage the affairs of the Douro Issuer in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and accounting practice (2) to exercise its voting and other rights and powers as a shareholder of the Douro Issuer in accordance with the Douro Issuer’s obligations under the documents relating to the Programme (3) not to liquidate the Douro Issuer without the prior written approval of the Trustee and (4) that the Douro Issuer shall undertake no business except the transactions contemplated by the documents relating to the Programme.

## Capitalisation of the Douro Issuer

The following table sets out the share capitalisation of the Douro Issuer as of the date of this Information Memorandum.

### Shareholders' Funds:

Share capital (180 issued ordinary shares with a par value of EUR100 each) .....	EUR 18,000
<b>Total Share Capitalisation</b> .....	<u>EUR 18,000</u>

## Management

On 11 June 2012, the following entity was appointed as managing director (*statutair bestuurder*) of the Douro Issuer:

Vistra Capital Markets (Netherlands) N.V.  
Jupiter Building  
Herikerbergweg 88  
1101 CM, Amsterdam  
The Netherlands

The managing director is the sole director (*bestuurder*) of the Douro Issuer. The managing director is responsible for the management and administration of the Douro Issuer and executed a management agreement dated on or about 19 June 2012 with the Douro Issuer in respect thereof. The appointment of the managing director may be terminated upon three months' notice (which may be reduced to one month notice in such circumstances that if it were not reduced to one month it would be materially prejudicial to the Douro Issuer or the managing director), subject to the appointment of an alternative managing director.

On 18 May 2012, Vistra Capital Markets (Netherlands) N.V. was appointed as the sole director of the Douro Foundation.

## Business

So long as any of the Securities or Alternative Investments remains outstanding, the Douro Issuer will be subject to the restrictions set out in Condition 5 (*Application of Proceeds*) and each Trust Instrument.

The Douro Issuer has, and will have, no assets other than the amount standing from time to time to the credit of the account of the Douro Issuer at Alpha FX Group PLC and any other assets on which the Securities or Alternative Investments are secured. Save in respect of the fees generated in connection with each issue of Securities or Alternative Investments, any related profits and the proceeds of any deposits and investments made from such fees or from any amounts as a result of the Douro Issuer's issued and paid-up share capital, the Douro Issuer will not accumulate any surpluses.

The Securities and Alternative Investments are obligations of the Douro Issuer alone and not of, or guaranteed in any way by, the Douro Foundation or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, Vistra Capital Markets (Netherlands) N.V. and/or its group entities, any Counterparty, any Dealer or any Agent.

## **Tax Status of Douro Issuer**

The Douro Issuer is a resident of the Netherlands for Dutch tax purposes.

## DESCRIPTION OF THE CID ISSUER

### General

CID FINANCE B.V. (the “**CID Issuer**”), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), was incorporated under the laws of the Netherlands on 20 August 2004 and registered at the Dutch Chamber of Commerce with number 34211673 and having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands, with the purpose of issuing Securities and making Alternative Investments under the Programme, acquiring collateral and entering into and carrying out its obligations in relation to such Securities and Alternative Investments and any Charged Agreements or other agreements entered into in relation thereto in accordance with the objects clause contained in article 3 of the Articles of Association of the CID Issuer. The CID Issuer was established as a special purpose vehicle for the purpose of, among others, issuing asset backed securities.

The CID Issuer has not previously carried on any business or carried on any activities other than those incidental to its registration, the authorisation and issues of Securities and Alternative Investments contemplated in this Information Memorandum and the other matters described or contemplated in this Information Memorandum and the obtaining of all approvals and the effecting of all registrations and filings necessary or desirable for its business activities. As at the date of this Information Memorandum, the CID Issuer has prepared audited financial statements for the period from 1 January 2018 to 31 December 2018 and for the period from 1 January 2019 to 31 December 2019. The audited financial statements with explanatory notes have been filed at the Dutch Chamber of Commerce.

The update by the CID Issuer of the Programme is authorised by a resolution of the board of the CID Issuer dated on or about 22 June 2021.

### Stock and Registered Office

The CID Issuer has an issued and outstanding share capital of EUR 18,000, consisting of 180 shares with a nominal value of EUR 100, all of which are fully paid up and held by Stichting CID Finance, a foundation (*stichting*) (the “**CID Foundation**”) established under Dutch law on 18 August 2004.

The corporate seat of the CID Issuer is in Amsterdam and its registered office and correspondence address is at Jupiter Building, Herikerbergweg 88, 1101 CM Amsterdam, The Netherlands (Telephone number +31 88 560 9950). The CID Issuer is registered in the trade register of the Dutch Chamber of Commerce, under number 34211673. The CID Foundation is registered in the trade register of the Dutch Chamber of Commerce under number 34211574.

The CID Issuer and the CID Foundation entered into a letter agreement on 21 October 2004 under which, in order to ensure that the CID Foundation does not abuse its control of the CID Issuer, the CID Foundation, *inter alia*, undertook (1) to manage the affairs of the CID Issuer in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and accounting practice (2) to exercise its voting and other rights and powers as a shareholder of the CID Issuer in accordance with the CID Issuer’s obligations under the documents relating to the Programme (3) not to liquidate the CID Issuer without the prior written approval of the Trustee and (4) that the CID Issuer shall undertake no business except the transactions contemplated by the documents relating to the Programme.

## **Management**

On 20 August 2004, the following entity was appointed as managing director (*statutair bestuurder*) of the CID Issuer:

Vistra Capital Markets (Netherlands) N.V.  
Jupiter Building  
Herikerbergweg 88  
1101 CM, Amsterdam  
The Netherlands

The managing director is the sole director (*bestuurder*) of the CID Issuer. The managing director is responsible for the management and administration of the CID Issuer and it has executed a management agreement dated 21 October 2004 (with an effective date of 21 October 2004) with the CID Issuer in respect thereof. The appointment of the managing director may be terminated upon three months' notice (which may be reduced to one month notice in such circumstances that if it were not reduced to one month it would be materially prejudicial to the CID Issuer or the managing director), subject to the appointment of an alternative managing director.

On 18 August 2004, Vistra Capital Markets (Netherlands) N.V. was appointed as the sole director of the CID Foundation.

## **Business**

So long as any of the Securities or Alternative Investments remains outstanding, the CID Issuer will be subject to the restrictions set out in Condition 5 (*Application of Proceeds*) and each Trust Instrument.

The CID Issuer has, and will have, no assets other than the amount standing from time to time to the credit of the account of the CID Issuer at Alpha FX Group PLC and any other assets on which the Securities or Alternative Investments are secured. Save in respect of the fees generated in connection with each issue of Securities or Alternative Investments, any related profits and the proceeds of any deposits and investments made from such fees or from any amounts as a result of the CID Issuer's issued and paid-up share capital, the CID Issuer will not accumulate any surpluses.

The Securities and Alternative Investments are obligations of the CID Issuer alone and not of, or guaranteed in any way by, the CID Foundation or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, Vistra Capital Markets (Netherlands) N.V. and/or its group entities, any Counterparty, any Dealer or any Agent.

## **Tax Status of CID Issuer**

The CID Issuer is a resident of the Netherlands for Dutch tax purposes.

## DESCRIPTION OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**") is a customer-centric global financial services group founded in 1857. Internationally diversified and with strengths in the traditional banking businesses of retail banking, asset management and wholesale banking.

The Group is committed to offering a compelling digital proposition focused on customer experience.

For this purpose, the Group is focused on increasingly offering products online and through mobile channels, improving the functionality of its digital offerings and refining the customer experience.

In 2019, the Group adopted a common global brand through the unification of BBVA brand as part of its efforts to offer a unique value proposition and a homogeneous customer experience in the countries in which the Group operates.

BBVA was incorporated in Spain for an unlimited term on 28 January 2000. BBVA was formed as the result of a merger by absorption of Argentaria into BBV, which was registered at the Vizcaya Mercantile Registry (*Registro Mercantil de Vizcaya*) on 28 January 2000.

BBVA's organisational structure is divided into six operating segments (Spain, the United States, Mexico, Turkey, South America and rest of Eurasia). In addition to the operating segments referred to above, the Group has a corporate centre (the "**Corporate Centre**") which includes those items that have not been allocated to an operating segment. It includes the Group's general management functions, including: costs from central units that have a strictly corporate function; management of structural exchange rate positions carried out by the financial planning unit; specific issues of capital instruments to ensure adequate management of the Group's overall capital position; certain proprietary portfolios; certain tax assets and liabilities; certain provisions related to commitments with employees; and goodwill and other intangibles.

The registered office of BBVA is at Plaza San Nicolas 4, Bilbao, Spain.

BBVA has securities admitted to trading on the Madrid Stock Exchange and the New York Stock Exchange.

## TAXATION

### Dutch Taxation

#### General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Netherlands tax consequences in relation thereto. For purposes of Netherlands tax law, a holder of Securities may include an individual or entity who does not have the legal title of these Securities, but to whom nevertheless the Securities or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Securities or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Information Memorandum, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (a) holders of Securities holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the relevant Issuer and holders of Securities of whom a certain related person holds a substantial interest in the relevant Issuer. Generally speaking, a substantial interest in the relevant Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5 per cent. or more of the total issued capital of the relevant Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the relevant Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the relevant Issuer;
- (b) investment institutions (*fiscale beleggingsinstellingen*);
- (c) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax (*vennootschapsbelasting*);
- (d) persons to whom the Securities and the income from the Securities are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands gift and inheritance tax act (*Successiewet 1956*);
- (e) entities which are a resident of Aruba, Curaçao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba, to which permanent establishment or permanent representative the Securities are attributable; and
- (f) individuals to whom Securities or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.



Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

### **Withholding Tax**

All payments of interest and principal made by the relevant Issuer under the Securities may - except in certain very specific cases as described below - be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Securities do not in fact function as equity of the relevant Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*).

Dutch withholding tax may apply on certain (deemed) payments of interest due and payable made to an affiliated (*gelieerde*) entity of the relevant Issuer if such entity (i) is considered to be resident (*gevestigd*) of in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (hybrid mismatch), a hybrid entity, or (v) is not treated as resident anywhere (also a hybrid mismatch) in any jurisdiction, all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

### **Corporate and Individual Income Tax**

#### **Residents of the Netherlands**

If a holder is not an individual and such holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If a holder is an individual and such holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are taxable at the progressive rates (at up to a maximum rate of 49.50 per cent.) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Securities are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Securities are attributable; or
- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) applies, an individual that holds the Securities, must determine taxable income with regard to the Securities on the basis of a deemed return on income

from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Securities less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Securities will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments is taxed at a rate of 31 per cent.

### **Non-residents of the Netherlands**

If a holder is not a resident nor is deemed to be a resident of the Netherlands for Netherlands tax purposes, such holder is not liable to Netherlands income tax in respect of income derived from the Securities and gains realised upon the settlement, redemption or disposal of the Securities, unless:

- (a) the holder is not an individual and such holder (i) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (ii) is (other than by way of securities (*effectenbezit*)) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Securities are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25 per cent.

- (b) the holder is an individual and such individual (i) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (ii) realises income or gains with respect to the Securities that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands, which activities include the performance of activities in the Netherlands with respect to the Securities which exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (iii) is (other than by way of securities (*effectenbezit*)) entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Securities are attributable.

Income derived from the Securities as specified under (i) and (ii) is subject to individual income tax at up to a maximum rate of 49.50 per cent. Income derived from a share in the profits as specified under (iii) that is not already included under (i) or (ii) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Securities) will be part of the individual's Netherlands yield basis.

### **Gift and Inheritance Tax**

Netherlands gift or inheritance taxes will not be levied on the occasion of the transfer of a Security by way of gift by, or on the death of, a holder of a Security, unless:

- (a) the holder of a Security is, or is deemed to be, resident in the Netherlands for Netherlands gift and inheritance tax purposes; or

- (b) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for Netherlands gift and inheritance tax purposes.

For the purpose of Dutch gift and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift or the date of his death, if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or the date of his death.

For the purposes of Dutch gift tax, an individual who does not have the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift, if he has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift.

### **Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of a cash payment made under the Securities, or in respect of a transfer of Securities.

### **Other Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

## **Spanish Taxation**

### **General**

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Spain, though it is not intended to be, nor should it be construed to be, legal or tax advice. This section does not constitute a complete description of all the tax issues that may be relevant in making the decision to invest in the Securities or of all the tax consequences that may derive from the subscription, acquisition, holding, transfer, redemption or reimbursement of the Securities and does not purport to describe the tax consequences applicable to categories of investors subject to special tax rules. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, regional or local law in Spain, to which they may be subject.

### **Individuals with Tax Residence in Spain**

#### **(a) Personal Income Tax**

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish tax resident individuals, whatever its source and wherever the relevant payer is established. Therefore any income that a Spanish holder of the Securities may receive under the Securities will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Securities obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the transfer of own capital to third parties).

These amounts will be included in the savings part of the taxable income subject to Personal Income Tax at the following tax rates:

- (i) for taxable income up to €6,000: 19 per cent;
- (ii) for taxable income from €6,001 to €50,000: 21 per cent;
- (iii) for taxable income from €50,001 to €200,000: 23 per cent; and
- (iv) for any amount in excess of €200,000: 26 per cent.

Spanish holders of the Securities shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Securities will be calculated as the difference between (A) their disposal, redemption or reimbursement value and (B) their acquisition or subscription value. Costs and expenses effectively borne on the acquisition and transfer of the Securities may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses related to the management and deposit of the Securities, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Securities cannot be offset if the investor acquires homogeneous securities within the two-month period prior or subsequent to the transfer of the Securities, until he/she transfers such homogeneous securities.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Securities, if any.

(b) **Inheritance and Gift Tax**

Inheritance and Gift Tax is levied on transfers of the Securities upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee (i.e. heirs and donees). It is calculated taking into account several circumstances, such as the age and previous net worth of the heir or donee and the kinship with the deceased person or donor. General tax rates currently range between 7.65 and 34 per cent. depending on the particular circumstances, although the final tax payable may increase up to 81.6 per cent. This is nevertheless subject to the specific rules passed by the relevant Spanish regions with respect to this tax.

(c) **Wealth Tax**

Individuals with tax residency in Spain are subject to Wealth Tax on tax year 2021 to the extent that their net worth exceeds €700,000. Therefore, they should take into account the value of the Securities which they hold as at 31 December 2021.

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory, exceed €700,000 would be subject to Wealth Tax at the applicable rates, ranging between 0.2 per cent. and 2.5 per cent., without prejudice of any exemption that should be applicable and the laws and regulations in force in each Autonomous Region.

As a consequence of the European Court of Justice Judgment (Case C-127/12), the Wealth Tax Law has been amended by Law 26/2014. As a result, non-Spanish tax resident individuals who are residents in the EU or in the European Economic Area can apply the legislation of the region in which the highest value of the assets and rights of the individuals are located.

Legal entities are not subject to Wealth Tax.

## **Legal Entities with Tax Residence in Spain**

### **Corporate Income Tax**

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Securities obtained by entities which are tax resident in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for Spanish Corporate Income Tax taxpayers is currently 25 per cent. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Securities, if any.

### **Individuals and Legal Entities with no Tax Residence in Spain**

A non-resident holder of the Securities who has a permanent establishment in Spain to which such Securities are attributable is subject to Spanish Non-Residents Income Tax on any income obtained under the Securities including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Securities. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to Spanish tax resident Corporate Income Tax taxpayers (see "*Legal Entities with Tax Residence in Spain — Corporate Income Tax*" above).

### **Spanish Withholding Tax**

Where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Securities or intervenes as manager in the collection of any income under the Securities, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Securities. Currently, the withholding tax rate in Spain is 19 per cent.

Amounts withheld in Spain, if any, can be credited against the final Spanish Personal Income Tax liability, in the case of Spanish tax resident individuals, or against final Spanish Corporate Income Tax liability, in the case of Spanish Corporate Income Tax taxpayers, or against final Spanish Non-Residents Income Tax liability, in the case of Spanish permanent establishments of non-resident investors.

However, holders of the Securities who are Corporate Income Tax Taxpayers or Non-Residents Income Tax Taxpayers acting through a permanent establishment in Spain to which the Securities are effectively connected can benefit from a withholding tax exemption when the Securities are listed on an OECD official stock exchange. This will be the case as the Securities are expected to trade on the Vienna Stock Exchange and to be listed on the Vienna MTF.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the Regulations on Spanish Personal Income Tax (Royal Decree 439/2007, of 30 March, as

amended by Royal Decree 1003/2014 of 5 December 2014) and Corporate Income Tax (Royal Decree 634/2015, of 10 July 2015, as amended by the Royal Decree 683/2017, of 30 June 2017) when intervening in the transfer or reimbursement of the Securities.

### **Indirect Taxation**

The acquisition, transfer, redemption, reimbursement and exchange of the Securities will be exempt from Transfer Tax and Stamp Duty as well as Value Added Tax in Spain.

Disclosure obligations in connection with assets held abroad by Spanish resident natural and legal persons (Form 720).

According to Law 7/2012, Spanish resident natural or legal persons holding certain categories of assets abroad (including *inter alia* all types of debt securities) may be potentially liable to report them to the Spanish tax authorities on a yearly basis in certain circumstances. Accordingly, any Spanish resident individual and corporate investors using a non-Spanish resident custodian to hold the Securities may be potentially liable to comply with such reporting obligations in respect of the Securities, if certain conditions are met. Failure to meet this new reporting obligation may trigger significant tax penalties and other tax implications.

## SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

*Unless otherwise specified in the relevant Series Information Memorandum, the following selling restrictions shall apply:*

### Colombia

This document does not constitute a public offer in the Republic of Colombia. The offer of the Securities may only be addressed to less than one hundred specifically identified investors. The Securities may not be promoted or marketed in Colombia or to Colombian residents, unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign products in Colombia.

The Securities have not been, and will not be, registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores*) of Colombia or traded on the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the securities may not be publicly offered in Colombia or traded on the Colombian Stock Exchange.

This Information Memorandum is for the sole and exclusive use of the addressee as an offeree in Colombia, and this Information Memorandum shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, administrators or employees of the addressee.

The recipient of the Securities acknowledges that certain Colombian laws and regulations (specifically foreign exchange and tax regulations) are applicable to any transaction or investment made in connection with the Securities being offered and represents that it is the sole party liable for full compliance with any such laws and regulations.

### European Union

#### Prohibition of Sales to EEA Retail Investors

If the Issue Terms in respect of a Tranche of Securities includes a legend entitled “Prohibition of Sales to EEA Retail Investors” or a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Dealer has represented and agreed, and each further Dealer appointed under the Programme in respect of such Securities will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available such Securities to any retail investor in the EEA.

For these purposes:

- (a) a “**retail investor**” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) The expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

Consequently no key information document required by the PRIIPs Regulation for offering or selling such Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling such Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## France

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only offered or sold and will only offer or sell, directly or indirectly, any Securities in France to, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, this Information Memorandum, the relevant Issue Terms or any other offering material relating to the Securities to, qualified investors (*investisseurs qualifiés*) as defined in Article 2(e) of the Prospectus Regulation.

Neither this Information Memorandum, nor the relevant Issue Terms nor any such offering material has been or will be filed with the French *Autorité des Marchés Financiers* (“**AMF**”) for prior approval or submitted for clearance to the AMF.

## Hong Kong

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities (except for Securities which are a “structured products” as defined in the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong (the “**SFO**”)) other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the laws of Hong Kong (the “**C(WUMPO)**”) or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## Republic of Italy

The offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that no Securities may be offered, sold or delivered, nor may copies of this Information Memorandum (including the applicable Issue Terms and any Series Information Memorandum) or of any other document relating to the Securities be distributed in the Republic of Italy, except:



- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February, 1998, as amended, (the “**Financial Services Act**”) and Italian CONSOB regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No.11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Securities or distribution of copies of this Information Memorandum (including any Series Information Memorandum or applicable Issue Terms) or any other document relating to the Securities in the Republic of Italy under (a) and (b) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

*Please note that in accordance with Article 100-bis of the Financial Services Act, to the extent it is applicable, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.*

## **Mexico**

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Securities have not been, and will not be, registered with the National Securities Registry maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or the “CNBV”) and, therefore, the Securities may not be offered or sold in Mexico, publicly or otherwise, except that the Securities may be offered in Mexico to institutional and accredited investors pursuant to the private placement exception set forth in Article 8 of the Mexican Securities Market Law.

## **The Netherlands**

### **Dutch Financial Supervision Act**

If the Issue Terms in respect of a Tranche of Securities includes a legend entitled “Prohibition of Sales to EEA Retail Investors” or a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme in respect of such Securities will be required to represent and agree, that the Securities (or any interest therein) are not and may not, directly or indirectly, be offered, sold, pledged, delivered or transferred in the Netherlands, on their issue date or at any time thereafter, and neither

this Prospectus nor any other document in relation to any offering of the Securities (or any interest therein) may be distributed or circulated in the Netherlands, other than to qualified investors as defined in the Prospectus Regulation, provided that these parties acquire the Securities for their own account or that of another qualified investor. However, the Securities may be offered free of any restrictions in the Netherlands provided that each such Securities has a minimum denomination in excess of EUR 100,000 (or the equivalent thereof in non-Euro currency) and subject to compliance with the relevant requirements under the PRIIPs Regulation.

### **Savings Certificates Act**

In addition and without prejudice to the relevant restrictions set out above, Securities that are in definitive bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever (“**Zero Coupon Securities**”) may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the relevant Issuer or an admitted institution (*toegelaten instelling*) of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Savings Certificates Act (*Wet inzake spaarbewijzen*) as amended from time to time. No such mediation is required in respect of:

- (a) the transfer and acceptance of Zero Coupon Securities whilst in the form of rights representing an interest in a Zero Coupon Instrument in global form;
- (b) the initial issue of Zero Coupon Securities in definitive form to the first holders thereof;
- (c) the transfer and acceptance of Zero Coupon Securities in definitive form between individuals not acting in the conduct of a business or profession; or
- (d) the transfer and acceptance of such Zero Coupon Securities within, from or into the Netherlands if all Zero Coupon Securities (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Securities have to be complied with and, in addition thereto, if such Zero Coupon Securities in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 February 1987 attached to the Royal Decree of 11 March 1987 as published in the Official Gazette 1987, 129, as amended from time to time, each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Securities.

### **Peru**

The Securities have not been, and will not be, registered with the Superintendency of Securities Market (*Superintendencia del Mercado de Valores*, or “**SMV**”) or the Lima Stock Exchange (*Bolsa de Valores de Lima*). If through any private offering an institutional investor acquires Securities that are not registered with the SMV, such Securities may not be sold or transferred by such institutional investor unless such transfer or sale is made to another institutional investor as defined by the Peruvian Securities Market Law (*Ley del Mercado de Valores*) or such Securities have been registered under the SMV’s Public Registry.

Notice to Private Pension Funds and Insurance Companies in Peru: Private Pension Funds (*Administradoras Privadas de Fondos de Pensiones*) and Insurance Companies (*Compañías de Seguros*) in Peru should seek their own legal advice as to the eligibility of the Securities and legal, financial and technical advice as to their capacity to acquire the Securities in compliance with the limits and requirements set forth by applicable Peruvian law.

## Spain

Neither the Securities nor the Information Memorandum have been or will be approved or registered in the administrative registries of the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, the Securities may not be offered, sold, re-sold or distributed in Spain except (i) in circumstances which do not require the publication of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws and (ii) by institutions authorised to provide investment services in Spain under the Securities Market Law (and related legislation) and Royal Decree 217/2008, of 15 February on the Legal Regime Applicable to Investment Services Companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*).

## United Kingdom

### Prohibition of Sales to UK Retail Investors

If the Issue Terms in respect of a Tranche of Securities includes a legend entitled “Prohibition of Sales to UK Retail Investors” or a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Dealer has represented and agreed, and each further Dealer appointed under the Programme in respect of such Securities will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available such Securities to any retail investor in the UK. For these purposes:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - a. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of “retained EU law”, as defined in EUWA;
  - b. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of “retained EU law”, as defined in the EUWA; or
  - c. not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of “retained EU law”, as defined in the EUWA; and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

### FSMA

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom; and
- (c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer.

## United States

The Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Securities may include Securities in bearer form that are subject to U.S. tax law requirements. No person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the rules of the CFTC thereunder. The Securities may not at any time be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, any person who is (a) a "U.S. person" (as defined in Regulation S), (b) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the CFTC, as amended, modified or supplemented from time to time, under the CEA, (c) a person other than a "Non-United States person" as defined in CFTC Rule 4.7, or (d) a "United States person" as defined in the Code and the U.S. Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time.

Bearer Securities will be issued in compliance with U.S. Treas. Reg. section 1.163-5(c)(2)(i)(D) (or any successor rules for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986 (the "**Code**")) (the "**D Rules**") unless (i) the relevant Series Information Memorandum state that Securities are issued in compliance with U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any successor rules for the purposes of Section 4701 of the Code) ) (the "**C Rules**") or (ii) such Securities are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Securities will not constitute "registration-required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**").

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## **General**

This Information Memorandum has been prepared on the basis that Securities may be directed to any category of potential investors unless specified otherwise in the applicable Issue Terms. The Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes this Information Memorandum or any Series Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the relevant Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the relevant Issuer, the Trustee nor any Dealer represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Series of Securities, the relevant Dealer(s) will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Dealer(s) shall agree and as shall be set out in the relevant Series Information Memorandum.

## **GENERAL INFORMATION**

### **Authorisation**

The update of the Programme and the issue of Securities was duly authorised by resolutions of the Board of Directors of the Douro Issuer dated on or about 22 June 2021 and resolutions of the Board of Directors of the CID Issuer dated on or about 22 June 2021.

### **Listing of Securities**

It is expected that each Series of Securities which is to be admitted to trading on the Vienna MTF and to be listed on the Vienna MTF will be admitted separately as and when issued, subject only to the issue of a Global Security or Securities initially representing the Securities of such Series. This Information Memorandum constitutes listing particulars for the purpose of such application and has been approved by the Vienna Stock Exchange. The approval of the Programme is expected to be granted on 1 July 2021.

Securities may also be issued pursuant to the Programme which will not be listed on the Vienna MTF or any other stock exchange or which will be listed on such stock exchange as the relevant Issuer and the Dealer may agree.

### **Clearing Systems**

The Securities (other than those in definitive form) will be accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping records) (unless otherwise specified in the relevant Issue Terms). The appropriate Common Code and ISIN for each Series allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Issue Terms. If the Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the relevant Issue Terms.

The address for Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium. The address for Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

### **Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Douro Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Douro Issuer.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the CID Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the CID Issuer.

### **Conditions for Determining Price**

The price and amount of Securities to be issued under the Programme, subject to the Programme limit of EUR 5,000,000,000 for each Issuer, will be determined by the relevant Issuer and the Dealer at the time of the issue in accordance with prevailing market conditions.

## **Post Issuance Information**

Other than as set out in a Series Information Memorandum, the Issuers do not intend to provide any post-issuance information in relation to any Series of Securities or Charged Assets.

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