

Castilla Finance Designated Activity Company
Fourth Floor
3 George's Dock
IFSC
Dublin 1

(a private company incorporated with limited liability
under the laws of Ireland with registered number 578174) (the "**Issuer**")

Notice of Amendment Request

To the holders of:

EUR 120,000,000 notes due 2018 (ISIN: XS1382379409) (the "**Notes**") of the Issuer

NOTICE IS HEREBY GIVEN that, on 21 February 2018, the Issuer received a request from the Seller requesting certain amendments to the Transaction Documents. The Seller has requested the amendments to be made to the following documents (the "**Relevant Transaction Documents**"): (i) the Incorporated Terms Memorandum; (ii) the Trust Deed; (iii) the Cash Management Agreement; (iv) the Subordinated Loan Agreement; (v) the Receivables Sale Agreement; (vi) the Servicing Agreement, (vii) the Security Account Pledge Agreement and (viii) the Originator Account Pledge Agreement. The Seller has further requested that the Issuer enters into a due diligence agent letter with Issuer Solutions, S.L.. Such requests are referred to as the "**Amendments**".

Pursuant to the Conditions of the Notes and paragraph 9.2 of Schedule 5, Part B (*Transaction Document Covenants of the Issuer*) in the Incorporated Terms Memorandum originally dated 27 May 2016 and signed for the purposes of identification by, among others, the Issuer and the Seller, the Issuer requires the prior written consent of the Trustee before amending the Relevant Transaction Documents to give effect to the Amendments.

Pursuant to the Conditions of the Notes and Schedule 3 (*Provisions for meetings of Noteholders*) of the Trust Deed originally dated 27 May 2016 (as subsequently amended and restated) between the Issuer and the Trustee, the Noteholders have the power, exercisable by an Extraordinary Resolution to, among other things, sanction the modification of any provisions of the Transaction Documents and to authorise the Trustee to concur in and execute and do all such deeds, instruments, acts and things as may be deemed necessary to carry out and give effect in full to any Extraordinary Resolution.

An Extraordinary Resolution is defined to include a resolution in writing signed by or on behalf of the Noteholders of not less than 75 per cent. in aggregate Principal Amount Outstanding of the Notes then outstanding which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders.

In order for the Issuer to give effect to the Amendments, the Noteholders are requested to provide their consent to the Issuer doing so, direct the Trustee to provide its prior written consent to the Issuer executing (and if applicable, delivering) (i) a deed of amendment and restatement governed by English law in relation to the Incorporated Terms Memorandum, the Trust Deed, the Cash Management Agreement and the Subordinated Loan Agreement (the "**English Deed of Amendment**"); (ii) a due diligence agent letter (the "**Due Diligence Agent Letter**"); and (iii) an amendment agreement governed by Spanish law in relation to the

Receivables Sale Agreement, the Servicing Agreement, the Security Account Pledge Agreement and the Originator Account Pledge Agreement (the "**Spanish Amendment Agreement**") and execute such other documents as may be required in connection with, or to give effect to the Amendments and direct the Trustee to execute (and where applicable, deliver) the English Deed of Amendment and the Due Diligence Agent Letter. Such extraordinary resolution in writing (the "**Written Resolution**") requires consent of 75% or more of the Principal Amount Outstanding of the Notes then outstanding. The Written Resolution is proposed to be executed by the requisite majority of Noteholders directly. A draft copy of the Written Resolution is appended hereto and may be obtained from the Principal Paying Agent (for the attention of Andrea Meucci: tel: +44 207 508-3814 / fax: +44 20 7500 5877 and Stuart Hoare: tel: +44 20 7500 5309 / fax: +44 20 7500 5877).

Defined terms used and not otherwise defined herein have the meaning ascribed to them in the Prospectus dated 26 May 2016.

Further Information

For queries relating to the above please contact:

ireland@wilmingtontrust.com

This Notice is issued by:

Castilla Finance Designated Activity Company

22 February 2018

Appendix
Draft copy of the Written Resolution

The rest of the page has been intentionally left blank; please see overleaf (paginated separately).

WRITTEN RESOLUTION OF NOTEHOLDERS

CASTILLA FINANCE DAC

EUR120,000,000 SECURED FIXED RATE NOTES DUE 2018 (the "Notes")

We, being the holders of the outstanding Notes mentioned above, act pursuant to terms and conditions of the Notes (the "**Conditions**") and the trust deed dated 27 May 2016 (as subsequently amended and restated) between the Issuer and the Trustee (the "**Trust Deed**"). All terms and expressions used but not defined in this resolution shall have the meanings attributed to them in the Conditions.

This resolution shall take effect as an Extraordinary Resolution in writing (a "**Written Resolution**") pursuant to the definition of Extraordinary Resolution and the terms of Schedule 3 (*Provisions for Meetings of Noteholders*) of the Trust Deed and may be signed in counterparts by one or more of the Noteholders and shall take effect on the date the resolution is signed by the last Noteholder.

We hereby waive all notice of time, place and purpose of a meeting of the Noteholders pursuant to the terms of Schedule 3 (*Provisions for Meetings of Noteholders*) of the Trust Deed and hereby consent and agree to the adoption of the following resolutions:

IT IS HEREBY RESOLVED that:

1. the Noteholders pursuant to the Conditions of the Notes hereby consent to:
 - 1.1 certain amendments being made to the Transaction Documents as shown in the blacklines attached at Schedule 1 (*Blackline of Amendments to the Incorporated Terms Memorandum*), Schedule 2 (*Blackline of Amendments to the Trust Deed*), Schedule 3 (*Blackline of Amendments to the Cash Management Agreement*) and Schedule 4 (*Blackline of Amendments to the Subordinated Loan Agreement*);
 - 1.2 certain amendments being made to the Receivables Sale Agreement, Servicing Agreement, Security Account Pledge Agreement and Originator Account Pledge Agreement as set out in the Spanish Deed of Amendment (as defined below);
 - 1.3 the Issuer entering into the due diligence agent letter in the form attached as Schedule 5 (*Due Diligence Agent Letter*) (the "**Due Diligence Agent Letter**");
 - 1.4 the Issuer entering into such further documents and doing all such things as may be deemed necessary or expedient to carry out and give effect in full to the Amendments;

together, the "**Amendments**";
2. the Amendments to the Incorporated Terms Memorandum, the Trust Deed, the Cash Management Agreement and Subordinated Loan Agreement will be made by way of a deed of amendment and restatement governed by English law substantially in the form appended hereto (without schedules which will be included in the execution version reflecting the amendments as shown in the blacklines attached at Schedules 1

to 4) as Schedule 6 (*Form of English Deed of Amendment*) (the "**English Deed of Amendment**");

3. the Amendments to the Receivables Sale Agreement, the Servicing Agreement, the Security Account Pledge Agreement and the Originator Account Pledge Agreement will be made by way of an amendment agreement governed by Spanish law substantially in the form appended hereto Schedule 7 (*Spanish Amendment Agreement*) (the "**Spanish Amendment Agreement**" and together with the English Deed of Amendment and the Due Diligence Agent Letter, the "**Amendment Documents**");
4. the Noteholders pursuant to the Conditions of the Notes hereby direct, authorise, request and empower the Trustee to grant its consent in writing to the Issuer executing (and if applicable, delivering) the Amendment Documents for the purposes of paragraph 9.2 of Schedule 5, Part B (*Transaction Document Covenants of the Issuer*) in the Incorporated Terms Memorandum and entering into such further documents and doing all such things as may be deemed necessary or expedient to carry out and give effect in full to the Amendments;
5. the Noteholders hereby direct, authorise, request and empower the Trustee to execute and deliver the English Deed of Amendment and the Due Diligence Agent Letter to which it is party and execute such further documents as the Trustee may deem necessary in order to effect the Amendments and do all such things as may be deemed necessary or expedient to carry out and give effect in full to the Amendments;
6. every modification (including the Amendments approved hereunder), abrogation, variation, compromise of, or arrangement in respect of, the rights of the Noteholders (or the Trustee acting on their behalf) against the Issuer whether such rights arise under the Trust Deed or otherwise, involved in or resulting from or to be effected pursuant hereto and the implementation thereof, be and are hereby approved;
7. any claim against the Trustee which arises as a result of any loss or damage to the Noteholders suffered or incurred as a result of the Trustee following the terms of this Written Resolution and the implementation of this Written Resolution (including the directions and/or instructions contained herein) are irrevocably waived;
8. the Trustee shall not have any liability, and any claims against the Trustee shall be irrevocably waived, for acting upon this Written Resolution and the implementation of this Written Resolution even though it may be subsequently found that there is a defect in this Written Resolution or that for any reason this Written Resolution is not valid or binding upon the Noteholders;
9. the Trustee shall be indemnified, discharged and exonerated from all liability for which it may have become responsible to the Noteholders or may become responsible under the Trust Deed, the Notes or any other document in respect of any act or omission in connection with this Written Resolution and its implementation or any written resolutions of the Noteholders given in relation thereto; and
10. the Amendments shall only apply to the matters specifically referred to in this Written Resolution. It shall be without prejudice to any rights which the Issuer, the Trustee or a Noteholder may have at any time in relation to any other circumstance or matter

other than as specifically referred to in this Written Resolution (and whether or not subsisting at the date of this Written Resolution) or as a matter of general law.

Each undersigned Noteholder hereby severally represents and warrants that as at the date of signing this Written Resolution it is the beneficial owner of, or is signing on behalf of the beneficial owner of, the Notes indicated in the table delivered by it to the Trustee with this Written Resolution and will provide such other evidence of its holding as the Trustee may reasonably request from time to time.

Each Noteholder acknowledges that it is solely responsible for making its own independent appraisal of all matters (including those relating to this Written Resolution, the Notes and the Issuer) as such Noteholder deems appropriate, and each Noteholder has made its own decision as to whether to consent to and to sign the proposed Written Resolution.

The Noteholders acknowledge that the terms of this Written Resolution have not been formulated by the Trustee, and nothing in this Written Resolution should be construed as a recommendation to Noteholders from the Trustee to approve or reject the resolutions proposed in this Written Resolution. In accordance with normal practice, the Trustee expresses no opinion on the merits (or otherwise) of this Written Resolution. The Noteholders acknowledge that the Trustee is not responsible for the accuracy, completeness, validity or correctness of the statements made and documents referred to in this Written Resolution or any omissions from this Written Resolution.

Each Noteholder hereby acknowledges that the Amendments contemplated by this Written Resolution will not become effective until the Amendment Documents are executed by all the parties thereto.

This Written Resolution and any non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English law.

Dated: _____ February 2018

IN WITNESS WHEREOF, the undersigned have executed this Written Resolution by duly authorised officers.

Name of Noteholder:

Signature on behalf of Noteholder:

Date:

Amount and percentage of the Principal
Amount Outstanding of the Notes held
by the Noteholder:

Name of Noteholder:

Signature on behalf of Noteholder:

Date:

Amount and percentage of the Principal
Amount Outstanding of the Notes held
by the Noteholder:

Name of Noteholder:

Signature on behalf of Noteholder:

Date:

Amount and percentage of the Principal
Amount Outstanding of the Notes held
by the Noteholder:

Name of Noteholder:

Signature on behalf of Noteholder:

Date:

Amount and percentage of the Principal
Amount Outstanding of the Notes held
by the Noteholder:

**SCHEDULE 1
BLACKLINE OF AMENDMENTS TO THE INCORPORATED TERMS
MEMORANDUM**

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Castilla II Refinancing / Amended and Restated Incorporated Terms Memorandum
Execution Version

AMENDED AND RESTATED INCORPORATED
TERMS MEMORANDUM

in relation to
€~~1~~220,000,000 Notes due 20~~18~~

20

THIS INCORPORATED TERMS MEMORANDUM was originally signed on 27 May 2016 ~~and has been~~ was amended and restated on 1 March ~~-2017~~ and has been further amended and restated on February 2018

BY:

SIGNED by _____)
CASTILLA FINANCE DAC _____)
acting by duly authorised attorney: _____)

Signed: _____
Name: _____
Title: _____

SIGNED by _____)
TORO FINANCE S.L.U. _____)
acting by its authorised signatories: _____)

Signed: _____
Name: _____
Title: _____

SIGNED by _____)
INTERMONEY TITULIZACIÓN S.G.F.T. S.A.)

Signed: _____

Name: Carmen Barrenechea Fernández

Title: _____

Signed: _____

Name: Manuel González Escudero

Title: _____

SIGNED for and on behalf of _____)
WILMINGTON TRUST SP SERVICES)
(DUBLIN) LIMITED

Signed: _____

Print Name: _____

SCHEDULE 1
MASTER DEFINITIONS SCHEDULE

1. **DEFINITIONS**

Except where the context otherwise requires, the following defined terms used in the Transaction Documents have the meanings set out below (as the same may be amended, restated and/or supplemented from time to time):

"**Accounting Reference Date**" means, in each year, in respect of the Issuer, the date represented and warranted by the Issuer in Paragraph 4 (*Accounting Reference Date*) of Part A of Schedule 3 (*Issuer's Representations and Warranties*) of the Incorporated Terms Memorandum;

"**Account Bank**" means, as at the Issue Date, Citibank, N.A., London Branch together with any additional or replacement account banks duly appointed from time to time;

"**Account Bank Agreement**" means the account bank agreement dated ~~on or about~~ the Issue Date among the Issuer, the Cash Manager, the Account Bank and the Trustee;

"Account Bank Fees" means the fees payable by the Issuer to the Account Bank in accordance with the Account Bank Agreement;

"**Account Bank Rating**" means any of the following ratings:

- (a) short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least P-2 by Moody's; and
- (b) short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least A-2 by S&P,

or, in either case, such lower rating as agreed by the Issuer (acting upon the instructions of the Majority Noteholders);

"**Accounts Final Delivery Date**" means, in respect of each of the Issuer, the date which is 5 days after its Accounting Reference Date;

"**Additional Account**" means any account in the name of the Issuer at the Account Bank or any other bank created after the Issue Date established pursuant to and in accordance with the Account Bank Agreement;

"**Additional Advance**" means an additional advance that may be made by the Subordinated Loan Provider to the Issuer in accordance with the Subordinated Loan Agreement.

"**Additional Purchase Date**" means (i) the Madrid/Valencia Business Day in the Revolving Period immediately following each Offer Date and (ii) in respect of the Offer Date falling on 19 February 2018, 26 February 2018;

"**Additional Purchase Price**" means, in respect of an Additional Receivables Portfolio, the amount of the consideration paid or to be paid for the purchase of such

Additional Receivables Portfolio on the related Additional Purchase Date, such amount being equal to:

- (a) the Initial Additional Purchase Price; and
- (b) the Deferred Purchase Price payable on each Interest Payment Date in accordance with the Priorities of Payments; and
- (c) the Additional Remuneration payable on each Interest Payment Date in accordance with the Priorities of Payments;

"Additional Receivables Portfolio" means any Receivables acquired by the Issuer pursuant to the Receivables Sale Agreement on an Additional Purchase Date;

"Additional Receivables Portfolio Identification File" means, in relation to any Additional Receivables Portfolio, an electronic file containing, at least, the information on each Receivable in that Additional Receivables Portfolio set forth in the Receivables Sale Agreement;

"Additional Remuneration" means, in relation to each Interest Payment Date:

- (a) during the Revolving Period, an amount equal to the Available Receipts on such Interest Payment Date remaining (if any) after making payment of the items described in ~~(a1)~~ to ~~(g7)~~ (inclusive) of the Revolving Period Priority of Payments; and
- (b) after the end of the Revolving Period, an amount equal to the lower of:
 - (i) an amount equal to the Available Receipts on such Interest Payment Date remaining (if any) after making payment of (as applicable): ~~(1a)~~ the items described in ~~(a1)~~ to ~~(i9)~~ (inclusive) of the Amortisation Period Priority of Payments, or ~~(2b)~~ the items described in ~~(a1)~~ to ~~(g7)~~ (inclusive) of the Post-Enforcement Priority of Payments; and
 - (ii) the sum of amounts determined for each relevant Receivable and representing the excess (if any) of the Outstanding Balance of each Receivable (determined by reference to the Purchase Date of such Receivable) which has been paid within the Collection Period preceding such Interest Payment Date over its Funding Base;

"Additional Reserve Fund Advance" has the meaning given to it in Condition 2 (Definitions);

"Adverse Claim" means any ownership interest, charge, encumbrance, proprietary or security interest, right of retention, retention of title, lien or other right or claim in, over or on any person's assets or properties in favour of any other person;

"Affiliate" means, with respect to a specified person, any other person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the specified person, and the term "control" (including the terms controlling, controlled by and under common control with)

means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise;

"**Agency Agreement**" means the agency agreement dated ~~on or about~~ the Issue Date among, *inter alios*, the Issuer, the Paying Agents, the Agent Bank and the Trustee;

"**Agent Bank**" means the person duly appointed as agent bank from time to time under the Agency Agreement who, as at the Issue Date, is Citibank, N.A., London Branch;

"**Agents**" means the Agent Bank and the Paying Agent and "**Agent**" means any one of them;

"**Agents' Fees**" means fees payable to the Agents under the Agency Agreement;

"**Amortisation Period**" means the period commencing on the Business Day following the end of the Revolving Period and ending on the earlier of: (i) the date of an Event of Default and (ii) the Scheduled Maturity Date;

"**Amortisation Period Priority of Payments**" means the provisions relating to the order of priority of payments set out in Schedule 3 (*Priorities of Payment*), section 2 (*Amortisation Period Priority of Payments*) of the Cash Management Agreement;

"**Ancillary Rights**" means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including without limitation any security interests, guarantees or indemnities in respect of such Right;

"**Applicable Additional Remuneration**" means (i) in respect of any date of determination falling prior to the first Interest Payment Date; and (ii) in respect of any date of determination falling thereafter, the amount of Additional Remuneration paid (whether in cash or by way of set-off) to the Seller on the Interest Payment Date falling immediately prior to the relevant date of determination;

"**Applicable Law**" means any law or regulation including, but not limited to: (a) any domestic or foreign statute or regulation; (b) any rule or practice of any Governmental Authority, stock exchange or self-regulatory organisation with which each Party is bound or accustomed to comply; and (c) any agreement entered into by the Parties and any Governmental Authority or between any two or more Governmental Authorities;

"**Appointee**" means any attorney, manager, agent, delegate, nominee, custodian, co-trustee or other person appointed by the Trustee under the Trust Deed or the Security Deed;

"**Arranger**" means Nomura International plc;

"**Assigned Rights**" means the Benefit of the Receivables, the Ancillary Rights (including the Claims) and the Funding Document assigned or to be assigned to the Issuer by the Seller in accordance with the terms of the Receivables Sale Agreement;

"Assignment Agreement" means an assignment agreement in, or substantially in, the form of the document so named set out in Schedule 5 of the Receivables Sale Agreement;

"Authorised Recipients" means any Citi Organisation and any agents of the Agents and third parties (including service providers) selected by any of them, wherever situated;

"Authorised Signatory" means, in relation to any Transaction Party, any person who is duly authorised and in respect of whom a certificate has been provided signed by a director or another duly authorised person of such Transaction Party setting out the name and signature of such person and confirming such person's authority to act;

"Available Collections" means, in relation to each Offer Date, an amount calculated by the Cash Manager equal to the balance standing to the credit of the Collection Account at close of business on the Business Day immediately preceding such Offer Date;

"Available Receipts" means, in relation to each Interest Payment Date, an amount, calculated by the Cash Manager on or before the immediately preceding Calculation Date, equal to the sum of:

- (a) the balance standing to the credit of the Collection Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period;
- (b) the balance standing to the credit of the Principal Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period; and
- (c) the balance standing to the credit of the Reserve Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period;

"Back-Stop Date" means 2 March 2018;

"Back-Up Servicer" means a back-up Servicer to be appointed by the Issuer under the Servicing Agreement in case of occurrence of the Back-Up Servicer Appointment Event;

"Back-Up Servicer Appointment Event" means the occurrence of any of the following events:

- (a) any Servicer Event;

"**Breach of Duty**" means in relation to any person (other than the Trustee, the Agents and the Account Bank), a wilful default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person and in relation to the Trustee, the Account Bank, and each Agent means a wilful default, fraud or gross negligence by the Trustee or the relevant Agent or Account Bank (as the case may be);

"**Business Day**" means a day which is both 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 London, Dublin, Madrid;

"**Business Day Convention**" means the business day convention under which, where a relevant date falls on a day which is not a Business Day, that date will be adjusted so that it falls on the first following day that is a Business Day;

"**Calculation Date**" means the day falling ~~four (4)~~three (3) Business Days prior to the Interest Payment Date;

"Cash Call Amount" has the meaning given to it in Condition 7.9 (Issuer Cash Call Option);

"Cash Call Date" has the meaning given to it in Condition 7.9 (Issuer Cash Call Option);

"Cash Call Settlement Date" has the meaning given to it in Condition 7.9 (Issuer Cash Call Option);

"**Cash Management Agreement**" means the cash management agreement dated ~~on~~ ~~or about~~ the Issue Date between, among others, the Issuer, the Cash Manager, the Servicer and the Trustee;

"**Cash Management Fees**" means the fees payable by the Issuer to the Cash Manager in accordance with the Cash Management Agreement (other than the fees payable by the Issuer to the Cash Manager on the Issue Date);

"**Cash Management Services**" means the services provided under the Cash Management Agreement;

"**Cash Manager**" means the person appointed as cash manager from time to time under the Cash Management Agreement, which on the Issue Date is Intermoney Titulización, S.G.F.T., S.A.;

"**Cash Manager Covenants**" means the covenants of the Cash Manager set out in Schedule 6 (*Cash Manager Covenants*) of the Incorporated Terms Memorandum;

"**Cash Manager Termination Event**" has the meaning given to it in the Cash Management Agreement;

"**Cash Manager Warranties**" means the representations and warranties given by the Cash Manager set out in Schedule 4 (*Cash Manager's Representations and*

Warranties) of the Incorporated Terms Memorandum and "Cash Manager Warranty" means any of them;

"Central Bank" means the Central Bank of Ireland;

"Change of Control of the Seller" means either:

(a) JZ Business Services 6 B.V. or any of its affiliates ~~or directly owned funds or GL Europe Cayman L.P. (or any of its affiliates or directly owned funds)~~ cease directly or indirectly to:

~~(a)~~(i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

~~(i)~~(A) cast, or control the casting of, ~~more than 35 per cent.~~ at least 50% of the maximum number of votes that might be cast at a general meeting of the Seller; or

~~(ii)~~(B) have the right to appoint or remove all, or the majority, of the directors or other equivalent officers of the Seller; or

~~(iii)~~(C) give directions with respect to the operating and financial policies of the Seller with which the directors or other equivalent officers of the Seller are obliged to comply; or

~~(b)~~(ii) hold beneficially ~~more than 35 per cent.~~ at least 50% of the issued share capital of the Seller; or

(b) Antonio Aynat ceases directly or indirectly to:

(i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Seller; or

(ii) hold beneficially more than 10% of the issued share capital of the Seller; or

(iii) be appointed as CEO of the Seller;

"Change of Control of the Servicer" means either:

~~(e)~~(a) JZ Gedhold BV (or any of its affiliates or directly owned funds) cease directly or indirectly to:

(i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(A) cast, or control the casting of, more than 35 ~~per cent.~~ % of the maximum number of votes that might be cast at a general meeting of the Servicer; or

- (B) have the right to appoint or remove all, or the majority, of the directors or other equivalent officers of the Servicer; or
 - (C) give directions with respect to the operating and financial policies of the Servicer with which the directors or other equivalent officers of the Servicer are obliged to comply; or
- (ii) hold beneficially more than 35 ~~per cent.~~ % of the issued share capital of the Servicer; or

~~(d)(a) Antonio Aynat ceases directly or indirectly to:~~

(b) Antonio Aynat ceases directly or indirectly to:

- (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than 15 ~~per cent.~~ % of the maximum number of votes that might be cast at a general meeting of the Servicer; or
 - (B) cast, or control the casting of, more than 15 ~~per cent.~~ % of the maximum number of votes that might be cast at a general meeting of the Servicer; or

~~(C)(ii) appoint or remove all, or the majority, of the directors or other equivalent officers~~ be appointed as CEO of the Servicer; or

~~(D) give directions with respect to the operating and financial policies of the Servicer with which the directors or other equivalent officers of the Servicer are obliged to comply; or~~

~~(e)(iii)~~ hold beneficially more than 20 ~~per cent.~~ % of the issued share capital of the Servicer;

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with the Trust Deed;

"**Charged Accounts**" means the Issuer Accounts and any bank or other account in which the Issuer may at any time acquire a Benefit and over which the Issuer has created an Encumbrance in favour of the Trustee pursuant to the Security Deed;

"**Charged Documents**" means the Transaction Documents to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party (other than the Security Deed and the Trust Deed);

"**Charged Property**" means all assets and property of the Issuer which is subject to the security created by the Issuer in favour of the Trustee for it and the other Secured Creditors pursuant to the Security Deed;

"**Citi Organisation**" means Citigroup, Inc., Citibank, N.A., Citibank International Plc, their branches, subsidiaries and affiliates and anyone who succeeds them or to whom they assign their rights other than Citibank, N.A., London Branch;

"**Claims**" means any Factoring Claims, any Special Claims and any Collateral Claims;

"**Clearing System**" means each of Euroclear and Clearstream, Luxembourg;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Client Debtor**" means the client of the Seller under the Factoring Agreement;

"**Closing Cashflows Letter**" means the closing cashflows letter dated on or about the Issue Date between, among others, the Issuer, the Seller and the Arranger;

"**Closing Purchase Price**" means an amount equal to ~~75-per cent.~~75% of the Funding Base of the Initial Receivables Portfolio;

"**CoC Notice**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Acceptance Notice**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Date**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Noteholders**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Notes**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Option**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Option Notice**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Price**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended;

"**Collateral Claims**" means any present or future receivables (other than Special Claims), assigned to the Seller by the relevant Direct Debtor to secure a Receivable;

"**Collateral Claims Eligibility Criteria**" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Collateral Claims;

"**Collateral Debtor**" means each obligor under any Collateral Claims;

"**Collateralised Receivable**" means any Receivable the payment of which is either guaranteed by means of a Guarantee or secured by means of a notarised assignment by the Direct Debtor to the Seller of Collateral Claims;

"**Collection Account**" means the account held in the name of the Issuer with the Account Bank for the purposes of holding the Collections;

"**Collection Period**" means~~;~~:

(a) in relation to each Interest Payment Date other than (i) the first Interest Payment Date falling after the Issue Date, (ii) the Extraordinary Interest Payment Date and (iii) the first Interest Payment Date falling after the Effective Date, the calendar ~~three months~~ month preceding the month on which that Interest Payment Date falls~~and~~;

(b) in respect of the first Interest Payment Date falling after the Issue Date, the period running from the Initial Cut-Off Date until the last day of the calendar month preceding the month on which such first Interest Payment Date falls;

(c) in respect of the Extraordinary Interest Payment Date, the period from 1 January 2018 until 31 January 2018; and

(d) in respect of the first Interest Payment Date falling after the Effective Date, the period from 1 February 2018 until 28 February 2018;

"**Collection Policy**" means the administration and collection criteria and procedures employed by the Servicer from time to time in relation to the servicing of the Receivables in the form attached to the Servicing Agreement;

"**Collections**" means all payments due in respect of the Receivables;

"**Common Safekeeper**" means, in relation to the Notes, the common safekeeper, as elected by the Paying Agent pursuant to the Agency Agreement;

"**Common Terms**" means the provisions set out in Schedule 2 of the Incorporated Terms Memorandum;

"**Companies Act**" means Companies Act 2014 of Ireland, as amended;

"**Conditions**" means the terms and conditions of the Notes set out in the Trust Deed and as may be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such Conditions;

"**Corporate Services Agreement**" means the agreement dated ~~on or about~~ the Issue Date among, *inter alios*, the Issuer, the Share Trustee and the Corporate Services Provider;

"**Corporate Services Provider**" means, as at the Issue Date, Wilmington Trust SP Services (Dublin) Limited whose registered office is Fourth Floor, 3 Georges Dock,

I.F.S.C., Dublin 1, Ireland, in its capacity as such under the Corporate Services Agreement;

"Corporate Services Provider Fee" means the fees payable by the Issuer to the Corporate Services Provider in accordance with the Corporate Services Agreement;

"Credit Policy" means the origination, credit and underwriting criteria and procedures employed by the Seller from time to time in relation to the origination or acquisition of Receivables in the form attached to the Receivables Sale Agreement;

"CRS" means Common Reporting Standard;

"Cut-Off Date" means the Initial Cut-Off Date and each Madrid/Valencia Business Day immediately preceding each Offer Date;

"DAC2" means Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU);

"Day Count Fraction" means, in respect of an Interest Period or the period in respect of which the Make Whole Amount accrues, the actual number of days in such period divided by 360;

"Debtor" means, as required by the context, any Direct Debtor, Indirect Debtor and/or Collateral Debtor;

"Deemed Collection" means a Collection which the Issuer shall be deemed to have received if, in relation to any Receivable, any of the following events occurs:

- (a) on any date after its Purchase Date, any Receivable is found not to have met the Eligibility Criteria as at its Purchase Date;
- (b) such Receivable and/or its related Claim(s) fail on any date after its Purchase Date to meet the criteria set forth in paragraphs (ii), (v), (vii), (viii), (xvi), (xvii) and (xxvi) of the Receivables Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiv) and (xv) of the Factoring Claims Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiii) and (xiv) of the Special Claims Eligibility Criteria and in paragraphs (i), (iii), (v), (vi), (xii) and (xiii) of the Collateral Claims Eligibility Criteria by reference to the facts and circumstances existing on such date;
- (c) the Direct Debtor of such Receivable becomes an affiliate of the Seller after its Purchase Date; or
- (d) a Shared Secured Receivable becomes at any time a Defaulted Receivable;

"Deemed Collection Amount" means an amount equal to the Deemed Collection;

"Deemed Collection Date" means the day on which the Seller becomes aware or is notified by the Issuer that a Deemed Collection has occurred;

"Default Interest" means two ~~per cent.~~ % per annum payable by the Issuer following the occurrence of the Event of Default and accruing from the date of Event of Default;

"**Defaulted Receivable**" means any Receivable which is due and unpaid for more than 5 calendar days or, in relation to a Receivable arising out of a Loan Agreement having a Receivable which is due and unpaid for more than 5 calendar days, all Receivables arising out of that Loan Agreement and any Receivable in respect of which the Debtor is insolvent or subject to bankruptcy or insolvency proceedings;

"**Defaults Discount**" means the fraction (expressed as a percentage), the numerator of which is the Outstanding Balance of all Defaulted Receivables not repurchased pursuant to the Defaults Repurchase Option or Defaults Repurchase Obligation on that Purchase Date and the denominator of which is the aggregate of the Outstanding Balance of all Receivables in the Receivables Portfolio and the balances then standing to the credit of the Principal Account and the Collection Account (excluding any amounts to be transferred to the Security Account or the Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination) on that Purchase Date;

"**Defaults Obligations Repurchase Price**" means an amount equal to the Outstanding Balance of the relevant Defaulted Receivable;

"**Defaults Option Repurchase Price**" means an amount equal to the Outstanding Balance of the relevant Defaulted Receivables;

"**Defaults Repurchase Obligation**" means the obligation of the Seller on each Calculation Date to repurchase from the Issuer all outstanding Receivables which became Defaulted Receivables during the immediately preceding Collection Period and, where any Additional Purchase Date falls after the end of a Collection Period, also during the period from the end of that Collection Period and the latest Additional Purchase Date to fall after the end of that Collection Period, in each case, at the Defaults Obligations Repurchase Price;

"**Defaults Repurchase Option**" means the option of the Seller, on any day, to repurchase from the Issuer any Defaulted Receivable at a Defaults Option Repurchase Price;

"**Deferred Purchase Price**" or "**DPP**" means:

~~(a) — in respect of the Initial Purchase Price: an amount equal to 25 per cent. of the Funding Base of the Initial Receivables Portfolio; and~~

~~(b), in respect of any Initial Additional Purchase Price: an amount equal to the Receivables Portfolio to be sold to the Issuer;~~

(a) prior to (and excluding) the Effective Date, an amount equal to:

- (i) ~~25-per cent.~~% of the Funding Base of the Eligible Receivables in the relevant Additional Receivables Portfolio until such time as the aggregate Deferred Purchase Price is equal to EUR40,000,000; and
- (ii) EUR 0 (zero) afterwards; and

~~(b) provided that where the provisions above would otherwise result in the Deferred Purchase Price being zero (0) in respect of some but not all of the Eligible~~ after (and including) the Effective Date, an amount equal to:

~~(i) if, on the relevant date of determination, the Funding Base of the outstanding Receivables in an (including those included in any Additional Receivables Portfolio, then the abovementioned 25 per cent. percentage shall to be replaced by such lower percentage as required in order for: (i) sold on the aggregate Deferred Purchase Price payable by the Purchaser in respect~~ relevant date of ~~all the~~ determination) is lower than or equal to EUR160,000,000, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables Portfolio ~~(including, for the avoidance of doubt, the Eligible Receivables those included in such any~~ Additional Receivables Portfolio) being equal to EUR ~~40~~42,500,000;

~~(ii) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to be sold on the relevant date of determination) is higher than EUR160,000,000.00 and (ii) such lower percentage being the same for all of the Eligible Receivables in that Additional~~ than or equal to EUR241,153,846.15, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to the lower of:

~~(A) an amount equal to the higher of (X) the aggregate Deferred Purchase Price determined on the previous determination date, and (Y) the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio) multiplied by the Relevant DPP Percentage; and~~

~~(B) EUR 55,000,000.00; and~~

~~(iii) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to be sold on the relevant date of determination) is higher than EUR 241,153,846.15 and lower than or equal to EUR 285,000,000.00, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to the lower of:~~

~~(A) the Relevant DPP Threshold; and~~

~~(B) the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio) multiplied by the Relevant DPP Percentage,~~

provided-further that where the Subordinated Loan Provider exercised its right to provide an additional advance under the Subordinated Loan Agreement for the

purposes of paragraph (m) of the definition of Termination Event, the references in this definition to the aggregate Deferred Purchase Price being equal to ~~EUR40,000,000~~the Relevant DPP Threshold shall be deemed to refer to the sum of (X) the aggregate Deferred Purchase Price ~~and of~~plus (Y) the amount of such advance being equal to ~~EUR40,000,000~~the Relevant DPP Threshold;

"**Definitive Notes**" means any Notes issued in definitive bearer form and serially numbered pursuant to Condition 1.3;

"**Direct Debtor**" means the client of the Seller who is a party to the relevant Funding Document (*i.e.*, any Client Debtor, any PN Debtor and any Loan Debtor);

"**Direct Group Portfolio**" means any Group Portfolio in relation to a Direct Debtor;

~~"**Direct Group Unsecured Portfolio**" means any Direct Group Portfolio which is not a Direct Group Secured Portfolio;~~

~~"**Direct Group Secured Portfolio**" means at any time any Direct Group Portfolio where the Outstanding Balance of the Security Claims owed by Indirect Debtors which are not affiliates of that Direct Debtor is equal to or exceeds the Outstanding Balance of the Receivables in that Group Portfolio;~~

"**Direct Industry Portfolio**" means at any the time all of the outstanding Receivables owed by any Direct Debtors within the same Industry Class;

"**Dispute**" means a dispute arising out of or in connection with any Transaction Document (including a dispute regarding the existence, validity or termination of any Transaction Document) or relating to any non-contractual or other obligation arising out of or in connection with any Transaction Document or the consequences of its nullity;

"DPP Distributable Amount" means, on any date of determination, an amount equal to:

- (a) if the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio on that date is lower than or equal to EUR55,000,000, zero; or
- (b) if the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio on that date is greater than EUR55,000,000, the lower of:
 - (i) any positive difference between (X) minus (Y), where (X) is the amount of the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio on that date and (Y) is the product of the Funding Base of all outstanding Performing Receivables sold to the Issuer multiplied by 22.807017544 per cent.; and
 - (ii) such amount as will result in the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio immediately following the distribution of such amount being equal to EUR55,000,000.

provided that where the distribution of the amount calculated in accordance with the provisions above would result in a breach of the Portfolio Requirements, it shall be reduced such that following its payment there is no breach of the Portfolio Requirements;

"Due Diligence Agent" ~~means Intermoney Titulización, SGFT, S.A.;~~

" means Issuer Solutions S.L.;

"Due Diligence Agent Letter" means a letter so named between *inter alios* the Issuer and the Due Diligence ~~Report~~ Agent dated on or about the Effective Date;

"Due Diligence Report" means a report in relation to the then existing Receivables Portfolio prepared by the Due Diligence Agent on a quarterly basis (~~on~~ each of March, June, September and December, starting from March 2018 and covering the months of period from November, 2017 to February, ~~May and September, starting on November 2016 2018~~);

"Early Redemption Date" means the Interest Payment Date on which the Seller exercises the Portfolio Repurchase Option pursuant to the Receivables Sale Agreement;

"Effective Date" means 26 February 2018;

"Eligible Claims" means any Eligible Factoring Claim, any Eligible Special Claim and any Eligible Collateral Claims.

"Eligibility Criteria" means the Receivables Eligibility Criteria, the Factoring Claims Eligibility Criteria, the Special Claims Eligibility Criteria and the Collateral Claims Eligibility Criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Collateral Claim" means a Collateral Claim which, as of the Purchase Date of the related Receivable, complies with the Collateral Claims Eligibility Criteria;

"Eligible Debtor" means a Debtor who satisfies the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Factoring Claim" means a Factoring Claim which, as of the Purchase Date of the related Receivable, complies with the Factoring Claims Eligibility Criteria;

"Eligible Funding Document" means a Funding Document which satisfies the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Person" means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a bearer of any Voting Certificate; and
- (b) a proxy specified in any Block Voting Instruction;

"**Eligible Receivable**" means a Receivable which, as of its Purchase Date, complies with the Receivables Eligibility Criteria;

"**Eligible Receivables**" means Receivables which satisfy the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"**Eligible Special Claim**" means a Special Claim which, as of the Purchase Date of the related Receivable, complies with the Special Claims Eligibility Criteria;

"**Encumbrance**" means:

- (a) ~~(a)~~—a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person;
- (b) ~~(b)~~—any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) ~~(c)~~—any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

"**Endorsable Promissory Note**" means any Promissory Note which is not a Non-endorsable Promissory Note;

"**Enforced Collections**" means any collection of any Collateral Claim whose related Collateralised Receivable has become a Defaulted Receivable;

"**Enforcement Notice**" means a notice delivered by the Trustee to the Issuer and the Cash Manager in accordance with Condition 10 (*Events of Default*) which declares the Notes to be immediately due and payable;

"**Estimated Special Claims Amount**" means the expected amount of payments of Special Claims Amount (which shall be capped at €1,000,000 per week);

"**EU Insolvency Regulation**" means ~~Council~~—Regulation (~~EC~~EU) No. ~~1346/2000~~2015/848 of ~~29 May 2000~~26 June 2015 (as amended);

"**Euro**" or "**EUR**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended;

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**Event of Default**" has the meaning given to it in Condition 10 (*Events of Default*);

"**Exercise Date**" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"**Expenses**" means all amounts due and payable in relation to the Issuer's costs and indemnities payable by the Issuer, such as fees, costs, expenses, indemnities and all other amounts due to the Servicer, Corporate Services Provider, Paying Agent, Agent

Bank, Account Bank, Cash Manager, the Due Diligence Agent and any other expenses of the Issuer, including, inter alia, any Tax, audit fees, legal fees and corporate expenses payable by the Issuer;

"Expenses Discount" means, in relation to each Purchase Date, the fraction (expressed as a percentage), the numerator of which is the aggregate of the estimated annualised Expenses and the denominator of which is the Principal Amount Outstanding of the Notes on that Purchase Date, such fraction multiplied by the number of days from that Purchase Date to the weighted average maturity date of the Receivables in the relevant Additional Receivables Portfolio divided by 360;

"Extension Request Notice" has the meaning given to it in Condition 7.6(a) (*Note Extension Option*);

"Extension Test Date" means the last day of the Revolving Period;

"Extraordinary Interest Payment Date" means 26 February 2018;

"Extraordinary Resolution" means (a) a resolution passed at a Meeting duly convened and held in accordance with the Trust Deed by a majority consisting not less than ~~50-per-cent.%~~50% (and in the case of the Basic Terms Modification, by not less than ~~75-per-cent.%)~~75% of the eligible persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting not less than ~~75-per-cent.%~~75% of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of the Noteholders of not less than ~~75-per-cent.%~~75% in aggregate Principal Amount Outstanding of the Notes then outstanding which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders;

"Factoring Agreement" means any agreement entered into by the Seller and a client whereby the Seller purchases from that client receivables owing to such client by third parties;

"Factoring Claims" means the receivables purchased by the Seller under a Factoring Agreement;

"Factoring Claims Eligibility Criteria" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Factoring Claims;

"Factoring Debtors" means each obligor under any Factoring Claims;

"Factoring Receivable" means a Receivable originated under a Factoring Agreement (which Receivable, for the avoidance of doubt, is the obligation of the Direct Debtor to pay the relevant Factoring Claim if this is not paid by the relevant Factoring Debtor);

"FATCA" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;

- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; and
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the United States Internal Revenue Service, the government of the United States of America or any governmental or taxation authority in any other jurisdiction;

"FATCA Withholding" means 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;

"Final Discharge Date" means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied (having received confirmation in writing to that effect) that all the Secured Liabilities have been paid or discharged in full;

"Financial Statements" means, in respect of any person, audited financial statements of such person for a specified period (including, a balance sheet, profit and loss account (or other form of income statement) and statement of cash flow);

"First ICC Period" means the period starting on the Initial Increase Payment Date and ending on the First ICC Period End Date;

"First ICC Period End Date" means the Interest Payment Date falling in April 2018;

"First Make Whole Period" means the period between the ~~Issue~~Effective Date and the ~~first~~third Interest Payment Date falling after the Effective Date (excluding such date);

"Fitch" means Fitch Ratings España S.A.U. and/or Fitch Ratings Ltd (as applicable) or any successor to their credit rating businesses;

"Force Majeure Event" means an event beyond the reasonable control of the person affected including strike, lock out, labour dispute, act of God, war, riot, civil commotion, epidemics, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, electricity power-cut, fire, flood and/or storm;

"Foreign Transaction Party" means a Transaction Party which is incorporated or domiciled in a jurisdiction other than England and Wales;

"FSMA" means the Financial Services and Markets Act 2000;

"**Full Datatapes**" means each Weekly Datatape, and Monthly ~~Datatape and Quarterly~~ Datatape to be delivered by the Servicer to the Cash Manager, the Seller and the Issuer in accordance with the Servicing Agreement;

"**Funding Base**" means, in relation to the Initial Receivables Portfolio and each Additional Receivables Portfolio, an amount equal to the lower of:

- (a) the net amount (after deducting applicable haircuts, fees, commissions and/or other similar amounts) of finance provided by the Seller in respect of the Receivables in the relevant portfolio pursuant to the Funding Documents under which those Receivables arose or were acquired as specified by the Offer Agent in relevant Offer; and
- (b) the aggregate Outstanding Balance of the Receivables in that Portfolio multiplied by a percentage equal to 100 ~~per cent.~~ % minus the Minimum Discount;

"**Funding Discount**" means (prior to the Effective Date) 5.9 per cent. % and (from the Effective Date) 4.75% multiplied by the number of days from (and including) the Purchase Date to (and excluding) the weighted average maturity date of the Receivables in the relevant Additional Receivables Portfolio divided by 360;

"**Funding Documents**" means any Factoring Agreement, any Promissory Notes Program and any Loan Agreement;

"**Global Notes**" has the meaning given to that term in Condition 1.1;

"**Governmental Authority**" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or financial regulation and any public legal entity (*entidad de derecho publico*) dependent of any of the foregoing entities (excluding, for the avoidance of doubt, any corporate whose share capital belongs to one or more Governmental Authorities);

"**Group**" means in respect of any Debtor: (a) such debtor; (b) its holding company; (c) its subsidiaries; and (d) any other affiliate of such Debtor;

"**Group Portfolio**" means all of the outstanding Receivables or, as applicable, Security Claims owed by Debtors within the same Group (provided that, for the purposes of the Portfolio Requirements, the aggregate Outstanding Balance of the Security Claims which are Special Claims will be deemed to be equal to the aggregate Outstanding Balance of the related Receivables);

"**Guarantee**" means any first-demand guarantee (*garantía abstracta a primer requerimiento*) issued by a Guarantor;

"**Guarantor**" means any legal entity duly incorporated and validly existing under the laws of Spain which has issued a first-demand guarantee (*garantía abstracta a primer requerimiento*) for the payment of the full Outstanding Balance of any Receivables;

"**holder**" means the bearer of a Note and the words "**holders**" and related expressions shall (where appropriate) be construed accordingly;

"ICC Cut-off Date" means the 8th Business Day prior to each Interest Payment Date falling in each ICC Period;

"ICC Period" means each of the First ICC Period, the Second ICC Period and the Third ICC Period;

"Incorporated Terms Memorandum" means the memorandum so named dated ~~on or about~~ the Issue Date and signed for the purpose of identification by each of the Transaction Parties;

"Increase Notice" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"Independence Indicator" means, in respect of the client's classification process by the Seller, the indicator to confirm if the client belongs to a group of companies;

"Indirect Debtor" means any Factoring Debtor and any Special Debtor;

"Indirect Public Portfolio" means at any time all of the outstanding Security Claims owed by Indirect Debtors which are a Governmental Authority (excluding, for the avoidance of doubt, any corporate whose share capital belongs to one or more Governmental Authorities).

"Indirect Rated Group Portfolio" means any Group Portfolio in relation to an Indirect Debtor which has a Minimum Rating (including, for the avoidance of doubt, any corporate whose share capital belongs to one or more Governmental Authorities);

"Indirect Unrated Group Portfolio" means any Group Portfolio in relation to an Indirect Debtor which ~~has~~does not have a Minimum Rating;

"Industry Class" means the Seller internal code corresponding to the CNAE (*Clasificación Nacional de Actividades Económicas*) code of the Direct Debtor in the Mercantile Registry (*Registro Mercantil*), as set forth in the table attached as Schedule 14 to the Receivables Sale Agreement;

"Ineligible Receivable" means any Receivable which is found not to have met the Eligibility Criteria as at its Purchase Date or which fails on any date after its Purchase Date to meet the Permanent Eligibility Criteria;

"Initial Additional Purchase Price" means ~~an amount equal to:~~

~~(i) — 75 per cent., in respect of the Funding Base of the Eligible Receivables in the relevant an Additional Receivables Portfolio until such time as the aggregate the positive difference between the Funding Base and the Deferred Purchase Price is equal to EUR 40,000,000; and~~

~~(ii) — thereafter, 100 per cent. of the Funding Base of the Eligible Receivables in the relevant for that Additional Receivables Portfolio;~~

~~provided that where the percentage of the Funding Base of the Eligible Receivables in an Additional Receivables Portfolio for the calculation of the Deferred Purchase Price~~

~~in respect thereof is lower than 25 per cent., then the abovementioned 75 per cent. percentage shall be replaced in respect of all of the Eligible Receivables in that Additional Receivables Portfolio by a percentage equal to the difference of 100 per cent. and the percentage applied for the calculation of the Deferred Purchase Price in respect of that Additional Receivables Portfolio;~~

"Initial Cut-Off Date" means 24 May 2016;

"Initial Increase Date" means 26 February 2018 or such later date as may be agreed between the Issuer and the Lead Manager;

"Initial Purchase Price" means the amount of the consideration ~~paid or to be~~ paid by the Issuer for the purchase of the Initial Receivables Portfolio, such amount being equal to:

- (a) the Closing Purchase Price payable on the Issue Date; and
- (b) the Deferred Purchase Price payable on each Interest Payment Date in accordance with the Priorities of Payments; and
- (c) the Additional Remuneration payable on each Interest Payment Date in accordance with the Priorities of Payments;

"Initial Reserve Fund Advance" means an amount advanced by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement intended for the establishment of the Reserve Account on the Issue Date;

"Initial Receivables Portfolio" means the portfolio consisting of the Receivables purchased (or to be purchased) by the Issuer from the Seller on the Issue Date;

"Insolvency Event" means in respect of any entity (other than the Issuer, the Servicer, the Seller and the Cash Manager) (each a **"Relevant Entity"**) the occurrence of any of the following events:

- (i) an order is made or an effective resolution passed for the winding up of the Relevant Entity, except a winding up for the purposes of or pursuant to an amalgamation or reconstruction, the terms of which have previously been approved by the Trustee; or
- (ii) proceedings, corporate action or other steps shall be initiated against the Relevant Entity under any applicable liquidation, insolvency, sequestration, diligence, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) and (except in the case of presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) such proceedings are not, in the reasonable opinion of the Trustee, being disputed in good faith with a reasonable prospect of

success or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official shall be appointed in relation to the Relevant Entity or in relation to the whole or any substantial part of the undertaking or assets of the Relevant Entity, or an encumbrancer (other than the Issuer or the Trustee) shall take possession of the whole or any substantial part of the undertaking or assets of the Relevant Entity, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Relevant Entity and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within thirty days of its commencement, or the Relevant Entity (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; and

- (iii) any event occurs which, under Irish law, Spanish law or any applicable law, has an analogous effect to any of the events referred to in paragraphs (a), (b) or (c) above;

"Insolvency Official" means, in respect of any company, a liquidator, provisional liquidator, examiner, administrator (whether appointed by the court or otherwise), bank administrator, bank liquidator, administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction (including, without limitation, any administrator concursal);

"Insolvency Proceedings" means the winding-up, dissolution, examinership sequestration, company voluntary arrangement or administration of a company or corporation and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or of any jurisdiction in which such company or corporation carries on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief from creditors or the appointment of an Insolvency Official;

"Internal Scoring" means, in respect of each Debtor, an internal credit rating assigned by the Seller to such Debtor in accordance with the Credit Policy;

"Interest Amount" means the amount of interest payable in respect of the Notes;

"Interest Determination Date" means: (i) in respect of any Interest Period which is not falling during the Notes Ramp-Up Period, the first day of that Interest Period; (ii) in respect of the Interest Period for which Periods ending on 15 March 2018, 15 April 2018, 15 May 2018, 15 June 2018, 15 July 2018 and 15 August 2018, two (2) Business Days immediately preceding the ~~rate will apply;~~

"last date of that Interest Period and (iii) in respect of the Interest Period ending on the Extraordinary Interest Payment Date" or "IPD" means, 2 Business Days immediately preceding the Extraordinary Interest Payment Date;

"Interest Payment Date" means (i) prior to the Effective Date, the date falling on the 15th day of January, April, July and October in each year commencing on the 15 July 2016; (ii) after the Effective Date, the date falling on the 15th day of each month commencing on 15 March 2018, and (iii) the Extraordinary Interest Payment Date, in each case, subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due;

"Interest Period" means each period from (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date provided that:

(a) the first Interest Period (the "First Interest Period") shall be the period from (and including) the Issue Date and ending on (but excluding) the Interest Payment Date falling in July 2016;

(b) the Interest Period relating to the Extraordinary Interest Payment Date shall be the period from (and including) 15 January 2018 to (but excluding) 26 February 2018;

(c) the first Interest Period after the Extraordinary Interest Payment Date shall be the period from (and including) 26 February 2018 to (but excluding) the Interest Payment Date falling in March 2018; and

(d) the final Interest Period shall be the period from (and including) the Interest Payment Date falling immediately prior to the Maturity Date and ending on (but excluding) the Maturity Date;

"Internal Scoring" means, in respect to each Debtor, the credit rating assigned by the Seller to it in accordance with the Credit Policy;

"Investor Report" means a ~~quarterly~~ monthly cash management report prepared by the Cash Manager in accordance with the Cash Management Agreement;

"Investor Report Date" means the day falling no later than five Business Days following each Interest Payment Date;

"Irish Issuer Account" means the bank account of the Issuer holding the proceeds of its issued share capital and the Nominal Issuer Profit;

"Irish Listing Agent" means McCann FitzGerald Listing Services Limited;

"Irish Stock Exchange" means the Irish Stock Exchange p.l.c.;

"Irish VATA" means the Value Added Tax Consolidation Act 2010 of Ireland as amended;

"Issue Date" means 27 May 2016 or such later date as may be agreed between the Issuer, the Seller and the Lead Manager;

"**Issuer**" or "**Purchaser**" means Castilla Finance DAC (company number 578174), whose registered office is at Fourth Floor, 3 George's Dock, I.F.S.C., Dublin 1, Ireland as Issuer of the Notes;

"**Issuer Accounts**" means the bank accounts which the Issuer agrees to maintain, pursuant to the terms of the Account Bank Agreement, including the Collection Account, the Reserve Account, the Payments Account, the Principal Account, any Additional Account and any other bank account of the Issuer or in respect of which the Issuer at any time has an interest or, where the context requires, any of them;

"**Issuer Bank Mandates**" means bank mandates in relation to the Issuer Accounts;

"Issuer Cash Call Notice" has the meaning given to it in Condition 7.9 (Issuer Cash Call Option);

"Issuer Cash Call Option" means the process for increasing the Principal Amount Outstanding of the Notes by way of an Issuer Cash Call Notice as set out in Condition 7.9 (Issuer Cash Call Option);

"**Issuer Covenants**" means the covenants of the Issuer set out in Schedule 5 (*Issuer Covenants*) of the Incorporated Terms Memorandum;

"**Issuer Insolvency Event**" means:

- (a) the Issuer is (or admits it is) unable to pay its debts as they fall due within the meaning of sections 509(3) or 570 of the Companies Act, or suspends making payments on any of its debts as they fall due;
- (b) a moratorium is declared in respect of any indebtedness of the Issuer;
- (c) the initiation of or consent to Insolvency Proceedings by the Issuer or any other person or the presentation of a petition for the making of an administration order or an order for the appointment of an examiner and such proceedings are not being disputed in good faith with a reasonable prospect of success;
- (d) the making of an administration order or the appointment of an examiner in relation to the Issuer;
- (e) an encumbrancer (excluding the Trustee or any receiver) taking possession of the whole or any substantial part of the undertaking or assets of the Issuer;
- (f) any distress, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any substantial part of the undertaking or assets of the Issuer (excluding by the Trustee or any receiver) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;
- (g) the making of an arrangement, composition, scheme of arrangement, reorganisation with or conveyance to or assignment for the creditors of the

Issuer generally or the making of an application to a court of competent jurisdiction for protection from the creditors of the Issuer generally;

- (h) the passing by the Issuer of an effective resolution or the making of an order by a court of competent jurisdiction for the winding up, liquidation, bankruptcy or dissolution of the Issuer or for the appointment of an examiner; or
- (i) the appointment of an Insolvency Official in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer (excluding, in relation to the Issuer, the appointment by the Trustee of a receiver);

"Issuer Jurisdiction" means the Republic of Ireland;

"Issuer Warranties" means the representations and warranties set out in Schedule 5 (*Issuer's Representations and Warranties*) of the Incorporated Terms Memorandum and **"Issuer Warranty"** means any of them;

"Judicial Procedure" means the procedure started by the Servicer on behalf of the Seller against the client who failed to pay or were declared insolvent in order to recovery any unpaid amount;

"Judicial Records" means, in respect of any Judicial Procedure, any step taken in relation to the procedure and any documentation generated with respect to such Judicial Procedure;

"Lead Manager" means Nomura International plc;

"Liabilities" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings (or threats of any actions or proceedings) or other liabilities whatsoever including legal fees and any Taxes and penalties incurred by that person;

"Listing Rules" means the rules for listing on the Irish Stock Exchange and the rules and regulations implementing the Prospectus Directive in Ireland or otherwise applicable;

"Loan" means the Initial Reserve Fund Advance and the Additional Advance to be made available by the Subordinated Loan Provider to the Issuer in accordance with the Subordinated Loan Agreement;

"Loan Agreement" means any fixed-rate interest loan agreement entered into by the Seller and a client;

"Loan Debtor" means the client of the Seller under a Loan Agreement;

"Loan Receivable" means any receivable owing by to the Seller under a Loan Agreement;

"**London Business Day**" means a day which is both 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 London;

"**Madrid/Valencia Business Day**" means a day which is both 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 Madrid and Valencia;

"**Majority Noteholders**" means a Noteholder or Noteholders holding in aggregate:

- (a) in the case of:
 - (i) the Majority Noteholders Matters listed in paragraphs (a) of the definition of the Majority Noteholders Matter, or
 - (ii) serving of an Extension Request Notice under Condition 7.6 (*Note Extension Option*) or a CoC Notice under Condition 7.7 (*Change of Control Put Option*);
- more than ~~50-per cent.~~50% of the Principal Amount Outstanding of the Notes;
and
- (b) in all other cases, ~~66-266²/3-per cent.~~66-266²/3% or more of the Principal Amount Outstanding of the Notes;

"**Majority Noteholders Matters**" means each of the matters listed in Condition 12 (*Meetings of Noteholders, Modification and Waiver*);

"**Make Whole Amount**" has the meaning given to it in Condition 7.8 (*Make Whole Amount*);

"**Make Whole Reference Period**" has the meaning given to it in Condition 7.8 (*Make Whole Amount*);

"**Make Whole Trigger Date**" shall mean the date on which an Event of Default referred to in Condition 10.1(f) or any relevant Termination Event occurs;

"**Make Whole Trigger Event**" shall mean an Event of Default referred to in Condition 10.1(f) or any relevant Termination Event (as applicable);

"**Markets in Financial Instruments Directive**" means Directive ~~2004/39/EC~~2014/65/EU, as amended from time to time;

"**Master Definitions Schedule**" means the master definitions schedule attached as ~~S~~Schedule 1 to the Incorporated Terms Memorandum;

"**Material Adverse Change**" and "**Material Adverse Effect**" mean, as the context specifies:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or
- (b) in respect of a Transaction Party, a material adverse effect on:
 - (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of such Transaction Party; or
 - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or
 - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents; or
- (c) in the context of the Receivables, a material adverse effect on the interests of the Issuer or the Trustee in the Receivables, or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect the Receivables or on the ability of the Trustee to enforce its Transaction Security; or
- (d) a material adverse effect on the validity or enforceability of any of the Notes;

"**Maturity Date**" means the earlier of:

- (a) the Scheduled Maturity Date;
- (b) the Termination Event Repayment Date; and
- (c) the date of an Event of Default;

"**Maximum Call Amount**" means (i) in the case of the First ICC Period or the Second ICC Period, EUR20,000,000 and (ii) in the case of the Third ICC Period, EUR30,000,000;

"**Maximum Number**" means:

- (a) ~~(i)~~—where the aggregate Outstanding Balance of the Defaulted Receivables (including, for the avoidance of doubt, those Defaulted Receivables repurchased by the Seller pursuant to the Defaults Repurchase Option or the Defaults Repurchase Obligation) as at the relevant Purchase Date is equal to or higher than ~~5-per cent.~~5% of the Portfolio Maximum Amount and the Outstanding Balance of the relevant Receivable(s) is equal to or higher than ~~1 per cent.~~1% of the Portfolio Maximum Amount: two (2) roll-overs; and
- (b) ~~(ii)~~—where the aggregate Outstanding Balance of the Defaulted Receivables (including, for the avoidance of doubt, those Defaulted Receivables repurchased by the Seller pursuant to the Defaults Repurchase Option or the Defaults Repurchase Obligation) as at the relevant Purchase Date is higher than ~~3-per cent.~~3% but lower than ~~5-per cent.~~5% of the Portfolio Maximum Amount and the Outstanding Balance of the relevant Receivable(s) is equal to

or higher than ~~3 per cent.~~4% of the Portfolio Maximum Amount: two (2) rollovers,

provided, for the avoidance of doubt, that in any cases other than those specified in sub-paragraphs ~~(i)a)~~ and ~~(ii)b)~~ above there will be no Maximum Number of rollovers;

"Maximum Principal Amount" means EUR220,000,000;

"Meeting" means a meeting of the Noteholders or of any one or more Noteholders and, except where the context otherwise requires, includes a meeting resumed following an adjournment;

"Member State" means any of the member states of the European Union;

"Minimum Discount" means the percentage being the aggregate of the following percentages:

- (a) Expenses Discount;
- (b) Funding Discount; and
- (c) Defaults Discount;

"Minimum Overcollateralisation Ratio" means ~~any of the following ratios:~~82.2 per cent. for the purposes of determining whether a Termination Event has occurred;

- ~~(a) — 80 per cent.~~**"Minimum Overcollateralisation Test"** means, for the purposes of determining whether a Termination Event has occurred; ~~or~~
- ~~(b) — 75 per cent for the purposes of the payments in accordance with the Revolving Period Priority of Payments.~~

~~**"Minimum Overcollateralisation Test"** means,~~ on each Additional Purchase Date and each Interest Payment Date (as applicable) once the aggregate outstanding Deferred Purchase Price is equal to EUR~~40~~55,000,000, the ratio (expressed as a percentage) between:

- (a) the Principal Amount Outstanding of the Notes; and
- (b) the sum of:
 - (i) the Purchase Price of the outstanding Performing Receivables in the Receivables Portfolio (excluding the amount of the Applicable Additional Remuneration); and
 - ~~(ii) —~~ the sum of balances of the Principal Account and the Collection Account as at such Additional Purchase Date (excluding any amounts to be transferred to the Security Account or Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);

~~(ii) provided that, for the avoidance of doubt, on any Interest Payment Date during the Revolving Period, the Cash Manager shall be required to test the Minimum Overcollateralisation Ratio and apply Available Receipts in accordance with item (e) of the Revolving Period Priority of Payments as if the aggregate outstanding Deferred Purchase Price was equal to EUR40,000,000.);~~

"**Minimum Rating**" means with respect to any Indirect Debtor a public rating of its long-term unsecured, unsubordinated and unguaranteed debt obligations by Moody's, Fitch and/or S&P which is at least equal to BB- (or equivalent); ~~provided that where the relevant Indirect Debtor's long-term unsecured, unsubordinated and unguaranteed debt obligations are rated by two or more rating agencies, only the lowest of the ratings shall be taken into account;~~

"Modification Certificate" has the meaning given to it in Condition 12.8;

"month" means calendar month;

~~"Moody's" means Moody's Investors Service Limited or any successor to its ratings business;~~

"**Monthly Cash Manager Report**" means the report to be prepared by the Cash Manager in accordance with the terms of the Cash Management Agreement;

"**Monthly Cash Manager Report Date**" means the day falling no later than on the tenth Business Day following the receipt of the Monthly Datatape from the Servicer;

"**Monthly Datatape**" means the monthly datatape to be prepared by the Servicer under the Servicing Agreement in the form or similar to the form of the datatape attached to the Servicing Agreement and provided to the Cash Manager, the Issuer and the Seller;

"Moody's" means Moody's Investors Service Limited or any successor to its ratings business;

"**Nominal Issuer Profit**" means EUR1,000 per annum to be credit to the Irish Issuer Account in accordance with the relevant Priority of Payments;

"**Non-endorsable Promissory Note**" means any Promissory Note whose endorsement is prohibited in the Promissory Note;

"**Non-Extending Noteholder**" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"**Non-Extending Put Option**" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"**Non-Extending Put Option Notice**" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Notes" means ~~the EUR120~~ up to EUR220,000,000 fixed rate Notes due 2018~~20~~ or, where the context requires, any of them and includes the Definitive Notes and the Global Notes;

"Notes Interest Rate" ~~has the meaning given to it in Condition 5 (Rate of Interest);~~ means:

- (a) for the first Interest Period after the Issue Date, 5% per annum and for each subsequent Interest Period after the Issue Date until the Effective Date (following which paragraph (b) below shall apply), 5.9% per annum; and
- (b) for the first Interest Period after the Effective Date (i) 5.9% per annum for each day prior to the occurrence of the Initial Increase Date; and (ii) 4.75% per annum for each date of that Interest Period thereafter; and
- (c) for each subsequent Interest Period, 4.75% per annum (if the Initial Increase Date has occurred) or 5.9% per annum (if the Initial Increase Date has not occurred), as applicable;

"Note Extension Option" means the right of the Majority Noteholders to extend the Scheduled Maturity Date of the Notes to the Note Extension Option Date;

"Note Extension Option Date" means the date falling ~~thirty-six (36)~~42 months after the ~~Issue~~Initial Increase Date;

"Noteholders" means in relation to any Notes represented by a Global Note, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (other than Euroclear and/or Clearstream, Luxembourg), in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error (other than for the purpose of payments in respect thereof, the right to which shall be vested as against the Issuer and any Paying Agent, solely in the bearer of a Global Note in accordance with and subject to its terms and for which purpose Noteholder means the bearer of a Global Note);

"Notices Condition" means Condition 15 (*Notice to Noteholders*);

"Notices Details" means the provisions set out in Schedule 7 of the Incorporated Terms Memorandum;

"**Noteholders Datatapes**" means a weekly data tape, and a monthly ~~data tape and a quarterly~~ data tape containing the same information as Full Datatapes, except for the names of the Direct Debtors, which in the case of Noteholders Datatapes shall ~~be contained~~ only contain the information in relation to (i) ~~seven (7)~~ fifteen (15) Direct Debtors with the highest aggregate Outstanding Balances and (ii) the Direct Debtors of the Defaulted Receivables;

"**Notification Event**" means:

- (a) the making of an order of a court or regulatory authority requiring notice of the transfer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;
- (b) the priority of the Transaction Security granted by the Issuer or the Seller has changed or has been otherwise affected in a manner which is prejudicial to the interests of the Noteholders but only to the extent that giving notice to the relevant Debtors that the Receivables have been transferred to the Issuer is necessary or advisable to protect the Transaction Security;
- (c) the occurrence of a Servicer Event;
- (d) the occurrence of a Seller Insolvency Event;
- (e) the occurrence of a Termination Event (irrespective of whether it may be subsequently waived or not);
- (f) on any Purchase Date, the cumulative Defaulted Receivables are equal to or higher than ~~20-per cent.~~ % of the Principal Amount Outstanding of the Notes as at the Issue Date;
- (g) the occurrence of a Material Adverse Change in relation to business, operations, assets or condition (financial or otherwise) of the Seller; or
- (h) the Tangible Net Worth of the Seller falls below EUR~~5~~70,000,000;

"**Notification Event Notice**" means a notification event notice to be delivered pursuant to the Receivables Sale Agreement upon the occurrence of the Notification Event;

"**Obligations**" means all of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents;

"OC Amount" means, in respect of each Interest Payment Date, the difference (floored at zero) between:

- (a) the sum of (X) the Maximum Principal Amount; plus (Y) the aggregate outstanding Deferred Purchase Price as at the last date of the related Interest Period; minus the Funding Base of the outstanding Performing Receivables; less
- (b) the DPP Distributable Amount;

"OC Test Date" means the last date ~~falling 3 months after~~of the ~~Issue Date~~Ramp-Up Period;

"Offer" means delivery by electronic means of the Offer Documents by the Servicer to the Cash Manager pursuant to the Receivables Sale Agreement, which shall constitute an irrevocable offer by the Seller binding upon it to sell to the Purchaser each of the Receivables in the Additional Receivables Portfolio designated thereunder;

"Offer Agent-" means Gedesco Services Spain, S.A.U.;

"Offer Date" means (i) any Reconciliation Date (other than a Reconciliation Date falling during the period from the end of a Collection Period and the Interest Payment Date falling immediately after such Collection Period) within the Revolving Period; and (ii) each of the following dates: 3 April 2017, 5 April 2017, 3 July 2017, 7 July 2017, 2 October 2017, 5 October 2017, 2 January 2018 ~~and 5 January 2018~~; 5 January 2018, 19 February 2018, 5 March 2018, 9 March 2018, 28 March 2018, 9 April 2018, 30 April 2018, 7 May 2018, 16 May 2018, 4 June 2018, 8 June 2018, 2 July 2018, 9 July 2018, 6 August 2018, 3 September 2018, 10 September 2018, 1 October 2018, 5 October 2018, 5 November 2018, 9 November 2018, 3 December 2018, 10 December 2018, 2 January 2019, 8 January 2019, 16 January 2019, 4 February 2019, 8 February 2019, 4 March 2019, 8 March 2019, 1 April 2019, 8 April 2019, 7 May 2019, 16 May 2019, 3 June 2019, 10 June 2019, 1 July 2019, 8 July 2019, 7 August 2019, 2 September 2019, 9 September 2019, 30 September 2019, 7 October 2019, 16 October 2019, 4 November 2019, 8 November 2019, 2 December 2019, 9 December 2019, 2 January 2020, 8 January 2020, 15 January 2020, 31 January 2020 and 6 February 2020, **provided that** none of the dates specified in this paragraph (ii) shall be an Offer Date if it falls fewer than 3 Business Days prior to an Interest Payment Date, and **provided further that** no Offer may be made on a date on which there is no Due Diligence Agent appointed to the Issuer;

"Offer Documents" means the relevant Additional Receivables Portfolio Identification File that the Servicer on behalf of the Seller represents by such delivery as the relevant Additional Receivables Portfolio Identification File;

"Official List" means the official list maintained by the Irish Stock Exchange, to which the Notes are admitted, and which is regulated by the ~~Listing Rules~~listing rules established by the Irish Stock Exchange;

"Operational Accounts" means the Originator Account and the Security Account;

"Ordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by more than ~~50 per cent.~~% of the eligible persons voting thereat on a show of hands or, if a poll is duly demanded, by a simple majority of the votes cast on such poll;

"Originator Account" means the account opened in the name of the Seller in the books of the Originator Account Bank with IBAN ES4720381560076000215640;

"Originator Account Bank" means Bankia, S.A.;

(d) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Seller and/or any Affiliate of either of them, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except in the case of any of the Seller or any Affiliate thereof (the "**Relevant Persons**") where all of the Notes are held by or on behalf of or for the benefit of one or more Relevant Persons shall be deemed to remain outstanding;

"**Outstanding Balance**" means, with respect to any Receivable, as at any date of determination the outstanding balance which is scheduled to become due;

"**Paying Agent**" means, as at the Issue Date, Citibank, N.A., London Branch and any additional or replacement paying agents as appointed from time to time;

"**Paying Agents**" means the Paying Agent together with any successor or additional paying agents appointed from time to time in connection with the Notes under the Agency Agreement, and Paying Agent means any one of them;

"**Paying Transaction Party**" means where any Transaction Party is under an obligation created by a Transaction Document to make a payment to a Receiving Transaction Party the Transaction Party who is to make such payment;

"**Payments Account**" means the account opened in the name of the Issuer with the Account Bank for the purposes of holding all amounts to be distributed on each Interest Payment Date according to the applicable Priority of Payments;

"**Permanent Global Note**" means the permanent global notes obtained by exchanging interests in a Temporary Global Note on and after the date which is 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder;

"**Performing Receivable**" means any Receivable which is not a Defaulted Receivable;

"**Permanent Eligibility Criteria**" means criteria set forth in paragraphs (ii), (v), (vii), (viii), (xvi), (xvii) and (xxvi) of the Receivables Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiv) and (xv) of the Factoring Claims Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiii) and (xiv) of the Special Claims Eligibility Criteria and in paragraphs (i), (iii), (v), (vi), (xii) and (xiii) of the Collateral Claims Eligibility Criteria;

~~"**Permanent Global Note**" means the permanent global notes obtained by exchanging interests in a Temporary Global Note on and after the date which is 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder;~~

"**Permitted Rollover**" means a rollover of a Receivable which in the reasonable opinion of the Seller (acting in good faith), would have not become a Defaulted Receivable should it have not been rolled over, and where the rolled-over Receivable is an Unsecured Receivable, does not exceed the Maximum Number of rollovers;

"**Person**" means an individual, partnership, company, corporation, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof;

"**PN Debtor**" means the client of the Seller under a Promissory Notes Program;

"**PN Receivable**" means any Receivable arising from a Promissory Note issued by a PN Debtor and subscribed by the Seller under a Promissory Note Program;

~~"**Portfolio Maximum Amount**" means EUR 160,000,000;~~

"**Portfolio Maximum Amount**" means, on any date of determination, the aggregate of (a) EUR 220,000,000 plus (b) the higher of (x) EUR55,000,000 and (y) the aggregate outstanding Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio (as determined prior to the relevant Additional Purchase Date);

"**Portfolio Repurchase Date**" shall have the meaning given to it in Condition 7.5(b);

"**Portfolio Repurchase Option**" means the option by the Seller, on any Interest Payment Date during the Amortisation Period on at least three months' prior written notice to the Issuer and the Cash Manager to repurchase the Receivables Portfolio from the Issuer at a repurchase price equal to the aggregate Outstanding Balance of all Receivables in the Receivables Portfolio;

"**Portfolio Repurchase Option Notice**" shall have the meaning given to it in Condition 7.5(b);

"**Portfolio Repurchase Date**" shall have the meaning given to it in Condition 7.5(b);

"**Portfolio Repurchase Price**" has the meaning given to it in the Receivables Sale Agreement;

"**Portfolio Requirements**" has the meaning given to it in the Receivables Sale Agreement;

"**Post-Enforcement Priority of Payments**" means the priority of payments for the application of amounts received or recovered by the Trustee (or a receiver appointed on its behalf) following the service of an Enforcement Notice as set out in the Security Deed and the Cash Management Agreement;

"**Potential Event of Default**" means any event which will become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default;

"**Preliminary Prospectus**" means each of (i) the preliminary prospectus No.1 in relation to the Notes dated 11 March 2016; (ii) the preliminary prospectus No.2 in relation to the Notes dated 21 April 2016; (iii) the preliminary prospectus No. 3 in relation to the Notes dated 9 May 2016; (iv) the preliminary prospectus No. 5 in relation to the Notes dated 19 May 2016, and (v) the preliminary prospectus No. 6 in relation to the Notes dated 23 May 2016;

"Pre-Increase Cut-Off Date" means 26 January 2018;

"Pre-Selected Candidates" means the following candidates for the role of the Back-Up Servicer (listed in the order of preference) (i) Hipoges, and (ii) ~~Progreso y Gestión SA~~ and AIG Europe Limited (Spanish Branch);

"Presentation Date" has the meaning given to it in Condition 6.4 (*Payment only on a Presentation Date*);

"Principal Account" means the account so named opened in the name of the Issuer with the Account Bank on or about the Issue Date;

"Principal Amount Outstanding" has the meaning given to it in Condition 7.7¹⁰ (*Principal Amount Outstanding*);

"Priority of Payments" means the Revolving Period Priority of Payments, the Amortisation Period Priority of Payments and the Post-Enforcement Priority of Payments, or any of them;

"Proceedings" means any legal proceedings relating to a Dispute;

"Promissory Note" means a promissory note ("*pagaré*");

"Promissory Notes Program" means any agreement entered into by the Seller and a client whereby the Seller may subscribe, at its entire discretion, for Promissory Notes to be issued by such client from time to time;

"Prospectus" means each of (i) the prospectus dated on or about the Issue Date prepared in connection with the issue by the Issuer of the Notes and (ii) the prospectus dated on or about the Initial Increase Date prepared in connection with the amendments to the terms of the Notes to become effective on or about the Initial Increase Date;

"Prospectus Directive" means Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Relevant Member State);

"Purchase Date" means the Issue Date or an Additional Purchase Date;

"Purchase Price" means either the Initial Purchase Price or an Additional Purchase Price, as applicable;

"Purchase Price Payment Date" means the London Business Day immediately following an Additional Purchase Date;

"Put Acceptance Notice" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Put Notes" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Qualifying Asset" means a qualifying asset within the meaning of sSection 110 of the Taxes Act;

"**Qualifying Cash**" means the sum of balances of the Principal Account and the Collection Account (excluding the Additional Purchase Price and any amounts to be transferred to the Security Account or the Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);

"**Qualifying Company**" means a qualifying company within the meaning of ~~s~~Section 110 of the Taxes Act;

"Qualifying Portfolios" means each of the Direct Group Portfolios with the first, second and third highest aggregate Outstanding Balances;

"**Qualifying Subordinated Loan Provider**" means a person that is beneficially entitled to interest received on the Subordinated Loan and is:

~~(a)~~ ~~(a)~~

(i) a bank within the meaning of Section 246 of the Taxes Act which is carrying on a *bona fida* banking business in Ireland for the purposes of Section 246(3)~~(a)~~ of the Taxes Act with which the Subordinated Loan is connected; or

(ii)

(A) a person that is, under the laws of a Relevant Territory, resident in that Relevant Territory for the purposes of ~~a~~-corporation or income tax in that Relevant Territory;

(B) a United States of America ("U.S.") company, provided the U.S. company is incorporated in the U.S. and subject to U.S. federal tax on its worldwide income; or

~~(C)~~—a U.S. Limited Liability Company ("LLC"),

~~(D)~~~~(C)~~ provided the ultimate recipients of the interest would, if they were themselves Subordinated Loan Providers, be Qualifying Subordinated Loan Provider within paragraph (ii)(A) or (ii)(B) of this definition and the business conducted through the LLC is so structured for market reasons and not for tax avoidance purposes;

~~(E)~~ provided in each case at (ii)(A), (ii)(B) or (ii)(C) the Subordinated Loan Provider is not carrying on a trade or business in Ireland through an agency or branch with which the Subordinated Loan is connected; or

(iii) a qualifying company within the meaning of Section 110 of the Taxes Act; or

(iv) a Treaty Subordinated Loan Provider; or

- (v) a body corporate:
 - (A) which advances money in the ordinary course of a trade which includes the lending of money;
 - (B) in whose hands any interest payable in respect of monies so advanced is taken into account in computing the trading income of such company; and
 - (C) which has made the appropriate notifications under Section 246(5)(a) of the Taxes Act to the Revenue Commissioners of Ireland and the Issuer; or
- (vi) an investment undertaking within the meaning of Section 739B of the Taxes Act.

and

- (b)
 - (i) a person (not being a Specified Person) who is a pension fund, government body or other person resident in a Relevant Territory who, under the laws of that Relevant Territory, is exempted from tax which generally applies to profits, income or gains in that Relevant Territory; or
 - (ii) in respect of the Subordinated Loan, under the laws of a Relevant Territory, subject, without any reduction computed by reference to the amount of such interest, to a tax which corresponds to Irish income or corporation tax which generally applies to profits, income or gains received in that Relevant Territory, by persons, from sources outside that Relevant Territory; or
 - (iii) resident in Ireland or providing the Subordinated Loan or holding the Notes in connection with a permanent establishment in Ireland;

~~"Quarterly Datatape" means a quarterly datatape to be prepared by the Servicer under the Servicing Agreement in the form or similar to the form of the datatape attached as Schedule 4, Part 3, to the Servicing Agreement;~~

"Quoted Eurobond" means a quoted Eurobond within the meaning of section 64 of the Taxes Act;

"Ramp-Up Period" means the period starting on the Initial Increase Date (including such date) and ending on the Interest Payment Date falling in August 2018 (excluding such date);

"Rating Trigger" means the long-term unsecured unguaranteed and unsubordinated debt obligations of the Originator Account Bank or the Security Account Bank ceasing to be rated at least B2 by Moody's and B by Fitch and S&P;

"**Realisation**" has the meaning given to it in Condition 16 (*Limited Recourse*);

"**Receivables**" means those receivables owing by a Direct Debtor originated by the Seller pursuant to a Funding Document;

"**Receivables Eligibility Criteria**" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Receivables;

"**Receivables Identification File**" means the Initial Receivables Portfolio and each Additional Receivables Portfolio Identification File sent by the Offer Agent on behalf of the Seller on the Relevant Purchase Offer Date;

"**Receivables Portfolio**" means the Initial Receivables Portfolio and each Additional Receivables Portfolio;

"**Receivables Sale Agreement**" means the receivables sale and purchase agreement dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"**Receiver**" means any person (being a licensed insolvency practitioner) who is appointed by the Trustee to be a receiver or an administrative receiver (as the case may be) of the Charged Property to act jointly, independently, or jointly and severally, as the Trustee shall determine;

"**Receiving Transaction Party**" means, where any Transaction Party is under an obligation created by a Transaction Document to make payment to another Transaction Party, the Transaction Party which is to receive such payment;

"**Reconciliation Date**" means any Monday until the Final Discharge Date unless such Monday is not a Madrid/Valencia Business Day in which case it shall be the first following Madrid/Valencia Business Day;

"**Reconciliation Payment Date**" means the second Business Day immediately following a Reconciliation Date;

"**Records**" means, with respect to any Receivable or Claim, all Funding Documents and other documents, books, records and other information (including, without limitation, computer programmes, tapes, disks, punch cards, data processing software and related property and rights) relating to such Receivable or Claim, any Ancillary Rights (other than the Records) or the related Debtors which are necessary to service or enforce such Receivable, Claim and Ancillary Rights;

"**Redemption Amount**" means the Principal Amount Outstanding of the Notes together with any unpaid interest accrued thereon and any default interest;

"**Regulated Market**" means a regulated market for the purposes of the Markets in Financial Instruments Directive;

"**Regulatory Direction**" means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person is accustomed to comply;

"Relevant" means:

- (a) when used in relation to the execution of or the entering into of a Transaction Document and in conjunction with a reference to any Transaction Party, a Transaction Document which such Transaction Party is required to execute or enter into or has executed or entered into;
- (b) when used in respect of the Transaction Documents generally and in conjunction with a reference to any particular Transaction Party, the Transaction Documents to which such Transaction Party is a party;

and references to **"Relevant Transaction Documents"** and cognate expressions shall be construed accordingly;

"Relevant Citi Entity" means the Party named as such in the relevant Transaction Document;

"Relevant Date" has the meaning given in Condition 9 (*Prescription*);

"Relevant DPP Percentage" means (i) 26.5625% for the purposes of paragraph (b)(ii) of the definition of "DPP", and (ii) 22.807017544% for the purposes of paragraph (b)(iii) of the definition of "DPP";

"Relevant DPP Threshold" means (i) prior to the Effective Date, EUR40,000,000, and (ii) from the Effective Date, EUR65,000,000;

"Relevant Information" means any written information provided by the Issuer, the Seller or the Servicer, as the case may be, to the Arranger in connection with the preparation of the Prospectus or any presentation by the Arranger to potential investors;

"Relevant Matter" means any amendment, variation, supplement, modification, consent, waiver, indulgence (including the grant of any grace period), release or failure or omission to exercise any right, composition, compounding or other similar arrangement (other than any such amendment, variation, supplement, modification, consent, waiver, indulgence, release or failure or omission to exercise any right, composition, compounding or other similar arrangement (i) that has been made in accordance with the Issuer's instructions or consent, (ii) that is permitted by the Collection Policy and/or the Servicing Agreement with respect to the Receivables, the Claims, the Ancillary Rights and the Funding Documents or (iii) whose object is exclusively the taking of security or additional security in respect of a Receivable without amending any other features thereof);

"Relevant Member State" means each Member State of the European Economic Area which has implemented the Prospectus Directive;

"Relevant Territory" means:

- (a) a Member State of the European Union other than Ireland;

- (b) not being such a Member State, a territory with the government of which arrangements having the force of law by virtue of section 826(1) of the Taxes Act have been made; or
- (c) not being a territory referred to in paragraph (a) or (b), a territory with the government of which arrangements have been made which on completion of the procedures set out in section 826(1) of the Taxes Act, will have the force of law;

"Replacement Cash Management Agreement" means an agreement entered into by the Replacement Cash ~~man~~Manager with the Issuer and the Trustee substantially on the terms of the existing Cash Management Agreement;

"Replacement Cash Manager" means the replacement cash manager appointed pursuant to the terms of the Cash Management Agreement;

"Repurchase Agreement" means an agreement in, or substantially in, the form of the document so named set out in the Receivables Sale Agreement;

"Required Consents" means

- (a) filing of the Prospectus with the Central Bank of Ireland and the Irish Companies Registration Office;
- (b) application for the Notes to be listed on the Official List and the granting of such application;
- (c) application for the Notes to be admitted to trading on the Regulated Market of the Irish Stock Exchange and the granting of such application; and
- (d) filing of correctly completed Form C1 and Section 1001 notice in respect of the Security Deed with the Companies Registration Office and Revenue Commissioners, respectively, in Ireland;

each in accordance with any relevant Requirements of Law or any Regulatory Direction;

"Required Rating" means the short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least P-2 by Moody's and A-2 by S&P;

"Requirement of Law" in respect of any person shall mean:

- (a) any law, treaty, rule, requirement or regulation;
- (b) a notice by or an order of any court having jurisdiction;
- (c) a mandatory requirement of any regulatory authority having jurisdiction; or
- (d) a determination of an arbitrator or Governmental Authority,

in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply;

"**Reserve Account**" means the account opened in the name of the Issuer with the Account Bank for the purposes of holding the Reserve Account Target Amount;

"**Reserve Account Minimum Amount**" means ~~EUR2,385~~EUR4,375,000.00;

"**Reserve Account Target Amount**" ~~means EUR5,949,000.00;~~ has the meaning given to it in Condition 2 (Definitions);

"**Return Agreement**" means a Specified Agreement whereby payments due under the Specified Agreement are dependent on the results of the Issuer's business or any part of the Issuer's business;

"**Revenue Commissioners**" means the Revenue Commissioners of Ireland;

"**Reviewed Datatape Fields**" means the list of datatape fields set forth in the Receivables Sale Agreement;

"**Reviewed Eligibility Criteria**" means the Eligibility Criteria set forth in the Receivables Sale Agreement;

"**Revolving Period**" means the period commencing on (and including) the Issue Date and ending on the ~~earlier~~earliest to occur of (a) the Termination Event Date, (b) the date of an Event of Default ~~and~~, (c) the date falling 6 months before the Scheduled Maturity Date, (d) the date on which an Issuer Cash Call Option has not been completed in accordance with Condition 7.9 (Issuer Cash Call Option), and (e) the Back-Stop Date if the Initial Increase Date has not occurred by such date;

"**Revolving Period Priority of Payments**" means the provisions relating to the order of priority of payments set out in Schedule 3 (*Priorities of Payment*), Part 1 (*Revolving Period Priority of Payments*) of the Cash Management Agreement;

"**Reverse Charge**" means the charge arising as a result of section 8(1) of VATA or section 12 (1) of the Irish VATA or any other equivalent legislation in another jurisdiction;

"**Right**" means any asset (including any Receivables or Security Claims), agreement, property or right;

"Risk Department" means the department which analyses and classify the risk of any existing or future client of the Seller;

~~"Selection Criteria" means a list of pre-agreed criteria to be applied to select Additional Receivables to be purchased on the Additional Purchase Date, to the extent that the Seller offers more Eligible Receivables than the Issuer can purchase with the Available Collections;~~

"**S&P**" means Standard & Poor's Credit Market Services Europe Limited and any successor or replacement to its credit rating business;

"**Scheduled Maturity Date**" means the later of (i) ~~the first~~ Interest Payment Date falling in the thirtieth month after the ~~second anniversary of the Issue~~Effective Date;

or (ii) if the Note Extension Option is exercised, the Interest Payment Date falling on or around the Note Extension Option Date;

"Second ICC Period" means the period starting on the First ICC Period End Date (excluding such date) and ending on the Second ICC Period End Date;

"Second ICC Period End Date" means the Interest Payment Date falling in June 2018;

"Second Make Whole Period" means the period between the ~~first Interest Payment Date (including such date) and the~~ third Interest Payment Date falling after the ~~Issue~~Effective Date (including such date) and the ninth Interest Payment Date falling after the Effective Date (excluding such date);

"Second Reserve Increase Date" has the meaning given to it in Condition 2 (Definitions);

"Section 110" means Section 110 of the Taxes Consolidation Act 1997) (as amended);

"Section 246" means Section 246 of the Taxes Act;

"Secured Creditors" means the Seller, the Trustee, the Servicer, the Cash Manager, the Account Bank, the Agents, the Corporate Services Provider, the Noteholders, the Subordinated Loan Provider, the Due Diligence Agent and any Receiver and any other party which becomes a Secured Creditor pursuant to the Security Deed;

"Secured Liabilities" means any and all monies, obligations and liabilities and all other amounts due, owing, payable or owed by the Issuer to the Secured Creditors under the Notes and/or the Transaction Documents, and references to Secured Liabilities includes references to any of them;

"Secured Receivable" means any Factoring Receivable and any Special Receivable;

"Securities Act" means the United States Securities Act of 1933, as amended;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Security Account" means the account opened in the name of the Seller in the books of the Security Account Bank with IBAN ES7320381560016000215757;

"Security Account Bank" means Bankia, S.A.;

"Security Account Pledge Agreement" means the pledge agreement over the Security Account dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"Security Claims" means any Factoring Claim and any Special Claims;

"Security Deed" means the security deed dated the Issue Date between the Issuer and the Trustee;

"Security Period" means the period beginning on the date of the Security Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

"Security Powers of Attorney" means the security powers of attorney dated the Issue Date granted by the Issuer in favour of the Trustee in, or substantially in, the form set out in the Security Deed;

"Selection Criteria" means a list of pre-agreed criteria to be applied to select Additional Receivables to be purchased on the Additional Purchase Date, to the extent that the Seller offers more Eligible Receivables than the Issuer can purchase with the Available Collections;

"Seller" means Toro Finance S.L.U. in its capacity as seller of the Receivables to the Issuer under the Receivables Sale Agreement;

"Seller Account" means the account opened in the name of the Seller in the books of Bankia, S.A. with IBAN ES16 2038 1560 0260 0018 8507;

"Seller Insolvency Event" or "Servicer Insolvency Event" or "Cash Manager Insolvency Event" means the occurrence of any of the following events:

- (a) the Seller or the Servicer or the Cash Manager (as applicable) is unable or admits its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) a declaration of insolvency (*concurso*), winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Seller or the Servicer or the Cash Manager (as applicable) (including, for the avoidance of doubt and without limitation, any petition under article 5 bis and the Fourth Additional Provision of the Spanish Insolvency Law 22/2003, dated 9 July 2003; or
 - (ii) a composition, compromise, assignment or arrangement with (i) any creditor of the Seller or the Servicer or the Cash Manager (as applicable) being owed more than €2,500,000 or (ii) a number of creditors of the Seller or the Servicer or the Cash Manager (as applicable) being owed in aggregate more than €2,500,000 in either case, by reason of actual or anticipated financial difficulties; or
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Seller or the Servicer or the Cash Manager (as applicable) or any of its assets;

or any analogous procedure or step is taken in any jurisdiction, provided however that no Seller Insolvency Event or Servicer Insolvency Event or Cash Manager Insolvency Event (as applicable) would have occurred if any petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement;

"Seller Security Power of Attorney" means the power of attorney dated ~~on or about~~ the Issue Date in the form set out in the Receivables Sale Agreement;

"Servicer" means the person appointed by the Issuer under the Servicing Agreement to service the Receivables being, at the Issue Date, Gedesco Services Spain, S.A.U.;

"Servicer Standard of Care" means the standard of care set out in the Servicing Agreement to which the Servicer will perform its obligations and the exercise of its discretions under the Servicing Agreement and its exercise of the rights of the Issuer in respect of contracts and arrangements giving rise to payment obligations in respect of the Receivables;

"Servicer Event" means:

- (a) the occurrence of a Servicer Insolvency Event; or
- (b) the Servicer defaults on any payment and/or payments in respect of its financial indebtedness exceeding EUR2,500,000; or
- (c) the Servicer fails to observe or perform in any material respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a Material Adverse Effect on the Issuer's ability to make payments in respect of the Notes and continues unremedied for a period of 30 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer; or a non-cured breach of its obligations under the Servicing Agreement; or
- (d) the Servicer breaches its representations and warranties given in the Servicing Agreement; or
- (e) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct any movement of collections as required under the Servicing Agreement and the other Transaction Documents;

"Servicer Covenant" means a covenant of the Servicer contained in the Servicing Agreement and **"Servicer Covenants"** means all of those covenants;

"Services" means the services to be provided by the Servicer under the Servicing Agreement;

"Servicing Agreement" means the servicing agreement ~~expected to be dated on or around~~ the Issue Date relating to the Receivables between the Issuer, the Seller, the Servicer and the Cash Manager;

"**Specified Office**" means, with respect to the Agents, the offices listed at the end of the Conditions or such other offices as may from time to time be duly notified pursuant to Condition 15 (*Notice to Noteholders*);

"**Specified Person**" means:

- (a) a company which directly or indirectly controls the Issuer; or
- (b) a person or connected persons from whom assets were acquired or to whom the Issuer has made loans or advances or with whom the Issuer has entered into a Specified Agreement, where the aggregate value of such assets, loans, advances or agreements represents not less than ~~75-per cent.~~^{0%} of the aggregate value of the Qualifying Assets of the Issuer;

"**Subordinated Loan Agreement**" means the loan agreement dated the Issue Date between the Issuer and the Subordinated Loan Provider;

"**Subordinated Loan Interest**" means interest of ~~8-per cent.~~^{0%} to be paid by the Issuer to the Subordinated Loan Provider in accordance with the Subordinated Loan Agreement;

"**Subordinated Loan Provider**" means, as at the Issue Date, Toro Finance S.L.U.;

"**Subordinated Loan**" means the loan provided to the Issuer by the Subordinated Loan Provider pursuant to the Subordinated Loan Agreement;

"**Subscription Agreement**" means the agreement so named dated ~~on or about~~ the Issue Date between the Issuer, the Seller and Arranger;

"**Successor Servicer**" means an entity appointed as a successor servicer in accordance with the Servicing Agreement to perform the Services following the occurrence of a Servicer Event;

"**Tangible Net Worth**" means the aggregate of (a) the amounts paid up or credited as paid up on the issued ordinary share capital of the Seller plus (b) the lower of (i) EUR80,000,000 or (ii) the amount outstanding under the shareholder loan of the Seller at the relevant time (excluding any interest); plus (c) the aggregate amount of the reserves of the Seller;

"**TARGET 2 System**" means the Trans European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single platform and which was launched on 19 November 2007;

"**Tax**" shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction, withholding or related liability of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed or levied by or on behalf of any Tax Authority in the Issuer Jurisdiction or in Spain as applicable, and "**Taxes**", "**taxation**", "**taxable**" and comparable expressions shall be construed accordingly;

"**Tax Authority**" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including Her Majesty's Revenue and Customs, the Irish Revenue Commissioners and the *Agencia Española de Administración Tributaria*;

"**Tax Credit**" means any credit received by a Transaction Party from a Tax Authority in respect of any Tax paid by such Transaction Party;

"**Tax Deduction**" means any deduction or withholding for or on account of Tax;

"**Tax Payment**" means any payment for or on account of Tax;

"**Taxes Act**" means the Taxes Consolidation Act 1997, of Ireland, as amended;

"**Temporary Global Note**" has the meaning given to such term in the Conditions;

"**Termination Event**" means the occurrence of any of the following events:

- (a) failure by the Seller to timely pay any Deemed Collection Amounts;
- (b) on any Additional Purchase Date, the outstanding Defaulted Receivables being equal to or higher than ~~5 per cent.~~^{5%} of the aggregate Outstanding Balance of the Receivables plus the cash credited in the Collection Account and the Principal Account (excluding any amounts to be transferred to the Security Account or the Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);
- (c) on any Additional Purchase Date ~~one and each~~ each Interest Payment Date on which the ~~aggregate~~ outstanding Deferred Purchase Price is equal to ~~EUR40 or higher than EUR55,000,000~~, the Minimum Overcollateralisation Test is equal to or higher than the Minimum Overcollateralisation Ratio;
- (d) Change of Control of the ~~Seller~~^{Service} or Change of Control of the ~~Servicer~~^{seller};
- (e) the occurrence of a Material Adverse Change in relation to business operations, assets or condition (financial or otherwise) of the Seller or the ~~Servicer~~^{Service};
- (f) failure by the Servicer or the Seller to comply with any other of its respective obligations under the Transaction Documents subject to agreed remedy periods if capable of remedy;
- (g) as at ~~each~~^{any} (i) Additional Purchase Date (during the Revolving Period) ~~or~~, (ii) Reconciliation Date (after the end of the Revolving Period), ~~and (ii or (iii))~~ Interest Payment Date, the aggregate balance of the Reserve Account falls below the Reserve Account Minimum Amount;
- (h) misrepresentation of any party under a Transaction Document (subject always to the agreed remedy periods if capable of remedy);
- (i) the occurrence of a Seller Insolvency Event or a Servicer Insolvency Event;

- (j) the cumulative Defaulted Receivables on the Purchase Date is equal or higher than ~~30-per cent-~~30% of the Principal Amount Outstanding of the Notes as of the Issue Date;
- (k) unlawfulness and invalidity of any Transaction Document;
- (l) failure by the Issuer (acting on the instructions of the Majority Noteholders) to appoint a Back-Up Servicer satisfactory to the Majority Noteholders (and/or failure by the Back-Up Servicer to accept such appointment) within ~~6~~2 months following a Back-Up Servicer Appointment Event; (other than that resulting from the occurrence of a Servicer Insolvency Event in which case the reference to 2 months shall be to 2 weeks);
- (m) on the last date of the Ramp-Up Period (the "OC Test Date") or any date thereafter, the aggregate outstanding Deferred Purchase Price in respect of the Receivables purchased by the Issuer during the period from the Issue Date to the OC Test Date, is less than EUR~~40~~55,000,000.00, provided that where the Minimum Overcollateralisation Test is not satisfied on the OC Test Date, the Subordinated Loan Provider shall be entitled to make to the Issuer an additional advance under the Subordinated Loan Agreement in an amount equal to the difference between EUR~~40~~55,000,000 and the actual aggregate outstanding Deferred Purchase Price as at the OC Test Date and provided that the Issuer receives such advance not later than on the OC Test Date, the Termination Event under this paragraph (m) shall be deemed not to have occurred; or
- (n) as of the relevant Purchase Date, (i) the cumulative Deemed Collections exceed EUR~~23~~30,000,000 or relate cumulatively to ~~+0~~15 or more different Direct Debtors; or (ii) the Deemed Collections for a single Collection Period exceed EUR~~10~~5,000,000 or relate cumulatively to ~~5~~7 or more different Direct Debtors, provided that for these purposes only, the Deemed Collections shall be determined by reference to the Receivables which have been discovered not to be compliant with one or more Eligibility Criteria as a result of an audit (including the Due Diligence Report) by the Issuer or its agents (including the Due Diligence Agent);

"Termination Event Date" means the date on which a Termination Event occurs;

"Termination Event Repayment Date" means the date on which, following a Termination Event, the Redemption Amount has been paid in full to the Noteholders;

"Third ICC Period" means the period starting on the Second ICC Period End Date (excluding such date) and ending on the Interest Payment Date falling in August 2018;

"Third Make Whole Period" means the period between the ~~third~~ninth Interest Payment Date falling after the IssueEffective Date (including such date) and the ~~sixth~~twenty-first Interest Payment Date falling after the IssueEffective Date (excluding such date);

"**Third Party Expenses**" means any amounts due and payable by the Issuer to third parties (not being Secured Creditors) including any Liabilities payable in connection with:

- (a) the purchase by the Issuer of the Receivables Portfolio;
- (b) any filing or registration of any Transaction Documents;
- (c) any provision for and payment of the Issuer's liability to any Tax Authority for any Tax;
- (d) any Requirement of Law or any Regulatory Direction;
- (e) any advertising, publication, communication and printing expenses including postage, telephone and telex charges;
- (f) the admission of the Notes to the Official List or to trading on the Regulated Market of the Irish Stock Exchange; and
- (g) any other amounts then due and payable to third parties and incurred without breach by the Issuer of the provisions of the Transaction Documents;

"**Transaction Documents**" means the Trust Deed, the Notes (when issued), the Agency Agreement, the Servicing Agreement, the Cash Management Agreement, the Account Bank Agreement, the Security Deed, the Security Powers of Attorney, the Receivables Sale Agreement, the Seller Security Power of Attorney, the Originator Account Pledge Agreement, the Security Account Pledge Agreement, the Incorporated Terms Memorandum, the Corporate Services Agreement, the Subordinated Loan Agreement, the Due Diligence Agent Letter and any other document entered into by one or more Transaction Parties which is designated as a Transaction Document with the consent of the Trustee, the Issuer and the Seller;

"**Transaction Documents List**" means the list set out in Schedule 1 to the Signing and Closing Agenda;

"**Transaction Party**" means each of the Issuer, the Seller, the Trustee, the Agents, the Servicer, the Cash Manager, the Account Bank, the Corporate Services Provider, the Subordinated Loan Provider, the Due Diligence Agent and any other party to the Transaction Documents;

"**Transaction Security**" means security granted by the Issuer under the Security Deed and/or the security granted by the Seller under the Originator Account Pledge Agreement and the Security Account Pledge Agreement (as applicable);

"**Treaty**" means the Treaty on the Functioning of the European Union;

"**Treaty Subordinated Loan Provider**" means, a Subordinated Loan Provider which is treated as a resident of a Treaty State for the purposes of a double taxation treaty with Ireland and does not carry on a business in Ireland through a permanent establishment with which the Subordinated Loan is effectively connected that, subject

to the completion of procedural formalities, is entitled to relief from Irish tax on interest under that double taxation treaty;

"Treaty State" means a jurisdiction having a double taxation treaty with Ireland that is in effect which makes provision for full exemption from tax imposed by Ireland on interest;

"Trust Corporation" means a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation;

"Trust Deed" means the trust deed creating the Notes dated the Issue Date between the Issuer and the Trustee;

"Trust Documents" means the Trust Deed and the Security Deed;

"Trustee" means, as at the Issue Date, Citicorp Trustee Company Limited and any additional or replacement trustee appointed from time to time in accordance with the Trust Deed;

"Trustee Acts" means both the Trustee Act 1925 and the Trustee Act 2000 of England and Wales;

"Trustee Expenses" means all amounts due and payable in relation to the fees, costs, expenses, liabilities, indemnity payments and all other amounts due to the Trustee;

"Trustee Fees" means the fees payable by the Issuer to the Trustee in accordance with the Trust Deed;

"Unsecured Receivable" means any Receivable which is not a Secured Receivable;

"VAT" means value added tax imposed by VATA or Irish VATA and legislation and regulations supplemental thereto and includes any other tax of a similar fiscal nature whether imposed in the United Kingdom (instead of or in addition to value added tax), in Ireland, in Spain or elsewhere from time to time;

"VATA" means the Value Added Tax Act 1994;

"VAT Group" means a group for the purposes of the VAT;

"Voting Certificate" means an English language certificate issued by a Paying Agent in which it is stated:

- (a) that on the date thereof Notes (not being Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:
 - (i) the conclusion of the meeting specified in such Voting Certificate; and

- (ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
- (b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes represented by such Voting Certificate;

"Weekly Cash Manager Report" means the report to be prepared by the Cash Manager in accordance with the terms of the Cash Management Agreement;

"Weekly Cash Manager Report Date" means (i) the day following Additional Purchase Date during the Revolving Period and (ii) each second Business Day falling after each Reconciliation Date after the end of the Revolving Period;

"Weekly Datatape" means a weekly datatape to be prepared by the Servicer under the Servicing Agreement in the form or similar to the form of the datatape attached as ~~Schedule 4, Part 1,~~ to the Servicing Agreement;

"Wholesale Debt Instrument" means a wholesale debt instrument within the meaning of section 246A of the Taxes Act;

"Written Resolution" means a resolution in writing signed by or on behalf of (i) Noteholders holding in aggregate not less than ~~75-per cent.~~[%] in aggregate Principal Amount Outstanding of the Notes then outstanding or (ii) in case of a Majority Noteholders Matter, the Majority Noteholders, which resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

"24 hours" means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where any Meeting is to be held and in each of the places where the Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held); and

"48 hours" means 2 consecutive periods of 24 hours.

2. PRINCIPLES OF INTERPRETATION AND CONSTRUCTION

2.1 Knowledge

2.1.1 References in any Transaction Document to the expressions "so far as the Seller is aware" or "to the best of the knowledge, information and belief of the Seller" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Seller located at calle Velázquez, 18, 4º derecha, 28001 Madrid, Spain, together with the knowledge which such persons could have had if the Seller had acted in accordance with the Transaction Documents.

2.1.2 References in any Transaction Document to the expressions "so far as the Servicer is aware" or "to the best of the knowledge, information and belief of the Servicer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Servicer located at Avenida de Aragón, número 2-bis, entresuelo, Valencia, Spain,

- 8.1.2 undertakes to the Trustee not to do anything inconsistent with the Transaction Security or the terms of the Transaction Documents;
- 8.1.3 acknowledges that the Transaction Security is held by the Trustee for the benefit of all the Secured Creditors and that any Receiver shall be appointed by the Trustee for the benefit of all the Secured Creditors;
- 8.1.4 acknowledges the existence of the rights conferred on the Noteholders by Condition 10 (*Events of Default*) and Condition 11 (*Enforcement*); and
- 8.1.5 acknowledges that the Security Deed constitutes irrevocable notice in writing to each Secured Creditor of the assignment of all of the Issuer's rights in respect of the Charged Documents under clause 5.3 (*Charged Documents*) of the Security Deed and that subject to Clause 8.1.6 below, the Issuer authorises and instructs each of the Secured Creditors (other than the Trustee), in relation to the Issuer's rights (but not its obligations) under the relevant Charged Document(s), to deal with the Trustee without reference to the Issuer.
- 8.1.6 acknowledges and consents to the assignment referred to in Clause 8.1.5 above and confirms that:
- (a) the Issuer may, notwithstanding such assignment, exercise its rights, powers and discretions and perform its obligations in relation to the Charged Property and under the Transaction Documents in accordance with the provisions of the Transaction Documents or (as the case may be) such other documents or arrangements; and
 - (b) as of the date of this Deed it has not received from any other person notice of any assignment, assignation or charge of any Charged Property.

8.2 Secured Creditors and Transaction Documents

Each Secured Creditor shall be deemed to have notice of, all of the provisions of the Transaction Documents.

8.3 Receipt

The Trustee is hereby authorised to execute on behalf of the Secured Creditors a receipt in respect of all or part only of the Secured Liabilities, as may be appropriate from time to time.

8.4 Recoveries after Enforcement

Except for moneys paid out by the Trustee pursuant to the Post-Enforcement Payments Priorities, all monies received or recovered by the Secured Creditors in respect of the Secured Liabilities after delivery of an Enforcement Notice (whether by way of set off, retention, compensation, balancing of accounts or otherwise) shall forthwith be paid to (and pending such payment held on trust for) the Trustee.

SCHEDULE 3
ISSUER'S REPRESENTATIONS AND WARRANTIES

PART A
CORPORATE REPRESENTATIONS AND WARRANTIES OF THE ISSUER

1. INCORPORATION

The Issuer is duly incorporated in the Issuer Jurisdiction ~~with~~as a designated activity company limited ~~liability~~by shares under Companies Act, with its registered office and its head office at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland and with full power and authority to own its property and assets and conduct its business as described in the Prospectus.

2. LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware including any claims against any of its directors) which may have or may during the twelve months prior to the date of the Prospectus have had a significant effect on the financial position or profitability of the Issuer or which may have a Material Adverse Effect on the Issuer, any Relevant Transaction Document or any Assigned Rights.

3. SOLVENCY

No Issuer Insolvency Event has occurred.

4. ACCOUNTING REFERENCE DATE

The Accounting Reference Date of the Issuer is 31 December.

5. NO SUBSIDIARIES, EMPLOYEES OR PREMISES

The Issuer has no subsidiaries, no employees and no premises.

6. NO ENCUMBRANCES

No Encumbrance exists over or in respect of any asset of the Issuer which would rank in priority to or *pari passu* with the Transaction Security.

7. ISSUER'S ACTIVITIES

The Issuer has not engaged in any activities since its incorporation other than:

- 7.1 those incidental to its registration;
- 7.2 various changes to its directors, secretary, registered office and constitutive documents;
- 7.3 increases in authorised and issued share capital;
- 7.4 changes to its name;

~~7. Consents~~

7. CONSENTS

All consents (including governmental consents), licences and other approvals and authorisations required in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, the Relevant Transaction Documents have been obtained or effected (as appropriate) by the Cash Manager and are in full force and effect.

~~8. Enquiry~~

8. ENQUIRY

The Cash Manager has made all proper inquiries to ascertain and to verify the foregoing.

- 3.1 in connection with its business; and
- 3.2 to enable it lawfully to enter into and perform its obligations under the Relevant Transaction Documents or to ensure the legality, validity, enforceability or admissibility in evidence in the Issuer Jurisdiction of the Relevant Transaction Documents including any registration required under the Companies Act;

4. **AUTHORISED SIGNATORIES**

deliver to the Trustee (with a copy to the Cash Manager) on the Issue Date and thereafter upon any change of the same, a list of Authorised Signatories of the Issuer together with a specimen signature of each Authorised Signatory;

5. **REGISTERED OFFICE, HEAD OFFICE AND CENTRE OF MAIN INTERESTS**

maintain its registered office, its head office and its "centre of main interests", as that term is used in Article 3(i) of the EU Insolvency Regulation, in the Issuer Jurisdiction and will not move such offices to another jurisdiction. All directors of the Issuer are and will remain tax resident in the Issuer Jurisdiction and have exercised and will exercise their control of the business of the Issuer independently and all meetings of the directors at which all key decisions relating to the Issuer will be taken have been and will be held in the Issuer Jurisdiction;

6. **BOARD MEETINGS, MANAGEMENT AND ADMINISTRATION**

hold all meetings of the board of directors of the Issuer in the Issuer Jurisdiction and not hold any such meeting outside the Issuer Jurisdiction and procure that the Issuer's management, the places of residence of the directors of the Issuer and the place where the Issuer effects its central management and decision making are all, at all times, situated in the Issuer Jurisdiction;

7. **NO FOREIGN ESTABLISHMENT**

not establish any "establishment", as that term is used in Article 2(~~H~~10) of the EU Insolvency Regulation, outside of the Issuer Jurisdiction.

8. **GENERAL NEGATIVE COVENANTS**

not until after the Final Discharge Date, save to the extent permitted by the Relevant Transaction Documents or with the prior written consent of the Trustee:

- 8.1 carry on any business or enter into any documents other than those contemplated by the Relevant Transaction Documents;
- 8.2 except as contemplated by the Transaction Documents, sell, convey, transfer, lease, assign or otherwise dispose of or agree or attempt or purport to sell, convey, transfer, lease or otherwise dispose of or use, invest or otherwise deal with any of its properties, assets or undertaking or grant any option or right to acquire the same;

- 8.3 grant, create or permit to exist any Encumbrance over (including the grant of security or trust over or the occurrence of execution or diligence in respect of) the Assigned Rights;
- 8.4 pay dividends or make other distributions to its members other than out of profits available for distribution and then only in the manner permitted by its constitutive documents and by applicable laws;
- 8.5 incur or permit to subsist any indebtedness whatsoever;
- 8.6 make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other person;
- 8.7 consolidate or merge with any other person;
- 8.8 be a member of any VAT Group;
- 8.9 establish a branch or agency outside the Issuer Jurisdiction;
- 8.10 prejudice its status as a qualifying company within the meaning of ~~s~~Section 110 of the Taxes Act;
- 8.11 surrender any losses to any other company;
- 8.12 have any employees or premises or have any subsidiary undertaking (as defined in the Companies Act) or become a director of any company;
- 8.13 have an interest in any bank account other than the Issuer Accounts and the bank account opened to hold its share capital and annual profit unless such account or interest is charged to the Trustee on terms acceptable to it;
- 8.14 amend, supplement or otherwise modify its constitutive documents; ~~and~~
- 8.15 permit the validity or effectiveness of the Trust Documents or of the Transaction Security to be impaired or to be amended, hypothecated, subordinated, terminated or discharged~~;~~ or
- 8.16 carry on a "specified property business" within the meaning of Section 110 of the Taxes Act.

9. **NO REGISTRATION**

The Issuer will not register an "establishment" with the Registrar of Companies pursuant to the Overseas Companies Regulations 2009.

SCHEDULE 7
NOTICE DETAILS

The address referred to in Paragraph 18 (*Notices*) of the Common Terms is:

1. **in the case of the Seller and the Subordinated Loan Provider:**

Address:- Toro Finance S.L.U.

Paseo de la Castellana 41, floor 4th,

28046 - Madrid (España / Spain)——

Tel: +34 615 633 035

 +34 910 877 139

Fax: +34 911 877 335

Email: joseluis.riera@bravocapital.es——

Attention: José Luis Riera——

2. **in the case of the Issuer:**

Address: Castilla Finance Designated Activity Company,
Fourth Floor,
3 George's Dock,
IFSC, Dublin 1,
Ireland

Tel: +353 01 612 5555——

Fax: +353 01 612 5550

~~Email: Ireland@WilmingtonTrust.com~~

Email: Ireland@WilmingtonTrust.com

Attention: The Directors

3. **in the case of the Servicer:**

Address: Valencia, Avenida de Aragón, número 2-bis, entresuelo——

Tel: +34 963 981 300

Fax: +34 961 125 743
Email: ebernia@gedesco.es
Attention: Ernesto Bernia, CFO

4. **in the case of the Trustee:**

Address: ~~_____~~ Citigroup Centre 2,
Canada Square,
Canary Wharf,
London, E14 5LB

Tel: +44 207 508 3814
Fax: +44 20 7500 5877
Email: abs.mbsadmin@citi.com
Attention: ~~_____~~ Agency & Trust

5. **in the case of the Paying Agent at its Specified Office being:**

Address: ~~_____~~ Citigroup Centre 2,
Canada Square,
Canary Wharf,
London, E14 5LB

Fax: ~~_____~~ +353 16 22 2039
Email: ~~_____~~ ppaclaims@citi.com
ppapayments@citi.com
Attention: ~~_____~~ Agency & Trust

6. **in the case of the Issuer Account Bank:**

Address: ~~_____~~ Citigroup Centre 2,
Canada Square,
Canary Wharf,
London, E14 5LB

Tel: + 353 16 22 2261
Fax: +44 2075083883

Email: gss.spagaccountbank@citi.com

Attention: Agency & Trust SPAG

7. **in the case of the Cash Manager:**

Address: _____Calle Príncipe de Vergara,
131, planta 3.
28002 Madrid,
Spain

Fax: _____+34 91 597 11 05

Email: _____mgonzalez@imtitulizacion.com

~~Copy to: _____acamacho@imtitulizacion.com~~

Copy to: acamacho@imtitulizacion.com

mhengstenberg@imtitulizacion.com

andreaqp@imtitulizacion.com

Attention: _____Manuel González Escudero

SCHEDULE 8 SERVICE OF PROCESS

The Foreign Transaction Parties have appointed the following entities to whom documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served as described in Paragraph 2.4 (*Service of Process*) of Part 3 (*General Law Provisions*) of the Common Terms:

1. **in the case of the Seller**

Entity: Law Debenture Corporate Services Limited
Address: Fifth Floor, 100 Wood Street, London EC2V 7EX
Attention: Jane Harvey
(Service of Process Officer)
Direct: - +44 (0)20 7696 5219
Fax: - +44 (0)20 7606 0643
Email: - jane.harvey@lawdeb.com

2. **in the case of the Servicer**

Entity: Law Debenture Corporate Services Limited
Address: Fifth Floor, 100 Wood Street, London EC2V 7EX
Attention: Jane Harvey
(Service of Process Officer)
Direct: - +44 (0)20 7696 5219
Fax: - +44 (0)20 7606 0643
Email: - jane.harvey@lawdeb.com

3. **in the case of the Cash Manager**

Entity: Intermoney Titulización, S.G.F.T., S.A.
Address: Calle Príncipe de Vergara, 131, planta 3. 28002 Madrid, Spain
Attention: Manuel González Escudero

4. **in the case of the Issuer**

Entity: Wilmington Trust SP Services (London) Limited
Address: Third Floor, 1 King's Arms Yard, London, EC2R 7AF
Attention: The Directors

**SCHEDULE 2
BLACKLINE OF AMENDMENTS TO THE TRUST DEED**

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C L I F F O R D C L I F F O R D
C H A N C E C H A N C E
CLIFFORD CHANCE LLP

EXECUTION VERSION

[Castilla II Refinancing / Amended and Restated Trust Deed
Execution Version](#)

CASTILLA FINANCE DAC
(AS ISSUER)

AND

CITICORP TRUSTEE COMPANY LIMITED
(AS TRUSTEE)

AMENDED AND RESTATED TRUST DEED

CONTENTS

Clause	Page
1. Definitions and Interpretation	1
2. Common Terms	2
3. Covenant to Repay and to Pay Interest on the Notes	23
4. Trustee's Requirements Regarding Paying Agents	34
5. Form and Issue of Notes	4
6. Fees, Duties and Taxes	5
7. Trust	5
8. Cancellation of Notes and Records	5
9. Enforcement	6
10. Action, Proceedings and Indemnification	7
11. Application of Moneys	78
12. Notice of Payments	78
13. Partial Payments	8
14. Issuer Representations	8
15. Issuer Covenants	8
16. Remuneration and Indemnification of Trustee	11 <u>12</u>
17. Supplement to Trustee Acts	13
18. Trustee's Liability	20
19. Trustee Contracting with the Issuer and Others	21
20. Waiver, Authorisation and Determination	21
21. Modification	22
22. Consent	24
23. Breach	25
24. Entitlement to Treat Noteholder as Absolute Owner	25
25. Substitution of Principal Debtor	25
26. Currency Indemnity	26
27. New Trustee	27
28. Separate and Co-Trustees	27
29. Trustee's Retirement and Removal	28
30. Trustee's Powers to be Additional	28
31. Merger	28
32. Confidentiality	28 <u>29</u>
33. Invalidity	29

34. Counterparts	29
35. FSMA Authorisation	29
36. FATCA	29
Schedule 1 Form of Notes	30 <u>31</u>
Part 1 Form of Temporary Global Notes	30 <u>31</u>
Part 2 Form of Permanent Global Notes	36 <u>37</u>
Schedule 2 Terms and Conditions of the Notes	42 <u>43</u>
Schedule 3 Provisions for Meetings of Noteholders	88 <u>44</u>
Schedule 4 Form of Issuer Cash Call Notice	<u>55</u>
Signatories	99 <u>57</u>

THIS TRUST DEED was originally made on 27 May 2016, was amended and restated on 1 March 2017 and has been further amended and restated on ___ ~~March 2017~~ February 2018

BETWEEN:

- (1) **CASTILLA FINANCE DAC**, a private company incorporated with limited liability under the laws of Ireland having its registered office at Fourth Floor, 3 George's Dock, I.F.S.C., Dublin 1, Ireland and registered number 578174 and with Spanish Tax Identification Number (NIF) N0073182H (the "**Issuer**"); and
- (2) **CITICORP TRUSTEE COMPANY LIMITED**, whose registered office is at Citigroup Centre, 2 Canada Square, London E14 5LB (acting in its capacity as the "**Trustee**", which expression shall include such company and all other persons or companies for the time being acting as trustee (or co-trustee) pursuant to the terms of the this Deed and the Security Deed).

WHEREAS:

- (A) By a resolution of the Board of Directors of the Issuer passed on 25 May 2016, the Issuer ~~has~~ resolved to issue EUR120,000,000 Notes due 2018 (the "**Notes**") to be constituted by this Trust Deed.
- (B) By a resolution of the Board of Directors of the Issuer passed on or about 22 February 2018, the Issuer has resolved to make certain amendments to the terms of the Notes as are more fully described in the Conditions.
- (~~B~~C) The Trustee has agreed to act as trustee of this Trust Deed for the benefit of the Noteholders upon and subject to the terms and conditions of these presents.

NOW THIS TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 Unless otherwise defined in this Deed or the context otherwise requires, words and

expressions used in this Deed have the meanings and constructions ascribed to them in the Master Definitions Schedule set out in Schedule 1 of the incorporated terms memorandum which is dated on or before the date of this Deed and signed for the purpose of identification by the parties to this Deed and others (as the same may be amended, varied or supplemented from time to time with the consent of the parties to this Deed, the "**Incorporated Terms Memorandum**"). This Deed shall be construed in accordance with the principles of construction and interpretation set out in such Master Definitions Schedule.

1.2 In addition, in this Trust Deed:

- (a) In this Trust Deed references to Schedules, clauses, subclauses, paragraphs and subparagraphs shall be construed as references to the Schedules to this Trust Deed and to the clauses, subclauses, paragraphs and subparagraphs of this Trust Deed respectively.

and replaced pursuant to Condition 14 (*Replacement of Global Notes*) shall forthwith be cancelled by or on behalf of the Issuer and a certificate stating:

- (a) the aggregate Principal Amount Outstanding of the Notes which have been redeemed (and the due date of such redemptions);
- (b) the aggregate Interest Amount paid (and the due dates of such payments) in respect of Notes;
- (c) the aggregate Principal Amount Outstanding of the Notes (if any) which have been purchased by or on behalf of the Issuer and cancelled; and ~~been purchased by or on behalf of the Issuer and cancelled; and~~
- (d) the aggregate Principal Amount Outstanding of the Notes which have been surrendered and replaced,

shall be given to the Trustee by or on behalf of the Issuer as soon as possible and in any event within 30 calendar days after the end of each calendar quarter during which any such redemption, purchase, payment and interest or replacement (as the case may be)

takes place. The Trustee may accept such certificate as conclusive evidence of any such redemption, purchase, payment of interest or replacement of or in respect of the Notes and, where applicable, of cancellation of the relevant Notes.

- 8.2 The Issuer shall procure (i) that the Paying Agent shall keep a full and complete record of the Notes and of their redemption in whole or in part purchased by or on behalf of the Issuer, cancellation and payment of interest and of all replacement notes issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes and (ii) that such records shall be made available to the Trustee at all reasonable times and (iii) that the Paying Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect all relevant matters in respect of the Notes.

9. ENFORCEMENT

- 9.1 The circumstances in which the Trustee may or shall serve an Enforcement Notice on the Issuer and the conditions applicable to the service of an Enforcement Notice on the Issuer are set out in Condition 10 (*Events of Default*).

- 9.2 Subject to Clause 10 (*Action, Proceedings and Indemnification*), the Trustee may at any time, at its absolute discretion and without notice and in such manner as it thinks fit:

- (a) take such proceedings and/or other steps as it may think fit against or in relation to the Issuer or any other party to any Transaction Document to enforce its obligations under this Trust Deed or any other Transaction Document and/or take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or any other party; and/or
- (b) exercise any of its rights under, or in connection with, this Trust Deed or

- (n) use its best endeavours to maintain the listing of the Notes on the ~~official list~~[Official List](#) of the Irish Stock Exchange and the admission of the Notes to trading on the Irish Stock Exchange or, if it is unable to do so having used its best endeavours; use its reasonable endeavours to obtain and maintain a quotation or listing of the Notes on such other stock exchange or exchanges or securities market or markets as the Issuer may decide and shall also upon obtaining a quotation or listing of the Notes on such other stock exchange or exchanges or securities market or markets enter into a trust deed supplemental to this Trust Deed to effect such consequential amendments to this Trust Deed as the Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange or securities market;
- (o) give notice to the Noteholders in accordance with the Conditions of any appointment, resignation or removal of any Agent Bank or Paying Agent (other than the appointment of the initial Agent Bank and Paying Agents) or any change of any Paying Agent's; Specified Office ~~and~~ (except as provided by the Agency Agreement or the Conditions) at least 30 days prior to such event taking effect; **provided always that** so long as any of the Notes remain outstanding in the case of the termination of the appointment of the Agent Bank, the Paying Agent no such termination shall take effect until a new Agent Bank, Paying Agent (as the case may be) has been appointed;
- (p) send or procure to be sent to the Trustee not less than seven days prior to the date of publication, for the Trustee's approval, one copy of every notice to be given to the Noteholders in accordance with the Conditions and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice (such approval, unless so expressed, not to constitute approval of such notice for the purposes of Section 21 of the FSMA);
- (q) comply with and perform all its obligations under the Agency Agreement and each other Transaction Document and use its reasonable endeavours to procure that the Agent Bank, and the Paying Agent and Euroclear, Clearstream, Luxembourg, and each party to any of the other Transaction Documents comply with and perform all their respective obligations thereunder and (in the case of the Paying Agents and the Agent Bank) any notice given by the Trustee pursuant to Clause 4.1(a) (*Trustee's Requirements Regarding Paying Agents*) and not make any amendment or modification to

- (i) up to and including the date of such certificate have been purchased by the Issuer and the Seller and cancelled; and
- (ii) are at the date of such certificate held by, for the benefit of, or on behalf of, the Issuer, or as far as the Issuer is aware, any of its holding companies of any of them or any other subsidiary of such holding company, without being required to make enquiries other than of its holding companies;
- (s) procure that each of the Paying Agents makes available for inspection by Noteholders at its Specified Office copies of this Trust Deed and the other Transaction Documents;
- (t) give notice to the Trustee of the proposed redemption of the Notes at least five Business Days in London prior to the giving of any notice of redemption in respect of such Notes in accordance with the Conditions;
- (u) at all times use best endeavours to procure that a Servicer is appointed in accordance with the terms of the Servicing Agreement and that a Cash Manager is appointed in accordance with the terms of the Cash Management Agreement;
- (v) at all times use all reasonable endeavours to minimise taxes and any other costs arising in connection with its payment obligations in respect of the Notes;
- (w) conduct its business and affairs such that, at all times, its "centre of main interests" for the purposes of the [EU Insolvency Regulation](#), ~~the Recast Insolvency Regulation and the UNCITRAL Implementing Regulations~~ will be and remain in Ireland and it will not have any "establishment" (as defined in the [EU Insolvency Regulation](#), ~~the Recast Insolvency Regulation and the UNCITRAL Implementing Regulations~~) other than in Ireland;
- (x) at all times use all reasonable endeavours to procure that Euroclear and Clearstream, Luxembourg (as the case may be) issue(s) any record, certificate or other document requested by the Trustee as contemplated by this Trust Deed as soon as possible after such request; and
- (y) at all times following the occurrence of the Back-Up Servicer Appointment Event, appoint (acting upon the instructions of the Majority Noteholders) a Back-Up Servicer and/or (acting upon the instructions of the Majority

applicable, certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,

(the certificate to be provided by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Clause 21.2(a) to 21.2(b) (inclusive) above being a "**Modification Certificate**") upon which certificate the Trustee can rely absolutely without further enquiry or liability. The Trustee is only obliged to concur with the Issuer in making any modification referred to in Clause 21.2(a) to 21.2(b) (inclusive) above (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document **provided that:**

- (i) the Modification Certificate in relation to such modification shall be provided to the Trustee both at the time the Trustee is notified of the proposed modification and on the date that such modification takes effect;
- (ii) the written consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained; and
- (iii) the Trustee is satisfied that it has been or will be reimbursed all costs, fees and expenses (including properly incurred legal fees) incurred by it in connection with such modification; and
- (iv) the Issuer certifies in writing to the Trustee (which certification may be in the Modification Certificate) that in relation to such modification (I) the Issuer has provided at least 30 days' notice to the Noteholders of the proposed modification in accordance with Condition 15 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, in each case specifying the date and time by which Noteholders must respond, and has made available at such time the modification documents for inspection at the registered office of the Paying Agent for the time being during normal business hours, and (II) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Notes then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Notes then outstanding have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which such Notes may be held within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Notes then outstanding is passed in ~~favour of such modification in accordance with Schedule 3~~ (*Provisions for Meetings of Noteholders*).

favour of such modification in accordance with Schedule 3 (*Provisions for Meetings of Noteholders*).

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

21.3 When implementing any modification pursuant to Clause 21.2:

- (a) (save to the extent the Trustee considers that the proposed modification would constitute a Basic Terms Modification) the Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation or liability on any Modification Certificate or other certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Clause 21.2 and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (b) the Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights, powers, authorisations, discretions, indemnification or protections of the Trustee in the Transaction Documents and/or the Conditions.

21.4 The Trustee may also, without the consent of the Noteholders or the other Secured Creditors, if it is of the opinion that such determination will not be materially prejudicial to the interests of the Noteholders, determine that an Event of Default or Potential Event of Default shall not, or shall not subject to specified conditions, be treated as such.

21.5 Any such modifications pursuant to Clauses 21.1 and 21.2 may be made on such terms and subject to such conditions (if any) as the Trustee may reasonably determine, shall be binding upon the Noteholders and the other Secured Creditors and shall be notified by the Issuer to the Noteholders in accordance with the Conditions (unless the Trustee agrees otherwise) as soon as practicable thereafter.

22. CONSENT

Save as expressly provided otherwise herein, the Trustee may give any consent or approval for the purposes of this Trust Deed or any other Transaction Document if, in its opinion, the interests of all the Notes will not be materially prejudiced thereby. For the avoidance of doubt, the Trustee shall not have any duty to the Noteholders in relation to such matters other than that which is contained in this clause. Any such consent or approval may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and, notwithstanding anything to

**SCHEDULE 1
FORM OF NOTES**

**PART 1
FORM OF TEMPORARY GLOBAL NOTES¹**

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

ISIN: XS1382379409

**CASTILLA FINANCE DAC
TEMPORARY GLOBAL NOTE
EUR120,000,000 Notes due 2018**

This temporary Global Note is issued in respect of the EUR120,000,000 Notes due 2018 (the "**Notes**") of Castilla Finance DAC (the "**Issuer**"). The Notes are issued subject to and with the benefit of a Trust Deed (the "**Trust Deed**") dated ~~1~~¹27 May 2016, between, among others, the Issuer and the Trustee and the Conditions of the Notes (the "**Conditions**") set out in Schedule 2 to the Trust Deed. Terms used but not defined herein have the meanings ascribed to them in the master definitions schedule (the "**Master Definitions Schedule**") set out in Schedule 1 of the Incorporated Terms Memorandum dated ~~1~~¹27 May 2016.

1. PROMISE TO PAY

Subject as provided in this temporary Global Note, the Issuer, for value received, promises to pay the bearer of this temporary Global Note the sum of EUR120,000,000 (*one hundred and twenty million*) or such lesser sum as is equal to the nominal amount of the Notes represented by this temporary Global Note on the Interest Payment Date (as defined in the Conditions) falling in July 2016 or on such earlier date as the principal or other amounts in respect of this temporary Global Note may become due under the Conditions and to pay interest on a sum equal to the nominal amount of Notes for the time being represented by this temporary Global Note at the rate determined under the Conditions payable in arrear on each Interest Payment Date until payment of the principal sum has been made or duly provided for in full together with any other amounts as may be payable, all subject to and under the Conditions.

The nominal amount of Notes represented by this temporary Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* (together the "**relevant Clearing Systems**"). The records of the relevant Clearing Systems (which expression ~~is~~

¹ Paying Agent to advise if the form of the Temporary Global Note should be updated since the Notes should now exist in the Permanent Global Note form.

in this temporary Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by this temporary Global Note and, for these purposes, a statement issued by a relevant Clearing System

(which statement shall be made available to the bearer upon request) stating the nominal amount of Notes represented by this temporary Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

2. EXCHANGE FOR PERMANENT GLOBAL NOTE AND PURCHASES

The permanent Global Note to be issued on exchange for interests in this temporary Global Note will be substantially in the form set out in Part 2 of Schedule 1 to the Trust Deed.

Subject as provided below, the permanent Global Note will only have an entry made to represent Definitive Notes after the date which is 40 days after the closing date for the Notes (the "**Exchange Date**").

Interests in this temporary Global Note may be exchanged for interests recorded in the records of the relevant Clearing Systems in a duly executed and authenticated permanent Global Note without charge and the Paying Agent or such other person as the Paying Agent may direct (the "**Exchange Agent**") by a relevant Clearing System a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in a particular nominal amount of the Notes (as shown by its records) a certificate of non-US beneficial ownership from such person in the form required by it.

Prior to the Exchange Date, all payments (if any) on this temporary Global Note will only be made to the bearer hereof to the extent that there is presented to the Paying Agent by a relevant Clearing System a certificate to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Notes (as shown by its records) a certificate of non-US beneficial ownership in the form required by it. The bearer of this temporary Global Note will not be entitled to receive any payment of interest due on or after the Exchange Date unless upon due certification exchange of this Global Note is improperly withheld or refused.

Notwithstanding the foregoing, where this temporary Global Note has been exchanged in part for the permanent Global Note pursuant to the foregoing and Definitive Notes have been issued in exchange for the total amount of Notes represented by the permanent Global Note pursuant to its terms, then interests in this temporary Global Note will no longer be exchangeable for interests in the permanent Global Note but will be exchangeable, in full or partial exchange, for duly executed and authenticated Definitive Notes, without charge, in the denomination of EUR~~200,000~~100,000. Notwithstanding the foregoing, Definitive Notes shall not be so issued and delivered unless there shall have been presented to the Exchange Agent by Euroclear or Clearstream, Luxembourg a relevant Clearing System a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in a particular nominal amount of Notes (as shown by its records) a certificate of non-US beneficial ownership from such person in the form required by it.

Any person who would, but for the provisions of this temporary Global Note and of the Agency Agreement, otherwise be entitled to receive either (a) an interest in the permanent Global Note or (b) Definitive Notes shall not be entitled to

PART 2
FORM OF PERMANENT GLOBAL NOTES²

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

ISIN: XS1382379409

CASTILLA FINANCE

PERMANENT GLOBAL NOTE

EUR200,000

EUR120,000,000 Notes due 2018

This permanent Global Note is issued in respect of the EUR120,000,000 Notes due 2018 (the "**Notes**") of Castilla Finance DAC (the "**Issuer**"). The Notes are initially represented by a temporary Global Note interests in which will be exchanged in accordance with the terms of the temporary Global Note for interests in this permanent Global Note and, if applicable, Definitive Notes. The Notes are issued subject to and with the benefit of a Trust Deed (the "**Trust Deed**") dated ~~14~~27 May 2016, between, among others, the Issuer and Citicorp Trustee Company Limited as Trustee and the Conditions of the Notes (the "**Conditions**") set out in Schedule 2 to the Trust Deed. Terms used but not defined herein have the meanings ascribed to them in the master definitions schedule (the "**Master Definitions Schedule**") set out in Schedule 1 of the Incorporated Terms Memorandum dated ~~14~~27 May 2016.

1. PROMISE TO PAY

Subject as provided in this permanent Global Note, the Issuer, for value received, promises to pay the bearer of this permanent Global Note the sum of EUR200,000 (*two hundred thousand*) or such lesser sum as is equal to the principal amount of the Notes represented by this permanent Global Note on the Interest Payment Date (as defined in the Conditions) falling in or on such earlier date as the principal or other amounts in respect of this permanent Global Note may become due under the Conditions and to pay interest on a sum equal to the nominal amount of Notes for the time being represented by this permanent Global Note at the rate determined under the Conditions, payable in arrear on each Interest Payment Date until payment of the principal sum has been made or duly provided for in full together with any other amounts as may be payable, all subject to and under the Conditions.

~~The nominal amount of Notes represented by this permanent Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* (together the "**relevant Clearing Systems**"). The records of the relevant Clearing Systems (which expression in this permanent Global Note means the records that each relevant Clearing System~~

[2Amendments to the existing permanent global note to be discussed with the Paying Agent.](#)

paid on this permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of this permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant Definitive Notes.

"**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 30 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the Specified Office of the Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

The Definitive Notes to be issued on exchange will be in bearer form in the denomination of in the case of the Notes EUR~~200,000~~100,000 with interest and principal coupons ("**Coupons**") attached and will be substantially in the form set out in Part 1 of Schedule 1 to the Trust Deed.

Upon (a) receipt of instructions from Euroclear and Clearstream, Luxembourg that, following the purchase by or on behalf of the Issuer of a part of this permanent Global Note, part is to be cancelled or (b) any redemption of a part of this permanent Global Note, the Issuer shall procure that the portion of the nominal amount of this permanent Global Note so cancelled or redeemed shall be entered *pro rata* in the records of the relevant Clearing Systems. On an exchange in whole of this permanent Global Note, this permanent Global Note shall be surrendered to the Paying Agent.

4. **BENEFITS**

Until the entire nominal amount of this permanent Global Note has been extinguished in exchange for Definitive Notes or in any other manner envisaged by the Conditions, the bearer of this permanent Global Note shall in all respects be entitled to the same benefits as if he were the bearer of the Definitive Notes referred to above. Accordingly, except as ordered by a court of competent jurisdiction or as required by law or applicable regulation, the Issuer and any Paying Agent may deem and treat the holder of this permanent Global Note as the absolute owner of this permanent Global Note for all purposes. All payments of any amounts payable and paid to such holder shall, to the extent of the sums so paid, discharge the liability for the moneys payable on this permanent Global Note and on the relevant Definitive Notes and/or Coupons.

5. **PAYMENTS**

Payments due in respect of Notes for the time being represented by this permanent Global Note shall be made to the bearer of this permanent Global Note and each payment so made will discharge the Issuer's obligations in respect thereof.

Upon any payment in respect of the Notes represented by this permanent Global Note, the Issuer shall procure that the amount so paid shall be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing

SCHEDULE 2
TERMS AND CONDITIONS OF THE NOTES

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TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed. The terms and conditions set out below will apply to the Notes in global form.

The EUR ~~120,000,000~~ 220,000,000 Notes due ~~2018~~ 2020 (the "Notes") ~~in each case~~ of Castilla Finance DAC (the "Issuer") are constituted by a trust deed (the "Trust Deed") ~~to be originally~~ dated ~~on or about~~ 27 May 2016 (the "Issue Date") (as subsequently amended and restated on 1 March 2017 and on the Effective Date) and made between the Issuer and Citicorp Trustee Company Limited (in such capacity, the "Trustee") as trustee for the Noteholders (as defined below) and security trustee for the Secured Creditors.

The security for the Notes is constituted by a security deed (the "Security Deed") dated ~~on or about~~ the Issue Date and made between the Issuer and the Trustee.

Pursuant to an agency agreement (the "Agency Agreement") dated ~~on or about~~ the Issue Date and made between the Issuer, Citibank, N.A., London Branch as paying agent (the "Paying Agent" and such additional or other paying agents, if any, appointed from time to time pursuant to the Agency Agreement, the "Paying Agents"), agent bank (the "Agent Bank") and the Trustee, provision is made for the payment of principal, and interest in respect of the Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Security Deed and the incorporated terms memorandum (the "Incorporated Terms Memorandum") entered into by, *inter alios*, the Issuer and the Trustee on or about the Issue Date (as subsequently amended and restated on 1 March 2017 and on the Effective Date).

Copies of the Trust Deed, the Security Deed, the Agency Agreement, the Incorporated Terms Memorandum and the other Transaction Documents are available for inspection and collection during normal business hours at the Specified Office for the time being of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions Schedule available as described above. These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions Schedule.

1. FORM, DENOMINATION AND TITLE

- 1.1 The Notes ~~are~~ were initially represented by a temporary global note (in respect of the Notes a "Temporary Global Note"), in bearer form in the aggregate principal amount on issue of EUR120,000,000 for the Notes. The Temporary Global Note ~~has been~~ was deposited on behalf of the subscribers of the Notes with the Common Safekeeper on the Issue Date. Upon deposit of the Temporary Global Note, the Clearing Systems ~~will credit~~ credited each subscriber of Notes with the principal amount of Notes equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in the Temporary Global Note are exchangeable on and after the date which is 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership by the relevant

Noteholder, for interests in a permanent global note (a "**Permanent Global Note**") representing the Notes (the expressions "**Global Notes**" and "**Global Note**" meaning, respectively, (i) the Temporary Global Note and the Permanent Global Note, or (ii) either the Temporary Global Note or Permanent Global Note, as the context may require). The Permanent Global Note has also been deposited with the Clearing Systems as Common Safekeeper. Title to the Global Notes will pass by delivery.

Interests in a Global Note in respect of the Notes will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

For so long as the Notes are represented by a Global Note and the Clearing Systems so permit, the Notes will be tradeable only in the minimum authorised denomination of EUR~~200,000~~1,000,000 and higher integral multiples of EUR~~1,000~~, ~~notwithstanding that no Definitive Notes (as defined below) will be issued with a denomination above EUR399,000~~1.

1.2 If, while any of the Notes are represented by a Permanent Global Note, (a) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of

holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system is then in existence or (b) the Issuer or any Paying Agent has or will become subject to adverse tax consequences which would not be suffered were such Notes in definitive form, then the Issuer will issue Notes in definitive form ("**Definitive Notes**") in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Conditions and the Transaction Documents will be amended in such manner as the Trustee requires to take account of the issue of Definitive Notes.

1.3 Definitive Notes in respect of the Notes, if issued, will only be printed and issued in denominations of EUR~~200,000~~1,000,000 and integral multiples of EUR~~1,000~~1 in excess thereof ~~up to and including EUR399,000. No Definitive Notes will be issued with respect to the Notes with a denomination above EUR399,000.~~ All such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons, principal coupons and, if necessary, talons attached.

1.4 "**Noteholders**", with respect to the Notes, means each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding (as defined in Condition ~~7.9~~7.10 (*Principal Amount Outstanding*)) of the Notes (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of the Notes standing to the account of any person shall be conclusive and binding for all purposes) and such person shall be treated by the Issuer, the Trustee and all other persons as the holder of such Principal Amount Outstanding of such Notes for all purposes, other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, the Trustee and all other persons, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and for which purpose "**Noteholders**" means the bearer of the relevant Global Note; and related expressions shall be construed accordingly."

2. DEFINITIONS

2.1 In these Conditions the following defined terms have the meanings set out below:

"**Account Bank**" means, as at the Issue Date, Citibank, N.A., London Branch together with any additional or replacement account banks duly appointed from time to time;

"**Account Bank Agreement**" means the account bank agreement dated ~~on or about~~ the Issue Date among the Issuer, the Cash Manager, the Account Bank and the Trustee;

"**Account Bank Rating**" means any of the following ratings:

- (a) short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least P-2 by Moody's; and
- (b) short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least ~~A~~-A2 by S&P,

or, in either case, such lower rating as agreed by the Issuer (acting upon the instructions of the Majority Noteholders)

"**Additional Account**" means any account in the name of the Issuer at the Account Bank or any other bank created after the Issue Date established pursuant to and in accordance with the Account Bank Agreement;

"**Additional Purchase Date**" means (i) the Madrid/Valencia Business Day in the Revolving Period immediately following each Offer Date and (ii) in respect of the Offer Date falling on 19 February 2018, 26 February 2018;

"**Additional Purchase Price**" means, in respect of an Additional Receivables Portfolio, the amount of the consideration paid or to be paid for the purchase of such Additional Receivables Portfolio on the related Additional Purchase Date, such amount being equal to:

- (a) the Initial Additional Purchase Price; and

- (b) the Deferred Purchase Price payable on each Interest Payment Date in accordance with the Priorities of Payments; and
- (c) the Additional Remuneration payable on each Interest Payment Date in accordance with the Priorities of Payments;

"Additional Remuneration" means, in relation to each Interest Payment Date:

- (a) during the Revolving Period, an amount equal to the Available Receipts on such Interest Payment Date remaining (if any) after making payment of the items described in (a1) to (g7) (inclusive) of the Revolving Period Priority of Payments; and
- (b) after the end of the Revolving Period, an amount equal to the lower of:

- (i) an amount equal to the Available Receipts on such Interest Payment Date remaining (if any) after making payment of (as applicable): ~~(1a)~~ the items described in ~~(a1)~~ to ~~(i9)~~ (inclusive) of the Amortisation Period Priority of Payments, or ~~(2b)~~ the items described in ~~(a1)~~ to ~~(g7)~~ (inclusive) of the Post-Enforcement Priority of Payments; and
- (ii) the sum of amounts determined for each relevant Receivable and representing the excess (if any) of the Outstanding Balance of each Receivable (determined by reference to the Purchase Date of such Receivable) which has been paid within the Collection Period preceding such Interest Payment Date over its Funding Base.

"Additional Reserve Fund Advance" means each amount to be advanced by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement intended for the replenishment of the Reserve Account up to the Reserve Account Target Amount on each of the Initial Increase Date and the Second Reserve Increase Date, each such amount equal to EUR1,000,000;

"Agents" means the Agent Bank and the Paying Agent and "Agent" means any one of them;

"Agency Agreement" means the agency agreement dated ~~on or about~~ the Issue Date among, *inter alios*, the Issuer, the Paying Agents, the Agent Bank and the Trustee;

"Agent Bank" means the person duly appointed as agent bank from time to time under the Agency Agreement who, as at the Issue Date, is Citibank, N.A., London Branch;

"Amortisation Period" means the period commencing on the Business Day following the end of the Revolving Period and ending on the earlier of: (i) the date of an Event of Default and (ii) the Scheduled Maturity Date;

"Amortisation Period Priority of Payments" means the provisions relating to the order of priority of payments set out in Schedule 3 (*Priorities of Payment*), Part 2

(*Amortisation Period Priority of Payments*) of the Cash Management Agreement;

"Ancillary Rights" means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including without limitation any security interests, guarantees or indemnities in respect of such Right;

"Available Receipts" means, in relation to each Interest Payment Date an amount, calculated by the Cash Manager on or before the immediately preceding Calculation Date, equal to the sum of:

- (a) the balance standing to the credit of the Collection Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period;

- (b) the balance standing to the credit of the Principal Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period; and
- (c) the balance standing to the credit of the Reserve Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period;

"Back-Stop Date" means 2 March 2018;

"Back-Up Servicer" means a back-up Servicer to be appointed by the Issuer under the Servicing Agreement in case of occurrence of the Back-Up Servicer Appointment Event;

"Basic Terms Modification" means each of the following:

- (a) a modification of the date of maturity of any Notes or any other term which would have the effect of postponing any day for payment of interest thereon; or
- (b) reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes; or
- (c) altering the currency of payment of such Notes; or
- (d) altering the quorum or majority required in relation to passing a Basic Terms Modification;

"Business Day" means a day which is both 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 London, Dublin, Madrid;

"Business Day Convention" means the business day convention under which, where a relevant date falls on a day which is not a Business Day, that date will be adjusted so that it falls on the first following day that is a Business Day;

"Calculation Date" means the day falling ~~four~~three (43) Business Days prior to the Interest Payment Date;

"Cash Call Amount" has the meaning given to it in Condition 7.9 (Issuer Cash Call Option);

"Cash Call Date" has the meaning given to it in Condition 7.9 (Issuer Cash Call Option);

"Cash Management Agreement" means the cash management agreement dated ~~on or about~~ the Issue Date between, among others, the Issuer, the Cash Manager, the Servicer and the Trustee;

"Cash Manager" means the person appointed as cash manager from time to time under the Cash Management Agreement, which on the Issue Date is Intermoney Titulización, S.G.F.T., S.A.;

~~"Change of Control of the Seller" means either JZ Business Services 6 B.V. or any of its affiliates or directly owned funds or GL Europe Cayman L.P. (or any of its affiliates or directly owned funds) cease directly or indirectly to:~~

"Change of Control of the Seller" means either:

- (a) JZ Business Services 6 B.V. or any of its affiliates cease directly or indirectly to:
 - (ai) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

- (iA) cast, or control the casting of, ~~more than 35~~ at least 50% of the maximum number of votes that might be cast at a general meeting of the Seller; or
- (iiB) have the right to appoint or remove all, or the majority, of the directors or other equivalent officers of the Seller; or

- (iii) give directions with respect to the operating and financial policies of the Seller with which the directors or other equivalent officers of the Seller are obliged to comply; or
- (ii) hold beneficially at least 50% of the issued share capital of the Seller; or
- (b) Antonio Aynat ceases directly or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Seller; or
- (bii) hold beneficially more than ~~35~~10% of the issued share capital of the Seller; or
- (iii) be appointed as CEO of the Seller.

"Change of Control of the Servicer" means either:

- (a) JZ Gedhold BV (or any of its affiliates or directly owned funds) cease directly or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than 35% of the maximum number of votes that might be cast at a general meeting of the Servicer; or
 - (B) have the right to appoint or remove all, or the majority, of the directors or other equivalent officers of the Servicer; or
 - (C) give directions with respect to the operating and financial policies of the Servicer with which the directors or other equivalent officers of the Servicer are obliged to comply; or
 - (ii) hold beneficially more than 35% of the issued share capital of the Servicer; or
- (b) Antonio Aynat ceases directly or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than 15% of the maximum number of votes that might be cast at a general meeting of the Servicer; or
 - (B) cast, or control the casting of, more than 15% of the maximum number of votes that might be cast at a general meeting of the Servicer; or
 - (Cii) ~~appoint or remove all, or the majority, of the directors or other equivalent officers~~ be appointed as CEO of the Servicer; or

~~(D) give directions with respect to the operating and financial policies of the Servicer with which the directors or other equivalent officers of the Servicer are obliged to comply;
or~~

(eiii) hold beneficially more than 20% of the issued share capital of the Servicer;

"Charged Property" means all assets and property of the Issuer which is subject to the security created by the Issuer in favour of the Trustee for it and the other Secured Creditors pursuant to the Security Deed;

"Clearing ~~Systems~~System" means each of Euroclear and Clearstream, Luxembourg;

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme;

"CoC Notice" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Acceptance Notice" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Date" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Noteholders" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Notes" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Option" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Option Notice" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Price" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"Code" means the U.S. Internal Revenue Code of 1986, as amended;

"Collection Account" means the account held in the name of the Issuer with the Account Bank for the purposes of holding the Collections;

"Collection Period" means:

- (a) in relation to each Interest Payment Date other than (i) the first Interest Payment Date falling after the Issue Date, (ii) the Extraordinary Interest Payment Date and (iii) the first Interest Payment Date falling after the Effective Date, the calendar ~~three months~~ month preceding the month on which that Interest Payment Date falls ~~and~~;
- (b) in respect of the first Interest Payment Date falling after the Issue Date, the period running from the Initial Cut-Off Date until the last day of the calendar month preceding the month on which such first Interest Payment Date falls;
- (c) in respect of the Extraordinary Interest Payment Date, the period from 1 January 2018 until 31 January 2018; and
- (d) in respect of the first Interest Payment Date falling after the Effective Date, the period from 1 February 2018 until 28 February 2018;

"Collection Policy" means the administration and collection criteria and procedures employed by the Servicer from time to time in relation to the servicing of the Receivables in the form attached to the Servicing Agreement;

"Collections" means all payments due in respect of the Receivables;

"**Common Safekeeper**" means, in relation to the Notes, the common safekeeper, as elected by the Paying Agent pursuant to the Agency Agreement;

"**Companies Act**" means Companies Act 2014 of Ireland, [as amended](#);

"**Conditions**" means the terms and conditions of the Notes set out in the Trust Deed and as may be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such Conditions;

"**Corporate Services Agreement**" means the agreement dated ~~on or about~~ the Issue Date among, inter alios, the Issuer, the Share Trustee and the Corporate Services Provider;

"**Corporate Services Provider**" means, as at the Issue Date, Wilmington Trust SP Services (Dublin) Limited whose registered office is Fourth Floor, 3 Georges Dock, I.F.S.C., Dublin 1, Ireland, in its capacity as such under the Corporate Services Agreement;

"**Deemed Collection Amount**" means an amount equal to the Deemed Collection;

"**Default Interest**" means two per cent. per annum payable by the Issuer following the occurrence of the Event of Default and accruing from the date of Event of Default;

~~"**Defaults Obligations Repurchase Price**" means an amount equal to the Outstanding Balance of the relevant Defaulted Receivables;~~

~~"**Defaults Option Repurchase Price**" means an amount equal to the Outstanding Balance of the relevant Defaulted Receivable;~~

"**Defaulted Receivable**" means any Receivable which is due and unpaid for more than 5 calendar days or, in relation to a Receivable arising out of a Loan Agreement having a Receivable which is due and unpaid for more than 5 calendar days, all Receivables arising out of that Loan Agreement and any Receivable in respect of which the Debtor is insolvent or subject to bankruptcy or insolvency proceedings;

"**Defaults Obligations Repurchase Price**" means an amount equal to the Outstanding Balance of the relevant Defaulted Receivables;

"**Defaults Option Repurchase Price**" means an amount equal to the Outstanding Balance of the relevant Defaulted Receivable;

"**Defaults Repurchase Obligation**" means the obligation of the Seller on each Calculation Date to repurchase from the Issuer all outstanding Receivables which became Defaulted Receivables during the immediately preceding Collection Period and, where any Additional Purchase Date falls after the end of a Collection Period, also during the period from the end of that Collection Period and the latest Additional Purchase Date to fall after the end of that Collection Period, in each case, at the Defaults Obligations Repurchase Price;

"**Defaults Repurchase Option**" means the option of the Seller, on any day, to repurchase from the Issuer any Defaulted Receivable at a Defaults Option Repurchase Price;

"**Deferred Purchase Price**" or "**DPP**" means, in respect of any Additional Receivables Portfolio to be sold to the Issuer:

~~(a) in respect of the Initial Purchase Price: an amount equal to 25% of the Funding Base of the Initial Receivables Portfolio; and~~

~~(ba) in respect of any Initial Additional Purchase Price: prior to (and excluding) the Effective Date, an amount equal to:~~

~~(i) 25% of the Funding Base of the Eligible Receivables in the relevant Additional Receivables Portfolio until such time as the aggregate Deferred Purchase Price is equal to EUR40,000,000; and~~

~~(ii) EUR 0 (zero) afterwards; and~~

~~provided that where the provisions above would otherwise result in the Deferred Purchase Price being zero (0) in respect of some but not all of the Eligible Receivables in an Additional Receivables Portfolio, then the abovementioned 25% percentage shall be replaced by such lower percentage as required in order for: (i) the aggregate Deferred Purchase Price payable by the Purchaser in respect of all the Receivables Portfolio (including, for the avoidance of doubt, the Eligible Receivables in such Additional Receivables Portfolio) being equal to EUR 40,000,000 and (ii) such lower percentage~~

(b) after (and including) the Effective Date, an amount equal to:

(i) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to

be sold on the relevant date of determination) is lower than or equal to EUR160,000,000, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to EUR 42,500,000;

(ii) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to be sold on the relevant date of determination) is higher than EUR160,000,000.00 and lower than or equal to EUR241,153,846.15, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to the lower of:

(A) an amount equal to the higher of (X) the aggregate Deferred Purchase Price determined on the previous determination date, and (Y) the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio) multiplied by the Relevant DPP Percentage; and

(B) EUR 55,000,000.00; and

(iii) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to be sold on the relevant date of determination) is higher than EUR 241,153,846.15 and lower than or equal to EUR 285,000,000.00, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to the lower of:

(A) the Relevant DPP Threshold; and

~~being (B) the same for all of the Eligible~~ Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio, and) multiplied by the Relevant DPP Percentage,

~~provided further that~~ where the Subordinated Loan Provider exercised its right to provide an additional advance under the Subordinated Loan Agreement for the purposes of paragraph (m) of the definition of Termination Event, the references in this definition to the aggregate Deferred Purchase Price being equal to ~~EUR40,000,000~~ the Relevant DPP Threshold shall be deemed to refer to the sum of (X) the aggregate Deferred Purchase Price ~~and of~~ plus (Y) the amount of such advance being equal to ~~EUR40,000,000~~ the Relevant DPP Threshold;

"**Definitive Notes**" means any Notes issued in definitive bearer form and serially numbered pursuant to Condition 1.3;

"**Direct Debtor**" means the client of the Seller who is a party to the relevant Funding Document (i.e., any Client Debtor, any PN Debtor and any Loan Debtor);

"**Due Diligence Agent**" means Issuer Solutions, S.L.;

"**Due Diligence Agent Letter**" means a letter so named between *inter alios* the Issuer and the Due Diligence Agent dated on or about the Effective Date;

"**Effective Date**" means 26 February 2018;

"**Enforcement Notice**" means a notice delivered by the Trustee to the Issuer and the Cash Manager in accordance with Condition 10 (*Events of Default*) which declares the Notes to be immediately due and payable;

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**Event of Default**" has the meaning given to it in Condition 10 (*Events of Default*);

"**Exercise Date**" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"**Extension Request Notice**" has the meaning given to it in Condition 7.6(a) (*Note Extension*);

Option);

"**Extension Test Date**" means the last day of the Revolving Period;

"**Extraordinary Interest Payment Date**" means 26 February 2018;

"**Extraordinary Resolution**" means (a) a resolution passed at a Meeting duly convened and held in accordance with the Trust Deed by a majority consisting not less than 50 per cent. (and in the case of the Basic Terms Modification, by not less than 75 per cent.) of the eligible persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting not less than 75 per cent. of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of the Noteholders of not less than 75 per cent. in aggregate Principal Amount Outstanding of the Notes then outstanding which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders;

"**FATCA**" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; and

- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the United States Internal Revenue Service, the government of the United States of America or any governmental or taxation authority in any other jurisdiction;

"First ICC Period" means the period starting on the Initial Increase Date and ending on the First ICC Period End Date;

"First ICC Period End Date" means the Interest Payment Date falling in April 2018;

"First Make Whole Period" means the period between the ~~Issue~~Effective Date and the ~~first~~third Interest Payment Date falling after the Effective Date (excluding such date);

"Funding Documents" means any Factoring Agreement, any Promissory Notes Program and any Loan Agreement;

"Global Notes" has the meaning given to that term in Condition 1.1;

"ICC Cut-off Date" means the 8th Business Day prior to each Interest Payment Date falling in each ICC Period.

"ICC Period" means each of the First ICC Period, the Second ICC Period and the Third ICC Period;

"Incorporated Terms Memorandum" means the memorandum so named dated ~~on or about~~ the Issue Date and signed for the purpose of identification by each of the Transaction Parties;

"Increase Notice" has the meaning given to it in Condition 7.9 (Issuer Cash Call Option);

"Initial Cut-Off Date" means 24 May 2016;

"Initial Increase Date" means 26 February 2018 or such later date as may be agreed between the Issuer and the Lead Manager;

"Insolvency Official" means, in respect of any company, a liquidator, provisional liquidator, examiner, administrator (whether appointed by the court or otherwise), bank administrator, bank liquidator, administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction (including, without limitation, any administrator concursal);

"Insolvency Proceedings" means the winding-up, dissolution, examinership sequestration, company voluntary arrangement or administration of a company or corporation and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or of any jurisdiction in which such company or corporation carries on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief from creditors or the appointment of an Insolvency Official;

"Interest Amount" means the amount of interest payable in respect of the Notes;

"Interest Determination Date" means; ~~(i) in respect of the Notes, the first day of any~~ (i) in respect of the Interest Period which is not falling during the Ramp-Up Period, the first day of that Interest Period; ~~(ii) in respect of the Interest Periods ending on 15 March 2018, 15 April 2018, 15 May 2018, 15 June 2018, 15 July 2018 and 15 August 2018, two (2) Business Days immediately preceding the last date of that Interest Period and (iii) in respect of the Interest Period for which the rate will apply~~ ending on the Extraordinary Interest Payment Date, 2 Business Days immediately preceding the Extraordinary Interest Payment Date;

"Interest Payment Date" means (i) prior to the Effective Date, the date falling on the 15th day of January, April, July and October in each year commencing on the 15 July 2016; (ii) after the Effective Date, the date falling on the 15th day of each month commencing on 15 March 2018 and (iii) the Extraordinary Interest Payment Date, in each case, subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due;

"Interest Period" means each period from (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date provided that:

- (a) the first Interest Period (the "First Interest Period") shall be the period from (and including) the Issue Date and ending on (but excluding) the Interest Payment Date falling in July 2016;

(b) the Interest Period relating to the Extraordinary Interest Payment Date shall be the period from (and including) 15 January 2018 to (but excluding) 26 February 2018;

(c) the first Interest Period after the Extraordinary Interest Payment Date shall be the period from (and including) 26 February 2018 to (but excluding) the Interest Payment Date falling in March 2018; and

~~2016 and~~(d) the final Interest Period shall be the period from (and including) the Interest Payment Date falling immediately prior to the Maturity Date and ending on (but excluding) the Maturity Date;

"Irish Stock Exchange" means the Irish Stock Exchange p.l.c.;

"Issue Date" means 27 May 2016 or such later date as may be agreed between the Issuer, the Seller and the Lead Manager;

"**Issuer**" or "**Purchaser**" means Castilla Finance DAC (company number 578174), whose registered office is at Fourth Floor, 3 George's Dock, I.F.S.C., Dublin 1, Ireland as Issuer of the Notes;

"**Issuer Accounts**" means the bank accounts which the Issuer agrees to maintain, pursuant to the terms of the Account Bank Agreement, including the Collection Account, the Reserve Account, the Payments Account, the Principal Account, any Additional Account and any other bank account of the Issuer or in respect of which the Issuer at any time has an interest or, where the context requires, any of them;

"**Issuer Cash Call Notice**" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"**Issuer Cash Call Option**" means the process for increasing the Principal Amount Outstanding of the Notes by way of an Issuer Cash Call Notice as set out in Condition 7.9 (*Issuer Cash Call Option*);

"**Issuer Insolvency Event**" means:

- (a) the Issuer is (or admits it is) unable to pay its debts as they fall due within the meaning of sections 509(3) or 570 of the Companies Act, or suspends making payments on any of its debts as they fall due;
- (b) a moratorium is declared in respect of any indebtedness of the Issuer;
- (c) the initiation of or consent to Insolvency Proceedings by the Issuer or any other person or the presentation of a petition for the making of an administration order or an order for the appointment of an examiner and such proceedings are not being disputed in good faith with a reasonable prospect of success;
- (d) the making of an administration order or the appointment of an examiner in relation to the Issuer;
- (e) an encumbrancer (excluding the Trustee or any receiver) taking possession of the whole or any substantial part of the undertaking or assets of the Issuer;
- (f) any distress, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any substantial part of the undertaking or assets of the Issuer (excluding by the Trustee or any receiver) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;
- (g) the making of an arrangement, composition, scheme of arrangement, reorganisation with or conveyance to or assignment for the creditors of the Issuer generally or the making of an application to a court of competent jurisdiction for protection from the creditors of the Issuer generally;

- (h) the passing by the Issuer of an effective resolution or the making of an order by a court of competent jurisdiction for the winding up, liquidation, bankruptcy or dissolution of the Issuer or for the appointment of an examiner; or
~~dissolution of the Issuer or for the appointment of an examiner; or~~
- (i) the appointment of an Insolvency Official in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer (excluding, in relation to the Issuer, the appointment by the Trustee of a receiver);

"**Lead Manager**" means Nomura International plc;

"**Liabilities**" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings (or threats of any actions or proceedings) or other liabilities whatsoever including legal fees and any Taxes and penalties incurred by that person;

(c) the date of an Event of Default;

"Maximum Call Amount" means (i) in the case of the First ICC Period or the Second ICC Period, EUR20,000,000 and (ii) in the case of the Third ICC Period, EUR30,000,000;

"Maximum Principal Amount" means EUR220,000,000;

"Meeting" means a meeting of the Noteholders or of any one or more Noteholders and, except where the context otherwise requires, includes a meeting resumed following an adjournment;

~~"Minimum Overcollateralisation Ratio" means any of the following ratios:~~

~~(a) 80~~"Minimum Overcollateralisation Ratio" means 82.2 per cent. for the purposes of determining whether a Termination Event has occurred;~~or~~

~~(b) 75 per cent for the purposes of the payments in accordance with the Revolving Period Priority of Payments.~~

"**Minimum Overcollateralisation Test**" means, for the purposes of determining whether a Termination Event has occurred, on each Additional Purchase Date and each Interest Payment Date (as applicable) once the aggregate outstanding Deferred Purchase Price is equal to EUR~~40,000,000~~55,000,000, the ratio (expressed as a percentage) between:

- (a) the Principal Amount Outstanding of the Notes; and
- (b) the sum of:
 - (i) the Purchase Price of the outstanding Performing Receivables in the Receivables Portfolio (excluding the amount of the Applicable Additional Remuneration); and
 - (ii) the sum of balances of the Principal Account and the Collection Account as at such Additional Purchase Date (excluding any amounts to be transferred to the Security Account or Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);

~~provided that, for the avoidance of doubt, on any Interest Payment Date during the Revolving Period, the Cash Manager shall be required to test the Minimum Overcollateralisation Ratio and apply Available Receipts in accordance with item (e) of the Revolving Period Priority of Payments as if the aggregate outstanding Deferred Purchase Price was equal to EUR40,000,000.~~

"**Modification Certificate**" has the meaning given to it in Condition 12.8;

"month" means calendar month;

"**Non-Extending Noteholder**" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"**Non-Extending Put Option**" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"**Non-Extending Put Option Notice**" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

~~"Notes" means the EUR120,000,000 fixed rate Notes due 2018 or, where the context requires, any of them and includes the Definitive Notes and the Global Notes;~~

"**Noteholders**" means in relation to any Notes represented by a Global Note, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (other than Euroclear and/or Clearstream, Luxembourg), in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error (other than for the purpose of payments in respect thereof, the right to which shall be vested as against the Issuer and any Paying Agent, solely in the bearer of a Global Note in accordance with and

subject to its terms and for which purpose Noteholder means the bearer of a Global Note);

"Notes" means up to EUR220,000,000 fixed-rate Notes due 2020 or, where the context requires, any of them and includes the Definitive Notes and the Global Notes;

~~"Notes Interest Rate" has the meaning given to it in Condition 5.3 (*Rate of Interest*);~~ means:

- (a) for the first Interest Period after the Issue Date, 5% per annum and for each subsequent Interest Period after the Issue Date until the Effective Date (following which paragraph (b) below shall apply), 5.9% per annum; and

(b) for the first Interest Period after the Effective Date (i) 5.9% per annum for each day prior to the occurrence of the Initial Increase Date; and (ii) 4.75% per annum for each date of that Interest Period thereafter; and

(c) for each subsequent Interest Period, 4.75% per annum (if the Initial Increase Date has occurred) or 5.9% per annum (if the Initial Increase Date has not occurred), as applicable;

"**Note Extension Option**" means the right of the Majority Noteholders to extend the Scheduled Maturity Date of the Notes to the Note Extension Option Date;

"**Note Extension Option Date**" means the date falling ~~36~~42 months after the ~~Issue~~Effective Date;

"**Notification Event**" means:

- (a) the making of an order of a court or regulatory authority requiring notice of the transfer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;
- (b) the priority of the Transaction Security granted by the Issuer or the Seller has changed or has been otherwise affected in a manner which is prejudicial to the interests of the Noteholders but only to the extent that giving notice to the relevant Debtors that the Receivables have been transferred to the Issuer is necessary or advisable to protect the Transaction Security;
- (c) the occurrence of a Servicer Event;
- (d) the occurrence of a Seller Insolvency Event;
- (e) the occurrence of a Termination Event (irrespective of whether it may be subsequently waived or not);
- (f) on any Purchase Date, the cumulative Defaulted Receivables are equal to or higher than 20% of the Principal Amount Outstanding of the Notes as at the Issue Date;
- (g) the occurrence of a Material Adverse Change in relation to business, operations, assets or condition (financial or otherwise) of the Seller; or
- (h) the Tangible Net Worth of the Seller falls below EUR~~50,000,000~~70,000,000;

"**OC Amount**" means, in respect of each Interest Payment Date, the difference (floored at zero) between:

(a) the sum of (X) the Maximum Principal Amount; plus (Y) the aggregate outstanding Deferred Purchase Price as at the last date of the related Interest Period; minus the Funding Base of the outstanding Performing Receivables; less

(b) the DPP Distributable Amount;

"**OC Test Date**" means the last date ~~falling 3 months after the Issue Date~~of the Ramp-Up Period;

"**Offer Date**" means (i) any Reconciliation Date (other than a Reconciliation Date falling during the period from the end of a Collection Period and the Interest Payment Date falling immediately after such Collection Period) within the Revolving Period; and (ii) each of the following dates: 3 April 2017, 5 April 2017, 3 July 2017, 7 July 2017, 2 October 2017, 5 October 2017, 2 January 2018 ~~and~~, 5 January 2018; 19 February 2018, 5 March 2018, 9 March 2018, 28 March 2018, 9 April 2018, 30 April 2018, 7 May 2018, 16 May 2018, 4 June 2018, 8 June 2018, 2 July 2018, 9 July 2018, 6 August 2018, 3 September 2018, 10 September 2018, 1 October 2018, 5 October 2018, 5 November 2018, 9 November 2018, 3 December 2018, 10 December 2018, 2 January 2019, 8 January 2019, 16 January 2019, 4 February 2019, 8 February 2019, 4 March 2019, 8 March 2019, 1 April 2019, 8 April 2019, 7 May 2019, 16 May 2019, 3 June 2019, 10 June 2019, 1 July 2019, 8 July 2019, 7 August 2019, 2 September 2019, 9 September 2019, 30 September 2019, 7 October 2019, 16 October 2019, 4 November 2019, 8 November 2019, 2 December 2019, 9

December 2019, 2 January 2020, 8 January 2020, 15 January 2020, 31 January 2020 and 6 February 2020, **provided that** none of the dates specified in this paragraph (ii) shall be an Offer Date if it falls fewer than 3 Business Days prior to an Interest Payment Date, and **provided further that** no Offer may be made on a date on which there is no Due Diligence Agent appointed to the Issuer;

"Ordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by more than 50% of the eligible persons voting thereat on a show of hands or, if a poll is duly demanded, by a simple majority of the votes cast on such poll;

"Originator Account Bank" means Bankia, S.A.;

"Originator Account Pledge Agreement" means the pledge agreement over the Originator Account dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"Outstanding Balance" means, with respect to any Receivable, as at any date of determination the outstanding balance which is scheduled to become due;

"Payments Account" means the account opened in the name of the Issuer with the Account Bank for the purposes of holding all amounts to be distributed on each Interest Payment Date according to the applicable Priority of Payments;

"Paying Agent" means, as at the Issue Date, Citibank, N.A., London Branch and any additional or replacement paying agents as appointed from time to time ~~and any additional or replacement paying agents appointed from time to time~~;

"Paying Agents" means the Paying Agent together with any successor or additional paying agents appointed from time to time in connection with the Notes under the Agency Agreement, and Paying Agent means any one of them;

"Permanent Eligibility Criteria" means criteria set forth in paragraphs (ii), (v), (vii), (viii), (xvi), (xvii) and (xxvi) of the Receivables Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiv) and (xv) of the Factoring Claims Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiii) and (xiv) of the Special Claims Eligibility Criteria and in paragraphs (i), (iii), (v), (vi), (xii) and (xiii) of the Collateral Claims Eligibility Criteria;

"Permanent Global Note" means the permanent global notes obtained by exchanging interests in a Temporary Global Note on and after the date which is 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder;

"Portfolio Maximum Amount" means, on any date of determination, the aggregate of (a) EUR 220,000,000 plus (b) the higher of (x) EUR55,000,000 and (y) the aggregate outstanding Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio (as determined prior to the relevant Additional Purchase Date);

"Portfolio Repurchase Option" means the option by the Seller, on any Interest Payment Date during the Amortisation Period on at least three months' prior written notice to the Issuer and the Cash Manager to repurchase the Receivables Portfolio from the Issuer at a repurchase price equal to the aggregate Outstanding Balance of all Receivables in the Receivables Portfolio;

"Portfolio Repurchase Option Notice" shall have the meaning given to it in Condition 7.5(b);

"Portfolio Repurchase Date" shall have the meaning given to it in Condition 7.5(b);

"Post-Enforcement Priority of Payments" means the priority of payments for the application of amounts received or recovered by the Trustee (or a receiver appointed on its behalf) following the service of an Enforcement Notice as set out in the Security Deed and the Cash Management Agreement;

"Potential Event of Default" means any event which will become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default;

"**Pre-Selected Candidates**" means the following candidates for the role of the Back-Up Servicer (listed in the order of preference) (i) Hipoges; and (ii) ~~Progreso y Gestión SA~~ and (iii) AIG Europe Limited (Spanish Branch);

"**Presentation Date**" has the meaning given to it in Condition 6.4 (*Payment only on a Presentation Date*);

"**Principal Account**" means the account so named opened in the name of the Issuer with the Account Bank on or about the Issue Date;

"**Principal Amount Outstanding**" has the meaning given to it in Condition ~~7.7~~7.10 (*Principal Amount Outstanding*);

"**Priority of Payments**" means the Revolving Period Priority of Payments, the Amortisation Period Priority of Payments and the Post-Enforcement Priority of Payments, or any of them;

"**Purchase Date**" means the Issue Date or an Additional Purchase Date;

"**Purchase Price**" means either the Initial Purchase Price or an Additional Purchase Price, as applicable;

"**Put Acceptance Notice**" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"**Put Notes**" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"**Ramp-Up Period**" means the period starting on the Initial Increase Date (including such date) and ending on the Interest Payment Date falling in August 2018 (excluding such date);

"**Rating Trigger**" means the long-term unsecured unguaranteed and unsubordinated debt obligations of the Originator Account Bank or the Security Account Bank ceasing to be rated at least B2 by Moody's and B by Fitch and S&P;

"**Realisation**" has the meaning given to it in Condition 16 (*Limited Recourse*);

"**Receivables**" means those receivables owing by a Direct Debtor originated by the Seller pursuant to a Funding Document;

"**Receivables Portfolio**" means the Initial Receivables Portfolio and each Additional Receivables Portfolio.

"**Receivables Sale Agreement**" means the receivables sale and purchase agreement dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"**Receiver**" means any person (being a licensed insolvency practitioner) who is appointed by the Trustee to be a receiver or an administrative receiver (as the case may be) of the Charged Property to act jointly, independently, or jointly and severally, as the Trustee shall determine;

"**Reconciliation Date**" means any Monday until the Final Discharge Date unless such Monday is not a Madrid/Valencia Business Day in which case it shall be the first following Madrid/Valencia Business Day;

"**Relevant Date**" has the meaning given in Condition 9 (*Prescription*);

"**Relevant DPP Percentage**" means (i) 26.5625% for the purposes of paragraph (b)(ii) of the definition of "DPP", and (ii) 22.807017544% for the purposes of paragraph (b)(iii) of the definition of "DPP";

"**Relevant DPP Threshold**" means (i) prior to the Effective Date, EUR40,000,000, and (ii) from the Effective Date, EUR65,000,000;

"**Revolving Period**" means the period commencing on (and including) the Issue Date and ending on the ~~earlier~~earliest to occur of (a) the Termination Event Date, (b) the date of an Event of Default ~~and~~, (c) the date falling 6 months before the Scheduled Maturity Date; (d) the date on which an Issuer

Cash Call Option has not been completed in accordance with Condition 7.9 (Issuer Cash Call Option), and (e) the Back-Stop Date if the Initial Increase Date has not occurred by such date;

"Revolving Period Priority of Payments" means the provisions relating to the order of priority of payments set out in Schedule 3 (Priorities of Payment), Part 1 (Revolving Period Priority of Payments) of the Cash Management Agreement;

"Reserve Account" means the account opened in the name of the Issuer with the Account Bank for the purposes of holding the Reserve Account Target Amount;

"Reserve Account Minimum Amount" means EUR~~2,385,000.00~~4,375,000.00;

"Reserve Account Target Amount" means: (i) prior to the Initial Increase Date, EUR5,949,000.00; (ii) from (and including) the Initial Increase Date to (but excluding) the Second Reserve Increase Date, EUR6,949,000.00; and (iii) from (and including) the Second Reserve Increase Date, EUR7,949,000.00;

~~"Reserve Account Target Amount" means EUR5,949,000.00;~~

~~"Revolving Period Priority of Payments" means the provisions relating to the order of priority of payments set out in Schedule 3 (Priorities of Payment), Part 1 (Revolving Period Priority of Payments) of the Cash Management Agreement;~~

"Scheduled Maturity Date" means the later of (i) the ~~first~~ Interest Payment Date falling ~~in the thirtieth month~~ after the ~~second anniversary of the Issue~~Effective Date; or (ii) if the Note Extension Option is exercised, the Interest Payment Date falling on or around the Note Extension Option Date;

"Second ICC Period" means the period starting on the First ICC Period End Date (excluding such date) and ending on the Second ICC Period End Date;

"Second ICC Period End Date" means the Interest Payment Date falling in June 2018.

"Second Make Whole Period" means the period between the ~~first~~third Interest Payment Date falling after the Effective Date (including such date) and the ~~third~~ninth Interest Payment Date falling after the ~~Issue~~Effective Date (excluding such date);

"Second Reserve Increase Date" means the Interest Payment Date falling in 2018 on which the Principal Amount Outstanding of the Notes is first equal to EUR220,000,000;

"Secured Creditors" means the Seller, the Trustee, the Servicer, the Cash Manager, the Account Bank, the Agents, the Corporate Services Provider, the Noteholders, the Subordinated Loan Provider, the Due Diligence Agent and any Receiver and any other party which becomes a Secured Creditor pursuant to the Security Deed;

"Secured Liabilities" means any and all monies, obligations and liabilities and all other amounts due, owing, payable or owed by the Issuer to the Secured Creditors under the Notes and/or the Transaction Documents, and references to Secured Liabilities includes references to any of them;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Security Account" means the account opened in the name of the Seller in the books of the Security Account Bank with IBAN ES7320381560016000215757;

"Security Account Bank" means Bankia, S.A.;

"Security Account Pledge Agreement" means the pledge agreement over the Security Account dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"Seller Insolvency Event" or "Servicer Insolvency Event" or "Cash Manager Insolvency Event" means the occurrence of any of the following events:

- (a) the Seller or the Servicer or the Cash Manager (as applicable) is unable or admits its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) a declaration of insolvency (concurso), winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Seller or the Servicer or the Cash Manager (as applicable) (including, for the avoidance of doubt and without limitation, any petition under article 5 bis and the Fourth Additional Provision of the Spanish Insolvency Law 22/2003, dated 9 July 2003;
 - (ii) a composition, compromise, assignment or arrangement with (i) any creditor of the Seller or the Servicer or the Cash Manager (as applicable) being owed more than €2,500,000 or (ii) a number of creditors of the Seller or the Servicer or the Cash Manager (as applicable) being owed in aggregate more than €2,500,000 in either case, by reason of actual or anticipated financial difficulties; or
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Seller or the Servicer or the Cash Manager (as applicable) or any of its assets;

or any analogous procedure or step is taken in any jurisdiction, provided however that no Seller Insolvency Event or Servicer Insolvency Event or Cash Manager Insolvency Event (as applicable) would have occurred if any petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement;

"Seller Security Power of Attorney" means the power of attorney dated ~~on or about~~ the Issue Date in the form set out in the Receivables Sale Agreement;

"Servicer" means the person appointed by the Issuer under the Servicing Agreement to service the Receivables being, at the Issue Date, Gedesco Services Spain, S.A.U.;

"Servicer Event" means:

- (a) the occurrence of a Servicer Insolvency Event; or
- (b) the Servicer defaults on any payment and/or payments in respect of its financial indebtedness exceeding EUR2,500,000; or
- (c) the Servicer fails to observe or perform in any material respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a Material Adverse Effect on the Issuer's ability to make payments in respect of the Notes and continues unremedied for a period of 30 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer; or a non-cured breach of its obligations under the Servicing Agreement; or
- (d) the Servicer breaches its representations and warranties given in the Servicing Agreement; or
- (e) the Servicer fails to pay any amount due under the Servicing Agreement on the due

"**Servicing Agreement**" means the servicing agreement ~~expected to be dated on or around~~ the Issue Date relating to the Receivables between the Issuer, the Seller, the Servicer and the Cash Manager;

"**Specified Office**" means, with respect to the Agents, the offices listed at the end of the Conditions or such other offices as may from time to time be duly notified pursuant to Condition 15 (*Notice to Noteholders*);

"**Subordinated Loan Provider**" means, as at the Issue Date, Toro Finance S.L.U.;

"**TARGET 2 System**" means the Trans European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single platform and which was launched on 19 November 2007;

"**Tax**" shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction, withholding or related liability of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed or levied by or on behalf of any Tax Authority in the Issuer Jurisdiction or in Spain as applicable, and "**Taxes**", "**taxation**", "**taxable**" and comparable expressions shall be construed accordingly;

"**Tax Authority**" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including Her Majesty's Revenue and Customs, the Irish Revenue Commissioners and the Agencia Española de Administración Tributaria;

"**Temporary Global Note**" has the meaning given to such term in the Conditions;

"**Termination Event**" means the occurrence of any of the following events:

- (a) failure by the Seller to timely pay any Deemed Collection Amounts;
- (b) on any Additional Purchase Date, the outstanding Defaulted Receivables being equal to or higher than 5% of the aggregate Outstanding Balance of the Receivables plus the cash credited in the Collection Account and the Principal Account (excluding any amounts to be transferred to the Security Account or the Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);
- (c) on any Additional Purchase Date ~~once the aggregate~~ and each Interest Payment Date on which the outstanding Deferred Purchase Price is equal to or higher than EUR ~~40,000,000~~ 55,000,000, the Minimum Overcollateralisation Test is equal to or higher than the Minimum Overcollateralisation Ratio;
- (d) Change of Control of the ~~Seller~~ Servicer or Change of Control of the ~~Servicer~~ Seller;
- (e) the occurrence of a Material Adverse Change in relation to business operations, assets or condition (financial or otherwise) of the Seller or the Servicer;
- (f) failure by the Servicer or the Seller to comply with any other of its respective obligations under the Transaction Documents subject to agreed remedy periods if capable of remedy;
- (g) as at ~~each~~ any (i) Additional Purchase Date (during the Revolving Period) ~~or~~, (ii) Reconciliation Date (after the end of the Revolving Period), ~~and~~ or (iii) Interest Payment Date, the aggregate balance of the Reserve Account falls below the Reserve Account Minimum Amount;
- (h) misrepresentation of any party under a Transaction Document (subject always to the agreed remedy periods if capable of remedy);
- (i) the occurrence of a Seller Insolvency Event or a Servicer Insolvency Event;

failure by the Back-Up Servicer to accept such appointment) within ~~62~~ months following a Back-Up Servicer Appointment Event (other than that resulting from the occurrence of a Servicer Insolvency Event in which case the reference to 2 months shall be to 2 weeks);

- (m) on the last date of the Ramp-Up Period (the "OC Test Date") or any date thereafter, the aggregate outstanding Deferred Purchase Price in respect of the Receivables purchased by the Issuer during the period from the Issue Date to the OC Test Date, is less than EUR ~~40,000,000.00~~ 55,000,000.00, provided that where the Minimum Overcollateralisation Test is not satisfied on the OC Test Date, the Subordinated Loan Provider shall be entitled to make to the Issuer an additional advance under the Subordinated Loan Agreement in an amount equal to the difference between EUR ~~40,000,000~~ 55,000,000 and the actual aggregate outstanding Deferred Purchase Price as at the OC Test Date and provided that the Issuer receives such advance not later than on the OC Test Date, the Termination Event under this paragraph (m) shall be deemed not to have occurred; or
- (n) as of the relevant Purchase Date, (i) the cumulative Deemed Collections exceed EUR ~~20,000,000~~ 30,000,000 or relate cumulatively to ~~10~~ 15 or more different Direct Debtors; or (ii) the Deemed Collections for a single Collection Period exceed EUR ~~10,000,000~~ 15,000,000 or relate cumulatively to ~~5~~ 7 or more different Direct Debtors, provided that for these purposes only, the Deemed Collections shall be determined by reference to the Receivables which have been discovered not to be compliant with one or more Eligibility Criteria as a result of an audit (including the Due Diligence Report) by the Issuer or its agents (including the Due Diligence Agent);

"Termination Event Repayment Date" means the date on which, following a Termination Event, the Redemption Amount has been paid in full to the Noteholders;

"Third ICC Period" means the period starting on the Second ICC Period End Date (excluding such date) and ending on the Interest Payment Date falling in August 2018.

"Third Make Whole Period" means the period between the ~~third~~ ninth Interest Payment Date falling after the Issue Effective Date (including such date) and the ~~sixth~~ twenty-first Interest Payment Date falling after the Issue Effective Date (excluding such date);

"Transaction Documents" means the Trust Deed, the Notes (when issued), the Agency Agreement, the Servicing Agreement, the Cash Management Agreement, the Account Bank Agreement, the Security Deed, the Security Powers of Attorney, the Receivables Sale Agreement, the Seller Security Power of Attorney, the Originator Account Pledge Agreement, the Security Account Pledge Agreement, the Incorporated Terms Memorandum, the Corporate Services Agreement, the Subordinated Loan Agreement, the Due Diligence Agent Letter and any other document entered into by one or more Transaction Parties which is designated as a Transaction Document with the consent of the Trustee, the Issuer and the Seller;

"Transaction Party" means each of the Issuer, the Seller, the Trustee, the Agents, the Servicer, the Cash Manager, the Account Bank, the Corporate Services Provider, the

Subordinated Loan Provider, the Due Diligence Agent and any other party to the Transaction Documents;

"Transaction Security" means security granted by the Issuer under the Security Deed and/or the security granted by the Seller under the Originator Account Pledge Agreement and the Security Account Pledge Agreement (as applicable);

"**Trustee**" means, as at the Issue Date, Citicorp Trustee Company Limited and any additional or replacement trustee appointed from time to time in accordance with the Trust Deed;

"**Written Resolution**" means a resolution in writing signed by or on behalf of (i) Noteholders holding in aggregate not less than 75% in aggregate Principal Amount Outstanding of the Notes then outstanding or (ii) in case of a Majority Noteholders Matter, the Majority Noteholders, which resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

"24 hours" means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where any Meeting is to be held and in each of the places where the Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held); and

"48 hours" means 2 consecutive periods of 24 hours.

2.2 Any reference in these Conditions to the Incorporated Terms Memorandum, any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to the Incorporated Terms Memorandum, such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced.

3. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND TRANSACTION SECURITY

3.1 Status and relationship between the Notes

- (a) The Notes constitute direct, secured, limited recourse and, subject as provided in Condition 11 (*Enforcement*), unconditional obligations of the Issuer. The Notes rank *pari passu* without preference or priority amongst themselves.
- (b) The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise) provided that the Trustee will be required in any such case to have regard only to the interests of the Noteholders.

3.2 Transaction Security

- (a) The security constituted by and pursuant to the Security Deed is granted to the Trustee, on trust for the Noteholders and certain other creditors of the Issuer, upon and subject to the terms and conditions of the Security Deed.
- (b) The Noteholders will share in the benefit of the security constituted by and pursuant to the Security Deed, upon and subject to the terms and conditions of the Security Deed.

3.3 Priorities of Payments

Prior to the delivery of an Enforcement Notice, the Issuer (or the Cash Manager on its behalf) is required to apply the Available Receipts in accordance with the Revolving Period Priority of Payments during the Revolving Period, in accordance with the Amortisation Period Priority of Payments during the Amortisation Period and after the delivery of an Enforcement Notice in accordance with the Post-Enforcement Priority of Payments.

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the close of business on the day preceding the day on which such Note has been redeemed in full unless, upon due presentation in accordance with Condition 6 (*Payments*), payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

5.2 Interest Payment Dates

~~The~~(a) Subject as provided in (b) below, the Notes bear interest on their respective Principal Amounts Outstanding from and including the Issue Date payable (i) quarterly in arrears on ~~the 15th day of each of January, April, July and October in each year~~Interest Payment Date commencing on 15 July 2016 and (ii) monthly in arrears on each Interest Payment Date commencing on 26 February 2018, in each case, subject to the Business Day Convention but without adjustment to the amount due ~~(each an "Interest Payment Date")~~ in respect of the relevant Interest Period (as defined below). If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. The first payment shall be due on the Interest Payment Date falling in July 2016. ~~The period from~~

~~(and including) the Issue Date to (but excluding) the first~~(b) Interest on the Notes accrued for the period from 15 January 2018 until the Effective Date shall be payable on the Extraordinary Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date and the period commencing on and including the Interest Payment Date immediately prior to the Maturity Date but excluding the Maturity Date is called an "Interest Period".

5.3 Rate of Interest

~~For the First Interest Period the interest rate applicable to the Notes shall be 5% per annum and for each subsequent Interest Period the interest rate applicable to the Notes shall be 5.9% per annum (each rate, the "Notes Interest Rate").~~

The Notes shall accrue interest at the Notes Interest Rate.

5.4 Determination of Interest Amounts

- ~~The~~(a) Save as provided in Conditions (b) and (c) below, the amount of interest payable in respect of each Note on any Interest Payment Date other than the Interest Payment Dates falling in March 2018, April 2018, May 2018, June 2018, July 2018 and August 2018, shall be calculated not later than on the first day of the Interest Determination Date in respect of the relevant Interest Period immediately preceding such Interest Payment Date. The Agent Bank will, on the Interest Determination Date in relation to respect of each Interest Period, calculate the amount of interest (the "Interest Amount") payable in respect of each Note for such Interest Period. The Interest Amount in respect of the Notes will be calculated by applying the Notes Interest Rate for such Interest Period to the Principal Amount Outstanding of such Notes on the first day of such Interest Period (after making any payments of principal in respect thereof), multiplying the product by the actual number of days in such Interest Period divided by 360 (the "Day Count Fraction") and rounding the resulting figure to the nearest EUR0.01 (half a cent being rounded upwards).
- (b) The amount of interest payable in respect of each Note on the Interest Payment Dates falling in March 2018, April 2018, May 2018, June 2018, July 2018 and August 2018 shall be calculated on a daily basis not later than on the Interest Determination Date in respect of the relevant Interest Period. The Agent Bank will, on the Interest Determination Date in respect of each such Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period as the sum of amounts determined for each day in that Interest Period and representing the product of (i) the Notes Interest Rate which applies during that Interest Period multiplied by (ii) the Principal Amount Outstanding of such Notes on each relevant day of such Interest Period (and in respect of the first date of such Interest Period, after making any payments of principal in respect thereof, but including the full Cash Call Amount in respect of each Additional Increase which has been completed in accordance with Condition 7.9 (Issuer Cash Call Option)) and (iii) multiplying the product by 1/360 and rounding the resulting figure to the nearest EUR0.01 (half a cent being rounded upwards).
- (c) The amount of interest payable in respect of each Note on the Extraordinary Interest Payment Date shall be calculated by the Agent Bank for the period from (and including) 15 January 2018 to (but excluding) 26 February 2018 on a daily basis no later than two (2) Business Days prior to the Effective Date by applying the Notes Interest Rate of 5.9% per annum to the Principal Amount Outstanding of the Notes. The Agent Bank will, on such date, calculate the Interest Amount payable in respect of each Note for that period as the sum of amounts determined for each day in that period and representing the product of (i) the Notes Interest Rate multiplied by (ii) the Principal Amount Outstanding of such Notes on each relevant day of such period (after making any payments of principal in respect thereof on the Interest Payment Date falling on 15 January 2018) and (iii) multiplying the product by 1/360 and rounding the resulting figure to the nearest EUR0.01 (half a cent being rounded upwards).

~~In these Conditions (except where otherwise defined), the expression:~~

~~"Interest Determination Date" means, in respect of the Notes the first day of the Interest Period for which the rate will apply.~~

5.5 **Publication of Interest Amounts**

The Agent Bank shall cause ~~each of~~ the Interest Amount for each Interest Period and the ~~relative~~related Interest Payment Date to be notified to the Issuer, the Trustee, each of the Clearing Systems and to any stock exchange or other relevant authority on which the Notes are at the relevant time admitted to trading and/or listed and to be published in accordance with Condition 15 (*Notice to Noteholders*) as soon as possible after their determination and in no event later than the second Business Day thereafter. The Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

5.6 **Determination by the Trustee**

The Trustee shall, if the Agent Bank defaults at any time in its obligation to calculate any of the Interest Amount in accordance with the above provisions, (a) calculate the Interest Amount, as the case may be, in the manner provided in Condition 5.4 (*Determination of Interest Amounts*) or (b) use the Notes Interest Rate, as the case may be, as last determined in the manner provided in Condition 5.4 (*Determination of Interest Amounts*) and each such determinations or calculation shall be deemed to be determination or calculation by the Agent Bank. The Trustee shall assume no liability for such calculation and the Trustee may engage advisors (at the cost of the Issuer) to perform such calculations and shall not be liable for any delay or liability incurred by any person for so doing.

7.6 **Note Extension Option**

- (a) On or prior to the date falling ~~9~~¹⁰ months prior to the Scheduled Maturity Date (the "**Exercise Date**"), the Majority Noteholders, may send a written notice to the Issuer (with a copy to the Trustee) stating that it wishes to extend the Scheduled Maturity Date of the Notes by 12 months (an "**Extension Request Notice**").
- (b) The Issuer will, within 5 Business Days of receiving any Extension Request Notice, send a copy of the Extension Request Notice to all Noteholders (such notification to be made in accordance with Condition 15 (*Notice to Noteholders*)).
- (c) Any Noteholder which does not wish to participate in an extended deal may deliver to the Issuer (with a copy to the Trustee) a notice (the "**Non-Extending Put Option Notice**") during the period of 30 days after the date of notification

by the Issuer by way of the Extension Request Notice that it wishes to put all (but not some) of the Notes held by it to the Issuer on the last day of the Revolving Period (the "**Extension Test Date**") for a purchase price equal to their Principal Amount Outstanding on the Extension Test Date plus accrued but unpaid interest (the "**Non-Extending Put Option**", such Noteholders the "**Non-Extending Noteholders**" and such Notes, the "**Put Notes**").

- (d) Within 5 Business Days of receipt of a Non-Extending Put Option Notice, the Issuer will notify the Majority Noteholders that it has received such a notice from a Noteholder and include details of the Put Notes.
- (e) The Majority Noteholders may, but are not obliged to, no later than 5 Business Days prior to the Extension Test Date indicate by written notice to the Issuer (with a copy to the Trustee) that they may wish to acquire all Put Notes from the Issuer on the Extension Test Date (a "**Put Acceptance Notice**"). A copy of the Put Acceptance Notice shall be published by the Issuer in accordance with Condition 15 (*Notice to Noteholders*).
- (f) If the Majority Noteholders have sent a Put Acceptance Notice to the Issuer, the Issuer shall, on the Extension Test Date and subject to the receipt of the purchase price calculated in accordance with Condition 7.6(c), acquire the Put Notes from the Non-Extending Noteholders and offer them to the Majority Noteholders.
- (g) If either:
 - (i) there are no Non-Extending Noteholders; or
 - (ii) the Put Notes are successfully transferred to the Issuer and from the Issuer to the Majority Noteholders on the Extension Test Date,then, on the Extension Test Date, the Scheduled Maturity Date shall be extended for 12 months and a notice to this effect shall be given to the Trustee and Agents.
- (h) If the Majority Noteholders indicate they do not wish to acquire the Put Notes or either condition set out in [Condition](#) 7.6(g) is not met on the Extension Test Date then the Scheduled Maturity Date shall not be extended.

7.7 **Change of Control Put Option**

- (a) If, following the occurrence of a Change of Control of the Seller or a Change of Control of the Servicer, the Majority Noteholders (as referred to in item (b) of the definition of "Majority Noteholders") have not, upon the request from the Seller or the Issuer, waived such Termination Event by way of a Written Resolution, the Majority Noteholders (referred to in item (a) of the definition of "Majority Noteholders") shall have a right (but shall not be obliged) to send a written notice to the Issuer (with a copy to the Trustee) stating that they wish to waive the Change of Control of the Seller or the Change of Control of the Servicer (as applicable) (a "**CoC Notice**"). For the avoidance of doubt, the sending of the CoC Notice by Majority Noteholders (as referred to in item (a) of the definition of "Majority Noteholders") shall not constitute

a waiver of the Change of Control of the Seller or Change of Control of the Servicer (as applicable) as a Termination Event ~~and the~~. The relevant Termination Event shall be suspended for the period between

the date on which the ~~CoC Notice~~request to waive the relevant Termination Event is served by the Seller or the Issuer and the earliest to occur of (i) the date on which the relevant Termination Event is waived, or is deemed to be waived; and (ii) the date on which the Majority Noteholder failed to serve the CoC Put Acceptance Notice or, where the CoC Put Acceptance Notice has been served, the date on which the transfer of the CoC Put Notes to the Majority Noteholders who served the CoC Put Acceptance Notice has failed (as the case may be).

- (b) The Issuer will, within 5 Business Days of receiving the CoC Notice, send a copy of CoC Notice to all Noteholders (such notification to be made in accordance with Condition 15 (*Notice to Noteholders*)).
- (c) Any Noteholder which does not wish to waive the Change of Control of the Seller or the Change of Control of the Servicer (as applicable) may deliver to the Issuer a notice (the "**CoC Put Option Notice**") during the period of 15 Business Days after the date of notification by the Issuer by way of the CoC Notice that it wishes to put all (but not some) of the Notes held by it to the Issuer on the date falling no later than 25 Business Days following the date of publication of the CoC Notice by the Issuer (the "**CoC Put Date**") for a purchase price equal to the Principal Amount Outstanding of the Notes held by it on the CoC Put Date plus accrued but unpaid interest in respect thereof plus applicable Make Whole Amount (the "**CoC Put Price**") (the "**CoC Put Option**", such Noteholders, the "**CoC Put Noteholders**" and such Notes, the "**CoC Put Notes**").
- (d) Within 5 Business Days of receipt of the CoC Put Option Notice, the Issuer will notify the relevant Majority Noteholders that it has received such a notice from a Noteholder and include details of the CoC Put Notes.
- (e) The Majority Noteholders may, but are not obliged to, no later than 3 Business Days prior to the CoC Put Date indicate by written notice to the Issuer that they wish to acquire all CoC Put Notes from the Issuer on the CoC Put Date (a "**CoC Put Acceptance Notice**"). The CoC Put Acceptance Notice shall be published by the Issuer in accordance with Condition 15 (*Notice to Noteholders*).
- (f) If the Majority Noteholders have sent the CoC Put Acceptance Notice to the Issuer, the Issuer shall, subject to the receipt of the CoC Put Price from the relevant Majority Noteholders, on the CoC Put Date, acquire the CoC Put Notes and offer them to the Majority Noteholders who served the CoC Put Acceptance Notice.
- (g) Failure to serve the CoC Put Acceptance Notice by the Majority Noteholders or (where the CoC Put Acceptance Notice has been served), failure to transfer the CoC Put Notes to the Majority Noteholders who served the CoC Put Acceptance Notice shall result in the relevant Termination Event not being waived.

7.8 **Make Whole Amount**

- (a) Where the Notes become subject to early redemption in accordance with these Conditions as a result of the occurrence of:

(i) any Termination Event (except, in the case of a Termination Event under item (h) of the definition of the Termination Event, this Condition shall only apply to a misrepresentation in respect of the Seller or the Servicer) or an Event of Default referred to in Condition 10.1(f) on any date ~~during the First Make Whole Period; or~~

~~between the Effective Date and the twenty-first Interest Payment Date falling after the Effective Date, (ii) any Termination Event other than the Termination Event referred to in item (i) of the definition of the Termination Event, and, as regards the Termination Event under item (h) of the definition of the Termination Event, only insofar as it relates to a misrepresentation in respect of the Seller or the Servicer, or an Event of Default referred to in Condition 10.1(f) on any date during the Second Make Whole Period or the Third Make Whole Period;~~

the Noteholders shall be entitled to receive an additional amount (a "Make Whole Amount") determined and payable in accordance with this Condition 7.8.

- (b) The Make Whole Amount shall be calculated by the Cash Manager in respect of the period (the "Make Whole Reference Period") from (A) either (i) in the case of an Event of Default, from the relevant Make Whole Trigger Date (including such date) or (ii) in the case of a Termination Event, the Interest Payment Date (including such date) following the relevant Make Whole Trigger Date; until (B) (i) the ~~fifth~~twenty-first Interest Payment Date falling after the Make Whole Trigger Date (in the case of the Make Whole Trigger Date falling during the First Make Whole Period), (ii) the ~~fourth~~twentieth Interest Payment Date falling after the Make Whole Trigger Date (in the case of the Make Whole Trigger Date falling during the Second Make Whole Period), or (iii) the earliest to occur of the date falling ~~18~~24 months after the ~~Issue~~Effective Date and the ~~fourth~~twentieth Interest Payment Date falling after the Make Whole Trigger Date (in the case of the Make Whole Trigger Date falling during the Third Make Whole Period) (as applicable) and shall be equal to the product of:
- (i) the Principal ~~Outstanding~~ Amount Outstanding of the Notes as at the relevant Make Whole Trigger Date;
 - (ii) a rate of interest per annum equal to the product of the applicable Notes Interest Rate multiplied by 90 per cent.;
 - (iii) the Make Whole Reference Period, divided by 360.
- (c) The Make Whole Amount determined in accordance with Condition 7.8(b) above shall be payable to the Noteholders on the Interest Payment Date falling immediately after the relevant Make Whole Trigger Date.
- (d) In this Condition 7.8:

"**Make Whole Trigger Date**" shall mean the date on which an Event of Default referred to in Condition 10.1(f) or any relevant Termination Event occurs;

"**Make Whole Trigger Event**" shall mean an Event of Default referred to in Condition 10.1(f) or any relevant Termination Event (as applicable).

7.9 **Issuer Cash Call Option**

(a) **In this Condition:**

"Additional Increase Amount" means the amount of increase in the Principal Amount Outstanding of the Notes following completion of the Issuer Cash Call Option in accordance with this Condition 7.9.

"Additional Increase Date" means each Cash Call Settlement Date.

"Cash Call Amount" means, in respect of any Cash Call Date, an amount equal to:

- (i) the amount specified by the Seller in an Increase Notice, such amount being (a) equal to the applicable Maximum Call Amount (in respect of the First ICC Period and the Second ICC Period) or (b) not less than EUR10,000,000 but not greater than the applicable Maximum Call Amount (in respect of the Third ICC Period); or
- (ii) where the Issuer Cash Call Notice is given by the Issuer pursuant to Condition 7.9(c) on an ICC Cut-off Date, any positive difference between (X) the applicable Maximum Call Amount *minus* (Y) any amount specified by the Seller in an Increase Notice served by the Seller in respect of the relevant ICC Period or, if no Increase Notice has been served by the Seller in that ICC Period, zero;

"Cash Call Date" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"ICC Period" means each of the First ICC Period, the Second ICC Period and the Third ICC Period.

"ICC Cut-off Date" means the 8th Business Day prior to each Interest Payment Date falling in each ICC Period.

"First ICC Period" means the period starting on the Initial Increase Date and ending on the First ICC Period End Date.

"First ICC Period End Date" means the Interest Payment Date falling in April 2018.

"Maximum Call Amount" means (i) in the case of the First ICC Period or the Second ICC Period, EUR20,000,000 and (ii) in the case of the Third ICC Period, EUR30,000,000.

"Second ICC Period" means the period starting on the First ICC Period End Date (excluding such date) and ending on the Second ICC Period End Date.

"Second ICC Period End Date" means the Interest Payment Date falling in June 2018.

"Third ICC Period" means the period starting on the Second ICC Period End Date (excluding such date) and ending on the Interest Payment Date falling in August 2018.

- (b) In accordance with the Receivables Sale Agreement, following the occurrence of the Initial Increase Date, the Seller has the right, in its sole and absolute discretion, to request the Issuer to issue an Issuer Cash Call Notice by serving a written notice (an "Increase Notice") on the Issuer (with a copy to the Cash Manager) on either ICC Cut-Off Date falling in each ICC Period provided that the Seller may only submit one Increase Notice in each ICC Period (in an amount of (X) the Maximum Call Amount in the First ICC Period or the Second ICC Period and (Y) EUR10,000,000, EUR20,000,000 or EUR30,000,000 in the Third ICC Period). Each Increase Notice shall specify the applicable Cash Call Settlement Date and the Cash Call Amount requested.
- (c) The Issuer shall:
- (i) within two (2) Business Days following the receipt of an Increase Notice from the Seller in accordance with Condition 7.9(b);
 - (ii) in the event the Seller has not served an Increase Notice in accordance with Condition 7.9(b) in the First ICC Period or the Second ICC Period by the second ICC Cut-off Date falling in that period, within three (3) Business Days after the second ICC Cut-off Date falling in the relevant period;
 - (iii) in the event the Seller has not served an Increase Notice in accordance with Condition 7.9(b) by the second ICC Cut-off Date falling in the Third ICC Period or has served one Increase Notice for an amount less than the Maximum Call Amount, within three (3) Business Days after the second ICC Cut-off Date falling in that period,

deliver a notice (such notice, an "Issuer Cash Call Notice", being substantially in the form of schedule 4 to the Trust Deed) to the Noteholders in accordance with Condition 15 (Notices to Noteholders) (the date of the delivery of such notice by the Issuer, the "Cash Call Date"), the Trustee and the Cash Manager in which the Issuer shall set out:

- (A) the Cash Call Amount;
 - (B) the date (the "Cash Call Settlement Date") by which each Noteholder who decides to participate in the relevant Additional Increase is required to have paid its respective portion of the Cash Call Amount to the Issuer (such proportion being determined on a *pro rata* basis), such date being the Interest Payment Date immediately following the relevant Cash Call Date; and
 - (C) details of the Payments Account into which the Cash Call Amount should be paid.
- (d) The Cash Call Amount specified in each Issuer Cash Call Notice must have been delivered to the Issuer prior to any action being taken to give effect to an Issuer Cash Call Option.
- (e) Until such time as the whole Cash Call Amount specified in the Issuer Cash Call Notice has been paid to the Issuer by the Noteholders, the Issuer shall retain any portion of that Cash Call Amount delivered to it in the Payments Account.
- (f) For the avoidance of doubt, until the Cash Manager notifies the Issuer that the whole Cash Call Amount specified in an Issuer Cash Call Notice has been paid to the Issuer by the Noteholders, the Paying Agent shall ensure that neither the Principal Amount Outstanding of the Notes shall be increased nor shall any cash delivered to the Issuer pursuant to the relevant Issuer Cash Call Notice be transferred to any other Issuer Account or used by the Issuer for any purposes. If the

relevant Cash Call Amount has not been received by the Issuer in its entirety by the Cash Call Settlement Date, any amounts received by the Issuer from the Noteholders by way of contribution to the Cash Call Amount shall be returned to the relevant Noteholders, provided that the Issuer shall not be liable for failing to do so where the inability to return the relevant amounts to the relevant Noteholder(s) results solely from the failure of that Noteholder(s) to accept the return of such amounts.

- (g) Once the Issuer has received the whole Cash Call Amount (as specified in the Issuer Cash Call Notice) from the Noteholders in connection with the exercise of the Issuer Cash Call Option, the Issuer shall promptly increase the Principal Amount Outstanding of the Notes by an amount equal to the Cash Call Amount as specified in the Issuer Cash Call Notice. Such Cash Call Amount shall be applied to increase the Principal Amount Outstanding of the Notes as at the relevant Cash Call Settlement Date, following which the Issuer will be deemed to have exercised the Issuer Cash Call Option. The Paying Agent shall ensure that, for so long as the Notes are listed on the Irish Stock Exchange, any necessary notification is released by the Issuer to the Irish Stock Exchange regarding exercise of the Issuer Cash Call Option. For the avoidance of doubt, the Principal Amount Outstanding must at no time be greater than the Maximum Principal Amount of the Notes.
- (h) Once the Issuer has received the whole Cash Call Amount (as specified in the Issuer Cash Call Notice) from the Noteholders in connection with exercise of the Issuer Cash Call Option on the relevant Cash Call Settlement Date, the Issuer shall be entitled to transfer such amount to the Collection Account and apply all or any part of such Cash Call Amount towards the payment of the purchase price for the relevant Receivables.
- (i) No transfer of Notes may be made during the period between a Cash Call Date and the immediately following Cash Call Settlement Date.
- (j) For the purposes of the procedures for exercising the Issuer Cash Call Option described in this Condition 7.9, unless notified in writing to the contrary by the Lead Manager, for the purposes of (i) the receipt of each Cash Call Amount in whole, (ii) the return of any Cash Call Amount (if applicable), and (iii) arranging for the increase of the Principal Amount Outstanding of the Notes, the Issuer shall be entitled to treat the Lead Manager as if it were the sole Noteholder.

7.97.10 Principal Amount Outstanding

The "**Principal Amount Outstanding**" of ~~a Note~~the Notes (i) on any date prior to the Initial Increase Date, shall be ~~its original~~the principal amount outstanding of the Notes on the Issue Date (being EUR120,000,000); and (ii) on any date from the Initial Increase Date, shall be the principal amount outstanding of the Notes on the Initial Increase Date (being EUR150,000,000) plus the aggregate amount of any increases in the aggregate principal amount of the Notes pursuant to the exercise by the Issuer of an Issuer Cash Call Option which has been paid in full, in each case, less the aggregate amount of all principal payments in respect of ~~such Note~~the Notes which have become paid since the Issue Date except if and to the extent that any such payment has been improperly withheld or refused.

7.107.11 Notice of redemption

Any such notice as is referred to in Condition 7.3 (*Optional redemption for taxation or other reasons*) above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above.

7.117.12 No purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

7.127.13 Cancellation

All Notes redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

~~7.13~~7.14 **Priority of Payments**

For the avoidance of doubt, any redemption of the Notes in accordance with these Conditions will be made subject to and in accordance with the relevant Priority of Payments.

8. **TAXATION**

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**"), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the relevant Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any other person shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

9. **PRESCRIPTION**

Claims in respect of principal and interest on the Notes will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

In this Condition 9 the "**Relevant Date**", in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Paying Agent or the Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Noteholders in accordance with Condition 15 (*Notice to Noteholders*).

10. **EVENTS OF DEFAULT**

10.1 The Trustee in its absolute discretion may, and if so directed in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction against all Liabilities to which it may become liable or which it may incur by so doing and subject as further provided in clause 9.1(b) of the Trust Deed), (but, in the case of the happening of any of the events described in ~~sub-paragraph~~sub-paragraph (d) below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Notes) shall give notice (an "**Enforcement Notice**") to the Issuer that the Notes are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued interest and any Make Whole Amount (where applicable) as provided in the Trust Deed, following the occurrence of any of the following events (each, an "**Event of Default**"):

- (a) an Issuer Insolvency Event occurs; or
- (b) the Issuer defaults in the payment of any interest on the Notes when the same becomes due and payable, and such default continues for a period of five Business Days; or
- (c) the Issuer defaults in the payment of principal on the Notes when due, and such default continues for a period of five Business Days; or
- (d) the Issuer fails to perform or observe any of its other obligations under the Conditions or any Transaction Document to which it is a party and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of thirty days following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (e) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or Transaction Documents; or

- (f) as of ~~each~~any (i) Interest Payment Date; (ii) Additional Purchase Date (during the Revolving Period) ~~and~~or (iii) Business Day falling after each Reconciliation Date (after the end of the Revolving

of the Notes then outstanding, or, at any adjourned meeting, one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of such Notes then outstanding.

12.6 The quorum at any meeting of Noteholders for passing an Extraordinary Resolution to sanction a modification of the date of maturity of any Notes (other than, the Note Extension Option) or which would have the effect of postponing any day for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes, altering the currency of payment of such Notes or altering the quorum or majority required in relation to this exception (each, a "**Basic Terms Modification**") shall be one or more persons holding or representing not less than 75 per cent. or, at any adjourned meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes then outstanding.

12.7 The Trustee may agree without the consent of the Noteholders or the other Secured Creditors:

- (a) to any modification (excluding in relation to a Basic Terms Modification), or to any waiver or authorisation of any breach or proposed breach, of these Conditions or of any of the Transaction Documents which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders; or
- (b) to any modification which, in the opinion of the Trustee, is of a formal, minor or technical nature or to correct a manifest error.

12.8 Notwithstanding the provisions of Condition 12.7, the Trustee shall be obliged, without any consent or sanction of the Noteholders or the other Secured Creditors, but subject to the receipt of written consent from each of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Conditions and/or any Transaction Document that the Issuer considers necessary:

- (a) for the purpose of enabling the Notes to be (or to remain) listed on the Irish Stock Exchange, provided that the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (b) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,

(the certificate to be provided by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Conditions 12.8(a) to (b) (inclusive) above being a "**Modification Certificate**"). The Trustee is only obliged to concur with the Issuer in making any modification referred to in Conditions 12.9(a) to (b) (inclusive) ~~above~~ (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document provided that:

(A) at least 30 days prior written notice of any such proposal modification has been given to the Trustees;

(B) the Modification Certificate in relation to such modification shall be provided to the Trustee both at the time the Trustee is notified of the proposed

modification and on the date that such modification takes effect;

(C) the written consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained;

- (b) Realisation (defined below) of ~~all of the property, assets and undertakings of the Issuer and subject of any security created by the Security Deed (together the "the Charged Property")~~ and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priority of Payments; and

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable under Notes then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above) under such Notes shall, following such application in full of the amounts referred to in (b) above, cease to be due and payable by the Issuer. For the purpose of this Condition 16, "**Realisation**" means, in relation to any Charged Property, the deriving, to the fullest extent practicable, of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by an obligor in accordance with the provisions of the Transaction Documents.

17. NON PETITION

Only the Trustee may pursue the remedies available under the general law and/or under the Transaction Documents to enforce the Transaction Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Transaction Security. In particular, each of the Noteholders and the other Secured Creditor (other than the Trustee) agrees and acknowledges to each of the Issuer and the Trustee, and the Trustee agrees with and acknowledges to the Issuer, that:

- (a) none of the Secured Creditors (nor any person on their behalf, other than the Trustee where appropriate) are entitled, otherwise than as permitted by the Transaction Documents, to direct the Trustee to enforce the Transaction Security or take any proceedings or action against the Issuer to enforce or realise the Transaction Security;
- (b) none of the Secured Creditors (nor any person on their behalf, other than the Trustee) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to any of such Secured Creditors;
- (c) none of the Secured Creditors nor any person on their behalf shall initiate or join any person in initiating an Issuer Insolvency Event or the appointment of an Insolvency Official in relation to the Issuer other than a Receiver or an administrator appointed under clause 12 (*Receiver*) of the Security Deed; and
- (d) none of the Secured Creditors shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

18. **INFORMATION REQUESTS AND REPORTS**

Each Noteholder, the Issuer and the Trustee agrees that any Noteholder holding 50 per cent. or more of the Principal Amount Outstanding of the Notes then outstanding may itself from time to time request any information in relation to the Notes (which it deems to be relevant) from the Cash Manager and Servicer (including, *inter alia*, any reports).

19. **GOVERNING LAW**

Each of the Trust Deed, the Global Notes and these Conditions (and, in each case, any ~~non-~~contractualnon-contractual obligations arising out of or in connection with the relevant document) is governed by, and shall be construed in accordance with, English law.

20. **RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any

right or remedy of any person which exists or is available apart from that Act.

- (b) Realisation (defined below) of ~~all of the property, assets and undertakings of the Issuer and subject of any security created by the Security Deed (together the "the Charged Property")~~ and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priority of Payments; and

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable under Notes then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above) under such Notes shall, following such application in full of the amounts referred to in (b) above, cease to be due and payable by the Issuer. For the purpose of this Condition 16, "**Realisation**" means, in relation to any Charged Property, the deriving, to the fullest extent practicable, of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by an obligor in accordance with the provisions of the Transaction Documents.

17. NON PETITION

Only the Trustee may pursue the remedies available under the general law and/or under the Transaction Documents to enforce the Transaction Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Transaction Security. In particular, each of the Noteholders and the other Secured Creditor (other than the Trustee) agrees and acknowledges to each of the Issuer and the Trustee, and the Trustee agrees with and acknowledges to the Issuer, that:

- (a) none of the Secured Creditors (nor any person on their behalf, other than the Trustee where appropriate) are entitled, otherwise than as permitted by the Transaction Documents, to direct the Trustee to enforce the Transaction Security or take any proceedings or action against the Issuer to enforce or realise the Transaction Security;
- (b) none of the Secured Creditors (nor any person on their behalf, other than the Trustee) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to any of such Secured Creditors;
- (c) none of the Secured Creditors nor any person on their behalf shall initiate or join any person in initiating an Issuer Insolvency Event or the appointment of an Insolvency Official in relation to the Issuer other than a Receiver or an administrator appointed under clause 12 (*Receiver*) of the Security Deed; and
- (d) none of the Secured Creditors shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

18. **INFORMATION REQUESTS AND REPORTS**

Each Noteholder, the Issuer and the Trustee agrees that any Noteholder holding 50 per cent. or more of the Principal Amount Outstanding of the Notes then outstanding may itself from time to time request any information in relation to the Notes (which it deems to be relevant) from the Cash Manager and Servicer (including, *inter alia*, any reports).

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Each of the Trust Deed, the Global Notes and these Conditions (and, in each case, any ~~non-~~contractualnon-contractual obligations arising out of or in connection with the relevant document) is governed by, and shall be construed in accordance with, English law.

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No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any

right or remedy of any person which exists or is available apart from that Act.

SCHEDULE 4
FORM OF ISSUER CASH CALL NOTICE

Company Name: Castilla Finance DAC

Fourth Floor
3 George's Dock
I.F.S.C., Dublin 1
Ireland

Copy to: Citicorp Trustee Company Limited

Citigroup Centre
2 Canada Square
Canary Wharf
London, E14 5LB
United Kingdom

Copy to: Intermoney Titulización S.G.F.T. S.A.

Príncipe de Vergara,
131 planta 3ª
28002 Madrid
Spain

Headline: Issuer Cash Call Notice

[date]

Castilla Finance DAC
(the "Issuer")
(incorporated in Ireland as a private designated activity company under registered
number
578174)
Up to €220,000,000 Notes due 2021
(ISIN XS1382379409)
(the "Notes")

Issuer Cash Call Notice

This is an Issuer Cash Call Notice for the purposes of Condition 7.9 (Issuer Cash Call Notice).

In accordance with Condition 7.9 (Issuer Cash Call Notice), the Issuer hereby requests the holders of the Notes to make contributions by way of transferring the Cash Call Amount as follows:

1. Aggregate Cash Call Amount is EUR[amount to be specified];
2. Cash Call Settlement Date by which the entire Aggregate Cash Call Amount is to be transferred to the Issuer is [specify date];

3. All amounts payable by way of the Cash Call Amount should be credited to:

Swift Code: CITIGB2L

IBAN: GB55CITI18500817528191

Account Number: 17528191

Account Name: Castilla Finance DAC

Beneficiary Bank: Citibank, N.A.

Defined terms used and not otherwise defined herein have the meaning ascribed to them in the Prospectus of Castilla Finance DAC dated [] 2018 relating to the Notes.

Further Information:

For any queries relating to the above please contact: *[contact email address of the Issuer]*

This Notice is issued by:

Castilla Finance DAC

SIGNATORIES

Issuer

SIGNED and DELIVERED)
as a **DEED** for an on behalf of)
CASTILLA FINANCE DAC)
acting by its duly authorised attorney)
In the presence of:)

)Signature of witness:)

)Name of witness:)

)Address of witness:)

)Occupation of witness:)

EXECUTED and DELIVERED)
as a **DEED** by)
CITICORP TRUSTEE COMPANY LIMITED)
COMPANY LIMITED)
acting by:

Signature of Director

Name of Director

In the presence of:

Name:

Occupation:

Address:

SCHEDULE 3
BLACKLINE OF AMENDMENTS TO THE CASH MANAGEMENT AGREEMENT

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~~EXECUTION VERSION~~

Castilla II Refinancing / Cash Management Agreement
Execution Version

INTERMONEY TITULIZACIÓN S.G.F.T. S.A.
AS CASH MANAGER

CASTILLA FINANCE DAC
AS ISSUER

CITICORP TRUSTEE COMPANY LIMITED
AS TRUSTEE

AND

GEDESCO SERVICES SPAIN S.A.U.
AS SERVICER

CASH MANAGEMENT AGREEMENT

THIS CASH MANAGEMENT AGREEMENT (this "**Agreement**") is made on ~~_____~~27
May-2016 and further amended and restated on February 2018

BETWEEN:

- (1) **INTERMONEY TITULIZACIÓN S.G.F.T., S.A.**, a management company (*sociedad gestora*) of securitisation funds (*fondos de titulización*), with registered office at C/ Príncipe de Vergara, 131 planta 3ª, 28002 Madrid, holder of the Spanish C.I.F. number A-83774885 and registered with the Commercial Registry of Madrid, Volume 19,277, Page 127, Section 8, Sheet M-337,707, entry nº 1, and also registered under number 10 in the Special Register of Securitisation Fund Management Companies (*Registro Especial de Sociedades Gestoras de Fondos de Titulización*) kept by the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*) (the "**Cash Manager**");
- (2) **CASTILLA FINANCE DAC**, a private company incorporated with limited liability under the laws of Ireland having its registered office at Fourth Floor, 3 George's Dock, I.F.S.C., Dublin 1, Ireland and registered number 578174 and with Spanish Tax Identification Number (NIF) N0073182H (the "**Issuer**");
- (3) **CITICORP TRUSTEE COMPANY LIMITED** whose registered office is at Citigroup Centre, 2 Canada Square, Canary Wharf, London E14 5LB (acting in its capacity as the "**Trustee**" which expression shall include such persons and all other persons for the time being acting as the trustee or trustees under the Trust Deed and Security Deed);
- (4) **GEDESCO SERVICES SPAIN, S.A.U.**, a company duly incorporated and existing in accordance with the laws of Spain, with registered office at Valencia, Avenida de Aragón, número 2-bis, entresuelo, registered with the Mercantile Registry of Valencia under volume 6.993, Sheet 45, Page V-79530 and with Spanish tax identification number (NIF) A-97097661 (the "**Servicer**"); and
- (5) **CITIBANK, N.A., LONDON BRANCH** (registered number BR0010018), whose registered office is at Citigroup Centre, 2 Canada Square, Canary Wharf, London E14 5LB (the "**Account Bank**").

WHEREAS:

- (A) On the Issue Date the Issuer ~~will issue~~issued the Notes.
- (B) The Cash Manager has agreed to provide cash management services to the Issuer and (in the limited circumstance set out herein) the Trustee on the terms and subject to the conditions contained in this Agreement.
- ~~(B)~~(C) The parties hereto agreed to make certain amendments to this Agreement on the Initial Increase Date.

3.3 Condition precedent

The appointment of the Cash Manager pursuant to Clause 3.1 (*Appointment*) is conditional upon the issue of the Notes having taken place and shall take effect upon and from the Closing Date automatically without any further action on the part of any person **provided that** if the issue of the Notes has not occurred by ~~_____~~26 May 2016, or such later date as the Issuer and the Arranger may agree and notify in writing to the Cash Manager, this Agreement shall cease to be of further effect.

3.4 Services non-exclusive

Nothing in this Agreement shall prevent the Cash Manager from rendering or performing services similar to those provided for in this Agreement to or for itself or other persons, firms or companies or from carrying on any business similar to or in competition with any business of the Issuer or the Trustee.

4. APPOINTMENT OF SUB-CONTRACTORS

4.1 Appointment of sub-contractors

The Cash Manager may subcontract or delegate the performance of all or any of its powers and obligations under this Agreement **provided that** (and subject to Clause 4.2 (*Exceptions*) below):

- 4.1.1 the Cash Manager shall use all reasonable skill and care in the selection of any sub-contractor or delegate;
- 4.1.2 where the arrangements involve or may involve the receipt by the sub-contractor or delegate of monies belonging to the Issuer which in accordance with this Agreement are to be paid to the Issuer or a bank account of the Issuer, the sub-contractor or delegate has executed a declaration in form and substance acceptable to the Issuer and the Trustee that any such monies held by it or to its order shall be held on trust for the Issuer and paid forthwith into the Collection Account or any other appropriate Issuer Account in accordance with the terms of this Agreement and any other applicable Transaction Document;
- 4.1.3 where the arrangements may require the sub-contractor or delegate to hold any assets of the Issuer, it has executed an acknowledgement in form and substance satisfactory to the Issuer and the Trustee acknowledging the Issuer's ownership of such assets and the creation of the Transaction Security;
- 4.1.4 any such sub-contractor or delegate has delivered a written waiver of any Encumbrance arising in connection with such delegated Cash Management Services to the Issuer and the Cash Manager (copied to the Trustee) (to the extent that such Encumbrance relates to any amount referred to in Clause 4.1.2 above or any asset referred to in Clause 4.1.3 above);
- 4.1.5 it shall be a term of any such arrangements that the sub-contractor or delegate has, and shall maintain, all requisite licences, approvals, authorisations,

performance of the Cash Management Services by such sub-contractor or delegate shall, be treated as a breach of this Agreement by the Cash Manager.

5. PAYMENTS, ACCOUNTS

5.1 Issuer Accounts

5.1.1 The Cash Manager hereby acknowledges that the Collection Account, the Payments Account, the Principal Account and the Reserve Account (further together referred to as the "**Issuer Accounts**") has been established by the Issuer on or before the date of this Agreement and confirms that the related Account Mandates will apply to this Agreement and the Account Bank Agreement at the Issue Date. The Cash Manager undertakes (to the extent to which the same is within its control in its capacity as Cash Manager) that the Cash Manager will not knowingly create or permit to subsist any security interest in relation to the Issuer Accounts other than as created under or permitted pursuant to the Security Deed.

5.1.2 Based on information provided to it by the Servicer and the Seller (as applicable), the Cash Manager shall determine, *inter alia*, the following amounts:

- (a) Available Receipts to be applied on each Interest Payment Date;
- (b) all Collections and Deemed Collections;
- (c) Defaults Option Repurchase Price and Defaults Obligation Repurchase Price to be paid by the Seller in accordance with the Receivables Sale Agreement;
- (d) all amounts paid by the Seller in accordance with the Receivables Sale Agreement in respect of the indemnity amount in respect of the Receivables and any repurchase price to be paid in respect of the repurchase of the Receivables;
- (e) amounts to be determined pursuant to paragraphs (a), (b), (c), (g), (j), (m) and (n) of the definition of the Termination Event;
- (f) amounts payable by way of the Purchase Price (including a breakdown in respect of all of the components of the Purchase Price);

(g) Funding Base; ~~and~~

~~(g)~~(h) Cash Call Amounts to be requested by the Issuer during each ICC Period in accordance with Condition 7.9 (Issuer Cash Call Option) and amounts repayable to the Noteholder(s) where the full Cash Call Amount has not been received (if applicable); and

~~(H)~~(i) any other amounts whatsoever received or payable by or on behalf of the Issuer after the Issue Date subject to the terms of the Transaction Documents.

- 5.1.3 The Servicer shall identify all amounts representing Collections that are transferred to the Collection Account.
- 5.1.4 Each of the payments into the relevant Issuer Accounts referred to in Clause 5.1.2 shall be made forthwith upon receipt by the Issuer or the Cash Manager, as the case may be, of the amount in question.
- 5.1.5 For the avoidance of doubt, as soon as reasonably practicable after being notified in writing of the same, the Cash Manager shall instruct the Account Bank to withdraw monies from any Issuer Account if and to the extent that such monies were credited thereto in error and shall use its reasonable endeavours to ensure that such monies are applied correctly thereafter.
- 5.1.6 Each of the Cash Manager and the Issuer undertakes that, so far as it is able to procure the same, the Issuer Accounts and all instructions and mandates in relation thereto will continue to be operative and will not, save as permitted pursuant to the Account Bank Agreement, be changed without the prior written consent of the Trustee **provided that**, where any Issuer Account is to be changed, such replacement account shall be subject to security in favour of the Trustee on substantially similar terms as the security over the Issuer Accounts granted to the Trustee pursuant to the Security Deed. For the avoidance of doubt, the Cash Manager may change the authorised signatories in respect of any instructions or mandates without the prior written consent of the Trustee, in accordance with the terms of the Account Bank Agreement.

5.2 Additional Accounts

- 5.2.1 The Issuer shall promptly notify each of the Cash Manager and the Trustee in writing of any Additional Account to be established pursuant to clause 5 (*Additional Accounts*) of the Account Bank Agreement or any account established to replace or supplement such account and each of the parties to this Agreement agrees to make any amendments to this Agreement that are required as a result of the establishment of any Additional Account or replacement or supplemental account.
- 5.2.2 The Cash Manager (to the extent to which the same is within its control in its capacity as Cash Manager) will not knowingly create or permit to subsist any security interest in relation to any Additional Account other than as created under or permitted pursuant to the Security Deed.
- 5.2.3 The Issuer shall procure that the relevant amounts are paid into the applicable Additional Account (to the extent such amounts have not been directly credited to the Additional Account) and the Cash Manager shall (to the extent to which the same is within its control in its capacity as Cash Manager)

Account on the preceding Reconciliation Payment Date, then the Cash Manager shall instruct the Account Bank to make a transfer of the amount of the shortfall to the Security Account from the Collection Account; and

- (b) if the amounts actually paid by the Servicer to the relevant Debtors were less than the amount received by the Servicer in the Security Account on the preceding Reconciliation Payment Date, then any excess shall be returned from the Security Account to the Collection Account,

provided always that (i) the payment referred to in paragraph (a) above may only be made if there are amounts standing to the credit of the Collection Account after the making of the transfer to the Reserve Account (where applicable), and (ii) no instruction to transfer the Estimated Special Claims Amount shall be made by the Cash Manager if the Servicer has not provided it with information allowing fully to reconcile the amounts actually paid by the Servicer to the relevant Debtors on any previous weeks.

- 5.3.4 The Cash Manager shall, on the Issue Date, arrange for the payment by the Issuer of certain upfront fees and expenses as notified to the Cash Manager by the Issuer in writing prior to the Issue Date using the amounts received by the Issuer into the Collection Account on the Issue Date.

5.4 **Reserve Account**

The Cash Manager shall:

- 5.4.1 on each Additional Purchase Date during the Revolving Period on which the balance standing to the credit of the Reserve Account is less than the Reserve Account Target Amount, instruct the Account Bank to make a transfer of such an amount as is required for the balance of the Reserve Account (following such transfer) to be equal to the Reserve Account Target Amount from the Collection Account to the Reserve Account (provided that the amount so transferred shall not exceed the amount standing to the credit of the Collection Account on such date);
- 5.4.2 ~~two~~one Business Days prior to each Interest Payment Date, instruct the Account Bank to make a transfer of all amounts standing to the credit of the Reserve Account to the Payments Account; and
- 5.4.3 ~~two~~one Business Days prior to each Interest Payment Date, instruct the Account Bank to make a transfer of the amount available for payment under item (d) of the Revolving Period Priority of Payments or the Amortisation Period Priority of Payments (as applicable) from the Payments Account to the Reserve Account, provided that the value date for such payments is the relevant Interest Payment Date.

5.5 Irish Issuer Account

~~Two~~One Business Days prior to each Interest Payment Date, the Cash Manager shall instruct the Account Bank to make a transfer of the Nominal Issuer Profit from the Payments Account to the Irish Issuer Account, provided that the value date for such payments is the relevant Interest Payment Date.

5.6 Withdrawals

5.6.1 The Cash Manager may instruct the Account Bank to make withdrawals on behalf of the Issuer from an Issuer Account as permitted by this Agreement, but shall not in carrying out its functions as Cash Manager under this Agreement otherwise make any withdrawal from an Issuer Account until such time as the Cash Manager receives a copy of an Enforcement Notice served by the Trustee on the Issuer or has written notice of any enforcement action taken by the Trustee.

5.6.2 Upon receipt of a copy of an Enforcement Notice served by the Trustee on the Issuer or upon receipt of a notice of any enforcement action taken by the Trustee, no amount shall be withdrawn from the Issuer Accounts by the Cash Manager without the prior written consent of the Trustee.

5.7 Directions of the Trustee

5.7.1 The Cash Manager shall comply with the provisions of Schedule 2 (*Cash Management*) prior to receipt by the Cash Manager of a copy of any Enforcement Notice served by the Trustee on the Issuer or notice of any enforcement action taken by the Trustee. Following service of an Enforcement Notice or notice of any enforcement action taken by the Trustee or any Appointee appointed by the Trustee, the Cash Manager will administer the Issuer Accounts in accordance with the terms of the Security Deed.

5.7.2 Upon receipt of a copy of an Enforcement Notice served on the Issuer by the Trustee or upon receipt of notice that the Trustee has taken any action to enforce the security under the Security Deed, the Cash Manager will act on the instructions of the Trustee or any Appointee appointed by the Trustee.

5.8 Payments Account

The Cash Manager shall:

5.8.1 on the Initial Increase Date, instruct the Account Bank to transfer the Initial Increase Amount to the Collection Account; and

5.8.2 on each date on which a cash contribution is made by a Noteholder following the delivery by the Issuer of the Issuer Cash Call Notice pursuant to Condition 7.9 (Issuer Cash Call Option), procure that the relevant amount is credited to the Payments Account; and

5.8.3 on each date on which the Cash Call Amount has been received by the Issuer in full, instruct the Account Bank to transfer the relevant amount to the Collection Account.

5.8.4 on each Cash Call Settlement Date on which the Cash Call Amount has been received in part only by the Issuer, instruct the Account Bank to transfer the relevant amount to the account of the Noteholders as notified to the Cash Manager by the Lead Manager.

6. INDEMNIFICATION

6.1 Indemnification by the Issuer

Subject to the relevant Priority of Payments, the Issuer shall indemnify the Cash Manager on demand on an after Tax basis in respect of any Liabilities (including, without limitation, legal fees and any VAT in respect thereof but, for the avoidance of doubt, excluding Tax on the Cash Manager's net income, profit or gains and including, for the avoidance of doubt, any liability which may be incurred by the Cash Manager as a result of, or in connection with, compliance by the Cash Manager with its obligations under paragraphs 2(d) and 2(e) of Schedule 1 (*Cash Management Services*)) paid or incurred by it in acting as Cash Manager under this Agreement or any other Transaction Document, other than such Liabilities as are incurred as a direct result of the Cash Manager's own fraud, gross negligence or wilful default. The indemnity under this Clause shall survive the termination of this Agreement or the appointment of the Cash Manager.

7. LIABILITY OF THE CASH MANAGER

7.1 The Cash Manager's liability

7.1.1 The Cash Manager shall have no obligation in respect of any Liabilities suffered or incurred by the Issuer and/or the Trustee and/or any other person as a result of the performance by the Cash Manager of the Cash Management Services save to the extent that any such Liabilities are suffered or incurred as a result of any Breach of Duty on the part of the Cash Manager.

7.1.2 The Cash Manager shall (in the absence of manifest error) be entitled to rely upon the accuracy of any notifications, opinions, determinations, certificates, quotations, decisions or calculations given, made or provided to the Cash Manager by any party to the Transaction Documents in connection with the Transaction Documents and (in the absence of manifest error) no liability to the Issuer, the Trustee or any other person shall attach to the Cash Manager as a result of the Cash Manager having relied on any such notifications, opinions, determinations, certificates, quotations, decisions or calculations given, made or provided to the Cash Manager in connection with the Transaction Documents by any person.

7.1.3 If any instruction received by the Cash Manager is unclear or is ambiguous, the Cash Manager shall not be obliged to act on the same until clarification as to the relevant instruction is provided by the Issuer or the Trustee (as

8.1.3 if the event in question is a computer software, hardware or systems failure and at the time of such failure, the Cash Manager does not have equivalent back-up computer software, hardware or systems in place (provided that the Cash Manager shall not be liable if it does have such equivalent back-up computer software, hardware and systems in place but there is a failure of such equivalent back-up computer software, hardware or systems).

8.2 Mitigation

The Cash Manager shall, notwithstanding that it is relieved from its obligations pursuant to Clause 8.1 (*The Cash Manager not liable for obligations*), take all reasonable steps available to it to procure that any event described in Clause 8.1 (*The Cash Manager not liable for obligations*) ceases to exist and take all practical steps to minimise any Liabilities arising from any such event.

8.3 The Cash Manager to notify inability to carry out obligations

If the Cash Manager is prevented from carrying out any of its obligations under this Agreement as a result of any event referred to in Clause 8.1 (*The Cash Manager not liable for obligations*), the Cash Manager shall give notice to the Issuer and the Trustee as soon as reasonably practicable after being so prevented, detailing the particulars of such event.

8.4 The Cash Manager disentitled to fees

During any period in which the Cash Manager is prevented from performing any of its obligations under this Agreement as a result of any event referred to in Clause 8.1 (*The Cash Manager not liable for obligations*), the Cash Manager shall not be entitled to be paid its fees pursuant to Clause 11 (*Remuneration*) but shall remain entitled to reimbursement of any Liabilities pursuant to Clause 10 (*Costs and Expenses*).

9. INFORMATION

9.1 Reports

9.1.1 The Cash Manager shall maintain records to reflect all transactions carried out by or in respect of the Issuer Accounts and shall make available to the Issuer, the Servicer, the Trustee, the Paying Agent and any other person (upon reasonable prior request) to whom the Cash Manager, the Issuer or the Trustee, as applicable, deems appropriate, all information in connection therewith.

9.1.2 The Cash Manager shall, subject to the receipt of the ~~Quarterly~~ Monthly Datatape in respect of the ~~three~~ Collection Periods preceding the relevant Interest Payment Date in accordance with clause 10 (*Reports*) of the Servicing Agreement, no later than five Business Days following the Interest Payment Date, deliver (or make available electronically through its website) to the Issuer, the Trustee, the Paying Agent, the Seller, the Lead Manager, a regulatory information service and any other party the Issuer may direct, a report (the "**Investor Report**") in or substantially in the form attached in Schedule 4 (*Form of Investor Report*) of this Agreement.

SCHEDULE 1 CASH MANAGEMENT SERVICES

1. The Cash Manager's principal function will be to instruct the Account Bank to effect payments to and from the Issuer Accounts. In particular, the Cash Manager will:
 - (a) make the determinations set out in Schedule 2 (*Cash Management*);
 - (b) provide instructions to the Account Bank in respect of the operation of the Issuer Accounts and any Additional Account(s) and payments into and from such accounts in accordance with this Agreement, the Account Bank Agreement, the Security Deed and any other relevant Transaction Document, **provided that** nothing herein shall require the Cash Manager to make funds available to the Issuer to enable such payments to be made other than as expressly required by the provisions of this Agreement;
 - (c) determine the amount of Available Receipts and apply, or cause to be applied, Available Receipts in accordance with the applicable Priority of Payments to, *inter alia*, pay interest on the Notes and to pay amounts due to other creditors of the Issuer;
 - (d) following the service of an Enforcement Notice on the Issuer and acting at the direction of the Trustee, apply, or cause to be applied all amounts received or recovered by the Trustee (or a receiver appointed on its behalf) in accordance with the Post-Enforcement Priority of Payments;
 - (e) calculate such other amounts as are expressed to be calculations and determinations made by the Cash Manager in accordance with the Conditions of the Notes;
 - (f) instruct withdrawals (when necessary) from the Issuer Accounts to pay any amounts which properly belong to third parties in accordance with the Priority of Payments;
 - (g) instruct the transfer of the Estimated Special Claims Amount from the Collection Account to the Security Account and, where required in accordance with Clause 5.3 (*Collection Account*), give instructions to the Security Account Bank to effect the transfers from the Security Account to the Collection Account; ~~and~~
 - (h) apply on behalf of the Issuer amounts standing to the credit of the relevant Issuer Account to pay the Additional Purchase Price on any Additional Purchase Date for the purchase of any Additional Receivables Portfolios to the Seller; ~~and~~ and
 - (i) ensure that all Cash Call Amounts are credited to the Payments Account and then transferred to the Collection Account in accordance with Condition 7.9 (Issuer Cash Call Option) or returned to the Noteholder(s) where the full Cash Call Amount has not been received (if applicable).

in each case in accordance with the Conditions and the other Transaction Documents.

2. The Cash Manager shall also:
- (a) during the Revolving Period, calculate the amounts and verify the conditions referred to in Clause 9.1.5 for each Additional Purchase Date;
 - (b) prepare the Investor Reports, the Monthly Cash Manager Reports, the Weekly Cash Manager Reports and any payment instructions to be delivered to the Paying Agent and the Account Bank;
 - (c) check, on each Purchase Date and each Interest Payment Date, the balance of the Reserve Account;
 - (d) keep records for Taxation purposes in respect of the Issuer (including, without limitation, those relating to VAT) in respect of this transaction, provided that the Cash Manager shall not be liable for any formal or material tax filing obligations of the Issuer;
 - (e) manage all the communications received by the Issuer from the Spanish tax authorities through the "Tax Authorities Email Box System" ("*Dirección Electrónica Habilitada*") and shall provide to the Issuer the information received from the Spanish tax authorities promptly;
 - (f) determine such amounts as are expressed to be calculations and determinations made by the Cash Manager in accordance with the Conditions of the Notes;
 - (g) subject to any Applicable Laws, provide the auditors of the Issuer with such information as they may reasonably request (and which is in the possession of the Cash Manager and not subject to confidentiality restrictions) for the purpose of carrying out their duties as auditors of the Issuer **provided that**, for the avoidance of doubt, the Cash Manager shall not be required to provide information to such auditors or any other party in an alternate form to the information already provided in the Investor Report;
 - (h) arrange for all payments due to be made by the Issuer under any of the Transaction Documents, **provided that** such monies are at the relevant time available to the Issuer and **provided further that** nothing herein shall constitute a guarantee by the Cash Manager of all or any of the obligations of the Issuer under any of the Transaction Documents.

3. The Cash Manager shall, two (2) Business Days after each ICC Cut-off Date, notify the Issuer: (i) whether the Seller has served any Increase Notice on the relevant ICC Cut-off Date; and (ii) in respect of the Third ICC Period only, of any positive difference between the Maximum Call Amount and the aggregate amount for which the Increase Notice has been served by the Seller in that ICC Period.

SCHEDULE 2 CASH MANAGEMENT

1. Determination

1.1 On each Calculation Date, the Cash Manager shall, in accordance with this paragraph 1, in respect of the Collection Period immediately preceding such Calculation Date, determine each of the following:

- (a) amount of the Available Receipts;
- (b) the Reserve Account Target Amount;
- (c) the Principal Amount Outstanding of the Notes in accordance with the Conditions;
- (d) the amount of the Deferred Purchase Price paid, payable and outstanding;
- (e) the total Outstanding Balance of the Receivables;
- (f) the percentage of the Defaulted Receivables;
- (g) the Funding Base of outstanding Performing Receivables owned by the Issuer (including, where applicable, Additional Receivables to be purchased by the Issuer);
- ~~(g)~~(h) amounts due and payable in relation to the Issuer's costs, such as fees, costs, expenses and all other amounts due to the Trustee,
- ~~(h)~~(i) whether the Minimum Overcollateralisation Test has been satisfied;
- ~~(i)~~(j) amount of Defaults Option Repurchase Price and the Defaults Obligation Repurchase Price (if any);
- (k) the DPP Distributable Amount;
- ~~(j)~~(l) any other amounts not referred to above which are required to be determined by the Issuer or the Cash Manager in accordance with the Conditions and the Transaction Documents.

1.2 During the Revolving Period, the Cash Manager shall in accordance with this paragraph 1 determine each of the following for each Additional Purchase Date:

- (a) amount of Available Collections; and
- (b) whether any of the events referred to in paragraphs (a), (b), (c), (g), (j), (m) and (n) of the definition of the Termination Event has occurred and is continuing or will occur on the relevant Additional Purchase Date (taking into account the purchase of the relevant Additional Receivables Portfolio).

1.3 The Cash Manager shall:

SCHEDULE 3 PRIORITIES OF PAYMENT

1. Revolving Period Priority of Payments

~~Two~~One Business Days prior to each Interest Payment Date during the Revolving Period, the Cash Manager (on behalf of the Issuer) shall instruct the Account Bank to apply or provide for application of the Available Receipts in accordance with the following "**Revolving Period Priority of Payments**", provided that the value date for such payments is the relevant Interest Payment Date (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- ~~(a)~~1 *first*, the Trustee Expenses;
- ~~(b)~~2 *second*, Expenses and Third Party Expenses;
- ~~(c)~~3 *third*, all Interest due and payable under the Notes;
- ~~(d)~~4 *fourth*, an amount such that the balance of the Reserve Account is at least equal to the Reserve Account Target Amount;
- ~~(e)~~5 *fifth*, to make a transfer to the Collection Account of ~~such amounts as may be required to ensure that the Minimum Overcollateralisation Test is equal to the Minimum Overcollateralisation Ratio~~an amount equal to the OC Amount;
- ~~(f)~~6 *sixth*, to pay Subordinated Loan Interest;
- ~~(g)~~7 *seventh*, to pay the Nominal Issuer Profit for corporate purposes by crediting an amount up to the Nominal Issuer Profit to the Irish Issuer Account;
- ~~(h)~~8 *eighth*, to pay to the Seller an amount equal to the difference (floored at zero) between (i) the Additional Remuneration; less (ii); any DPP Distributable Amount;
- ~~(i)~~9 *ninth*, to pay the DPP Distributable Amount to the Seller; and
- ~~(j)~~10 *tenth*, to credit all residual amounts to the Collection Account for the purchase of new Receivables.

2. Amortisation Period Priority of Payments

Two Business Days prior to each Interest Payment Date during the Amortisation Period, the Cash Manager (on behalf of the Issuer) shall instruct the Account Bank to apply or provide for application of the Available Receipts in accordance with the following "**Amortisation Period Priority of Payments**", provided that the value date for such payments is the relevant Interest Payment Date (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- ~~(a)~~1 *first*, the Trustee Expenses;

- (b)2) *second*, Expenses and Third Party Expenses;
- (e)3) *third*, all Interest due and payable under the Notes;
- (d)4) *fourth*, an amount such that the balance of the Reserve Account is at least equal to the Reserve Account Target Amount;
- (e)5) *fifth*, to pay the Redemption Amount;
- (f)6) *sixth*, to pay interest amounts due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (g)7) *seventh*, to pay the Nominal Issuer Profit for corporate purposes by crediting an amount up to the Nominal Issuer Profit to the Irish Issuer Account;
- (h)8) *eighth*, to pay the Deferred Purchase Price to the Seller;
- (i)9) *ninth*, to make a payment in respect of any principal due under the Subordinated Loan Agreement; and
- (j)10) *tenth*, to pay to the Seller the Additional Remuneration.

3. **Post-Enforcement Priority of Payments**

The Security Deed sets out the priority of distribution by the Trustee, following the Amortisation Period (known as the "**Post-Enforcement Priority of Payments**"), of amounts received or recovered by the Trustee (or a receiver appointed on its behalf).

The Trustee (or receiver appointed on its behalf) will apply or instruct the Cash Manager to apply amounts received or recovered following enforcement of the Transaction Security in the following order of priority (in each case, only to the extent that payments of a higher order of priority have been made in full):

- (a)1) *first*, the Trustee Expenses;
- (b)2) *second*, Expenses and the Third Party Expenses;
- (e)3) *third*, all Interest due and payable under the Notes;
- (d)4) *fourth*, to pay the Redemption Amount;
- (e)5) *fifth*, to pay interest amounts due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (f)6) *sixth*, to pay the Deferred Purchase Price to the Seller;
- (g)7) *seventh*, to make a payment in respect of any principal due under the Subordinated Loan Agreement; and
- (h)8) *eighth*, to pay any residual cashflow to the Seller as Additional Remuneration.

4. **Payments in respect of Additional Purchase Price**

On each Additional Purchase Date during the Revolving Period, the Cash Manager (on behalf of the Issuer) shall instruct the Account Bank to make the following transfers using the Available Collections standing to the credit of the Collection Account:

- (a)1) *first*, to transfer an amount required for the balance of the Reserve Account to be equal to at least the Reserve Account Target Amount from the Collection Account to the Reserve Account;
- (b)2) *second*, to make a transfer in accordance with Clause 5.3 (*Collection Account*) of this Agreement from the Collection Account to the Security Account;
- (c)3) *third*, to transfer all amounts standing to the credit of the Collection Account after the making of transfers referred to in paragraphs (a) and (b) above to the Principal Account;
- (d)4) *fourth*, to transfer an amount equal to the Initial Additional Purchase Price from the Principal Account to the Seller Account in accordance with the terms of the Receivables Sale Agreement; and
- (e)5) *fifth*, to transfer all amounts remaining in the Principal Account after the making of the payment referred to in paragraph (d) above to the Collection Account.

**SCHEDULE 4
BLACKLINE OF AMENDMENTS TO THE SUBORDINATED LOAN AGREEMENT**

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~~EXECUTION VERSION~~ Castilla II Refinancing / Subordinated Loan Agreement
Execution Version

CASTILLA FINANCE DAC
AS ISSUER

TORO FINANCE S.L.U.
AS SUBORDINATED LOAN PROVIDER

CITICORP TRUSTEE COMPANY LIMITED
AS TRUSTEE

SUBORDINATED LOAN AGREEMENT

CONTENTS

Clause	Page
Section A Interpretation	3
Section B The Facility.....	4
Section C Availability of the Facility	5
Section D Interest.....	6
Section E Repayment and Prepayment.....	7
Section F Event of Default	8
Section G Evidence of Debt.....	10
Miscellaneous	11
<u>Section A Interpretation</u>	<u>3</u>
<u>Section B The Facility.....</u>	<u>4</u>
<u>Section C Availability of the Facility</u>	<u>5</u>
<u>Section D Interest.....</u>	<u>6</u>
<u>Section E Repayment and Prepayment.....</u>	<u>7</u>
<u>Section F Event of Default</u>	<u>8</u>
<u>Section G Evidence of Debt.....</u>	<u>10</u>
<u>Miscellaneous</u>	<u>11</u>

THIS SUBORDINATED LOAN AGREEMENT ~~is~~ was originally made on 27 May 2016 and has been amended and restated on February 2018

BETWEEN

- (1) **CASTILLA FINANCE DAC**, a private company incorporated with limited liability under the laws of Ireland having its registered office at Fourth Floor, 3 George's Dock, I.F.S.C., Dublin 1, Ireland and registered number 578174 and with Spanish Tax Identification Number (NIF) N0073182H (the "**Issuer**");
- (2) **TORO FINANCE, S.L.U.**, a company duly incorporated and existing in accordance with the laws of Spain, with registered office at Paseo de la Castellana 41, 4^a Planta, 28046 Madrid, registered with the Mercantile Registry of Madrid under volume 31,442, sheet 8, 8th section, page number M-565.943, 1st inscription and with Spanish tax identification number (NIF) B-86816246 (the "**Subordinated Loan Provider**"); and
- (3) **CITICORP TRUSTEE COMPANY LIMITED** whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (acting in its capacity as the "**Trustee**" which expression shall include such persons and all other persons for the time being acting as the trustee or trustees under the Trust Deed and Security Deed).

INTRODUCTION:

- (A) The Issuer has agreed to purchase certain Receivables in accordance with the Receivables Sale Agreement.
- (B) The Issuer has authorised the creation and issue of the Notes and incurred other obligations.
- (C) The Subordinated Loan Provider has agreed to make funds available to the Issuer by way of a loan.

THE PARTIES AGREE AS FOLLOWS:

SECTION B THE LOAN

3. THE LOAN

3.1 Grant of the Loan

3.1.1 ~~The~~ On the Issue Date, the Subordinated Loan Provider granted to the Issuer, upon the terms and subject to the conditions hereof, a Euro term loan in an aggregate amount of EUR5,949,000.00, ~~comprising~~ for the Initial purposes of establishing the reserve in the Reserve Fund Account (the "Issue Date Advance:").

3.1.2 ~~On or before~~ each of: (i) the OC Test Initial Increase Date and (ii) the Second Reserve Increase Date, the Subordinated Loan Provider may make shall grant to the Issuer, upon the terms and subject to the conditions hereof, two further Euro term loan advances, (each, an "Additional Increase Advance to the Issuer") in an amount equal of EUR1,000,000 each required to increase the balance standing to the credit of the Reserve Account prior to the Initial Increase Date to the Reserve Account Target Amount, each such advance to be consolidated and form a single term Loan with the Issue Date Advance.

~~3.1.2~~ 3.1.3 The Subordinated Loan Provider has a right but not an obligation to make, at any time, an Additional Advance to the Issuer in an amount of up to the difference (if any) between EUR4065,000,000 and the aggregate outstanding Deferred Purchase Price as at the OC Test Date.

3.2 Purpose and application

3.2.1 ~~The Initial Reserve Fund~~ Issue Date Advance is ~~was~~ intended for establishing the Reserve Account on the Issue Date.

~~3.2.1~~ 3.2.2 Each Additional Increase Advance is intended for increasing the balance standing to the credit of the Reserve Account to the Reserve Account Target Amount.

~~3.2.2~~ 3.2.3 The Additional Advance is intended to remedy the occurrence of the Termination Event under paragraph (m) of the definition of the "Termination Event".

SECTION C
AVAILABILITY OF THE LOAN

4. **AVAILABILITY OF THE LOAN**

4.1.1 The Issue Date Advance was made by the Subordinated Loan Provider to the Issuer on the Issue Date.

~~4.1.1~~4.1.2 The Initial ~~Reserve Fund~~ Increase Date Advance shall be made by the Subordinated Loan Provider to the Issuer on the ~~Issue~~ Initial Increase Date.

~~4.1.2~~4.1.3 The Additional Advance may be made by the Subordinated Loan Provider to the Issuer ~~on or before the OC Test Date~~, at any time if the Minimum Overcollateralisation Test is not satisfied. For the avoidance of doubt, the Subordinated Loan Provider is not obliged to make an Additional Advance.

SECTION D INTEREST

5. INTEREST PERIODS AND DURATION

5.1 Interest periods

The period for which the Loan is outstanding shall be divided into successive periods, each of which (other than the first, which shall begin on (and include) the day the Loan is made) shall begin on (and include) an Interest Payment Date and end on (but exclude) the next following Interest Payment Date (each an "**Interest Period**").

6. PAYMENT AND CALCULATION OF INTEREST

6.1 Payment of interest

On each Interest Payment Date, the Issuer shall pay accrued interest on the Loan in accordance with the relevant Priority of Payments. ~~provided that no interest on the Loan shall be payable for as long as the aggregate Deferred Purchase Price in respect of the Receivables payable by the Issuer is less than EUR55,000,000 from (and including) the Effective Date. Any such interest shall not be due and payable on the relevant Interest Payment Date but shall be deferred until such time as the above condition for its payment is satisfied (and subject always to the relevant Priority of Payments). No interest shall accrue on any amount so deferred.~~

6.2 Calculation of interest

The rate of interest applicable to the outstanding Loan from time to time during an Interest Period shall be the rate per annum which is 8 per cent.

**SCHEDULE 5
DUE DILIGENCE AGENT LETTER**

CASTILLA FINANCE DAC
AS ISSUER

ISSUER SOLUTIONS, S.L.
AS DUE DILIGENCE AGENT

CITICORP TRUSTEE COMPANY LIMITED
AS TRUSTEE

AND

TORO FINANCE, S.L.U.
AS SELLER

DUE DILIGENCE AGENT LETTER

CONTENTS

Clause	Page
1. Definitions and Interpretation	1
2. Appointment of Due Diligence Agent	2
3. The Due Diligence Agent Services	2
4. Fees, Costs and Expenses of the Due Diligence Agent	3
5. Termination of Appointment of Due Diligence Agent	4
6. Liability of the Due Diligence Agent.....	4
7. Confidentiality	5
8. Assignment	6
9. Further Assurance	6
10. Role of Trustee.....	6
11. Rights and Powers of Trustee	7
12. Non-Petition and Limited Recourse.....	7
13. Counterparts	8
14. Governing Law and Jurisdiction.....	8
15. Provisions Relating to the Transaction Documents	8
Schedule 1 Reviewed Datatpe Fields and Eligibility Criteria.....	10
Schedule 2 Master Definitions Schedule	11
Execution Page(s)	12

THIS AGREEMENT is made on 22 February 2018 (this "**Agreement**").

BETWEEN:

- (1) **CASTILLA FINANCE DAC**, a private company incorporated with limited liability under the laws of Ireland having its registered office at Fourth Floor, 3 George's Dock, I.F.S.C., Dublin 1, Ireland and registered number 578174 and with Spanish Tax Identification Number (NIF) N0073182H (the "**Issuer**"); and
- (2) **ISSUER SOLUTIONS, S.L.**, a private company incorporated with limited liability under the laws of the Kingdom of Spain, whose principal office is at Av. Francia 17, A, 2, Valencia, Spain, and with Spanish Tax Identification Number (NIF) B98394901 (as "**Due Diligence Agent**"); and
- (3) **CITICORP TRUSTEE COMPANY LIMITED**, whose registered office is at Citigroup Centre, 2 Canada Square, London E14 5LB (acting in its capacity as the "**Trustee**", which expression shall include such company and all other persons or companies for the time being acting as trustee (or co-trustee) pursuant to the terms of the Trust Deed and the Security Deed); and
- (4) **TORO FINANCE, S.L.U.**, a company duly incorporated and existing in accordance with the laws of Spain, with registered office at Paseo de la Castellana, 41 4^a planta, 28046 Madrid, registered with the Mercantile Registry of Madrid under volume 31,442, sheet 87, 8th section, page number M-565.943, 1st inscription and with Spanish tax identification number (NIF) B-86816246 (the "**Seller**").

It is expressly stated that the appearance in this Agreement of the Seller is to the only and exclusive effects of those foreseen in Clause 6 (*Liability of the Due Diligence Agent*) of this Agreement.

1. DEFINITIONS AND INTERPRETATION

- 1.1 Unless otherwise defined in this Agreement or the context otherwise requires, words and expressions used in this Agreement have the meanings and constructions ascribed to them in section 1 (*Definitions*) of the Master Definitions Schedule set out at Schedule 1 of the Incorporated Terms Memorandum as it has been amended on or about the date of this Agreement, a copy of which is attached hereto as Schedule 2 (*Master Definitions Schedule*). For the avoidance of doubt, section 1 (*Definitions*) of Schedule 1 only of the Incorporated Terms Memorandum shall apply to this Agreement.
- 1.2 Each party confirms that they have reviewed a copy of the Master Definitions Schedule set out at Schedule 1 of the Incorporated Terms Memorandum as set out in Schedule 2 (*Master Definitions Schedule*).
- 1.3 In addition:
 - 1.3.1 "**Due Diligence Report**" means the report prepared by the Due Diligence Agent on behalf of the Issuer in relation to the Receivables included in the first Weekly Datatape of the previous calendar month;

1.3.2 "**Due Diligence Services**" means the services to be performed by the Due Diligence Agent set out in Clause 3.1 (*Due Diligence Services*) of this Agreement;

1.3.3 "**Issue Date**" means 27 May 2016; and

1.3.4 "**Lead Manager**" means Nomura International plc.

2. **APPOINTMENT OF DUE DILIGENCE AGENT**

Until termination pursuant to Clause 5.1 (*Termination by the Due Diligence Agent*), the Issuer appoints the Due Diligence Agent to provide the Due Diligence Services and the Due Diligence Agent hereby accepts such appointment upon, and subject to, the terms and conditions of this Agreement.

3. **THE DUE DILIGENCE AGENT SERVICES**

3.1 **Due Diligence Services**

3.1.1 The Due Diligence Agent shall prepare the Due Diligence Report on a quarterly basis in each of March, June, September and December, starting from March 2018 and covering the quarterly period from the end of November 2017 to the end of February 2018.

3.1.2 The objectives of the Due Diligence Report shall be:

- (a) to verify the accuracy of the information contained in the relevant Weekly Datatape in relation to the list of datatape fields set forth in Schedule 1 (*Reviewed Datatape Fields and Eligibility Criteria*) (the "**Reviewed Datatape Fields**"); and
- (b) to verify that the Receivables selected comply with the Eligibility Criteria set forth in Schedule 1 (*Reviewed Datatape Fields and Eligibility Criteria*) (the "**Reviewed Eligibility Criteria**").

3.1.3 The Due Diligence Agent shall select, on a quarterly basis, by way of a random selection an audit sample which shall include, having regard to the first Weekly Datatape of the previous calendar month, the following Receivables:

- (a) all Receivables in relation to the five (5) Direct Debtors with the highest aggregate Outstanding Balance (and in case of Receivables which have the same Outstanding Balance, the ones which have the longest maturity); and
- (b) all Receivables in relation to fifteen (15) Direct Debtors randomly selected by the Due Diligence Agent (excluding, for the avoidance of doubt, the five (5) Direct Debtors with the highest aggregate Outstanding Balance referred to in paragraph (a) above), and

the referred random selection shall not include the Direct Debtors whose Receivables have been audited in the previous quarterly Due Diligence Report(s).

- 3.1.4 If the information included in the Reviewed Datatape Fields reveals that a Receivable did not comply with the Eligibility Criteria as at its Purchase Date or did not comply with the Permanent Eligibility Criteria at the date of the relevant Weekly Datatape then such Receivable shall be deemed to be an Ineligible Receivable.
- 3.1.5 In case that a Receivable fails to comply with one or more of the Reviewed Eligibility Criteria, then such Receivable shall be deemed to be an Ineligible Receivable.
- 3.1.6 In case the Due Diligence Report reveals that one or more of the reviewed Receivables are Ineligible Receivables, the Due Diligence Agent shall prepare a new Due Diligence Report on a further sample of 20 other Direct Debtors randomly selected by the Due Diligence Agent.
- 3.1.7 A new Due Diligence Report shall be prepared by the Due Diligence Agent on an indefinite basis (and on the basis of a further sample of 20 other Direct Debtors randomly selected by the Due Diligence Agent) until no Ineligible Receivables are found.
- 3.1.8 For the avoidance of doubt, errors in the Reviewed Datatape Fields which when amended do not result in the Receivable being an Ineligible Receivable shall not require in the audit to be repeated.
- 3.1.9 The Due Diligence Report shall not disclose the names of the Direct Debtors (except the names of the five (5) Direct Debtors which Receivables have the highest aggregate Outstanding Balance).
- 3.1.10 The Due Diligence Agent shall publish the Due Diligence Report on the website [www.imtutilizacion.com] by no later than the end of the month in which the Due Diligence Report has been prepared in accordance with the provisions above. Where a new Due Diligence Report has to be prepared as described above, the Due Diligence Agent shall publish the Due Diligence Report on the website www.imtutilizacion.com as soon as reasonably practicable after the new Due Diligence Report has been prepared.

4. FEES, COSTS AND EXPENSES OF THE DUE DILIGENCE AGENT

4.1 Fees

The Issuer shall pay to the Due Diligence Agent EUR60,000.00 per annum (plus any applicable value added tax). The fees include the services to be performed by the Due Diligence Agent for the production of the Due Diligence Report.

4.2 Expenses

The Issuer shall in addition pay the Due Diligence Agent all expenses (including, without limitation, third party fees such as access to RAI, Experian, ASNEF

(Equifax), Spanish Commercial Registers' records, legal fees and any fees incurred and any publication, communication, courier, postage and other out-of-pocket expenses, etc.) to be properly incurred and documented in connection with its services hereunder (plus any applicable value added tax).

4.3 **Deferral**

All amounts payable by the Issuer to the Due Diligence Agent under this Agreement will, unless expressly indicated otherwise, be paid in arrears, on each Interest Payment Date, and will be considered as *Expenses* as defined under the *Glossary of Terms* and subject to the relevant *Priority of Payments* in accordance with the *Prospectus*. To the extent that the Available Revenue Funds as applied in accordance with the Priority of Payments are insufficient to pay in full any amount to be paid thereunder, such amounts shall be deemed not to be due and payable on that Interest Payment Date and shall be deemed to be due and payable on the next succeeding Interest Payment Date (subject to this Clause 4.3 (*Deferral*) as applied on the next succeeding Interest Payment Date).

5. **TERMINATION OF APPOINTMENT OF DUE DILIGENCE AGENT**

5.1 **Termination by the Due Diligence Agent**

The appointment of the Due Diligence Agent as due diligence agent under this Agreement may be terminated by the Due Diligence Agent on the date falling 90 days after the date of receipt by the Issuer and the Trustee of written notice from the Due Diligence Agent of its intention to terminate its appointment as Due Diligence Agent under the terms of this Agreement provided that another person shall be appointed as a substitute due diligence agent, such appointment to be effective not later than the date of such termination.

5.2 **Termination by Notice**

The appointment of the Due Diligence Agent under this Agreement may be terminated by the Issuer (prior to the service of an Enforcement Notice) or the Trustee (following the service of an Enforcement Notice) upon the expiry of not less than 90 days' prior notice of termination given by the Issuer or the Trustee (as applicable) to the Due Diligence Agent.

5.3 **Automatic Termination**

This Agreement shall terminate automatically upon the Maturity Date or, if earlier, the discharge of all Secured Amounts.

6. **LIABILITY OF THE DUE DILIGENCE AGENT**

The Due Diligence Agent will not be liable of any harm and/or damage that are consequence of the omission of information or documentation that should be provided by the Issuer or any other party, if applicable. The Due Diligence Agent will not be liable of any inaccuracy, error or falsehood of any information or documentation received by it through any means, electronic or hard copy, of such agents that, in good

faith and due diligence, considers to be reasonably correct and genuinely issued by them.

The Seller shall indemnify, in terms that hold harmless up to the total fees actually paid by the Issuer to the Due Diligence Agent during for a maximum period of one year, each the Due Diligence Agent, its partners and individuals designated as representatives against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs otherwise than by reason of its own negligence, willful misconduct, or fraud, as a result or arising out of or in relation to the services to be performed by the Due Diligence Agent hereunder.

In no event shall the Due Diligence Agent's aggregate cumulative liability arising out of or relating to the Due Diligence Services provided under this Agreement exceed the total fees actually paid by the Issuer to the Due Diligence Agent during for a maximum period of one year.

7. CONFIDENTIALITY

Save so far as may be necessary for the purposes of the performance of its obligations and the exercise of its rights under this Agreement and the documents referred to herein, none of the parties hereto shall at any time disclose to any person, firm or company whatsoever (except with the authority of the other parties hereto or unless required to disclose the same pursuant to any law or order or decree of any court or pursuant to any direction, request or regulation of any central bank or any governmental or other authority, or, in the case of the Trustee, to comply with its duties and obligations under or pursuant to the Trust Deed and Deed of Charge), any information relating to the business, finances or other matters of a confidential nature of any other party of which it may, in the course of its duties hereunder or otherwise, have become possessed and all the parties hereto shall use all reasonable endeavours to prevent any such disclosure as aforesaid, **provided that** none of the parties hereto shall be in breach of their obligations in this Clause 7 in respect of any information given to:

- 7.1.1 a prospective new Due Diligence Agent or Trustee in connection with the replacement of the current Due Diligence Agent or Trustee;
- 7.1.2 in respect of any information reasonably required by and given to the Rating Agencies; or
- 7.1.3 in respect of information given to the professional or financial advisers of any of the Issuer,

and **provided that** the Due Diligence Agent shall not be in breach of this Clause 7 by disclosure to related companies of the Due Diligence Agent.

8. ASSIGNMENT

8.1 No assignment without prior written consent

No party may assign, transfer or create any interest in or over its rights or obligations under this Agreement to any other person without the prior written consent of each of the other parties to this Agreement save that:

8.1.1 the Issuer shall be entitled to assign by way of security all or any of its rights under this Agreement without such consent to the Trustee; and

8.1.2 the Trustee may at its sole discretion assign all or any of its rights under or in respect of this Agreement without such consent to any successor Trustee.

8.2 Acknowledgement of the Due Diligence Agent

The Due Diligence Agent acknowledges that on the assignment pursuant to the Deed of Charge by the Issuer to the Trustee of the Issuer's rights under this Agreement, the Trustee may enforce such rights in the Trustee's own name without joining the Issuer in any such action (and the Due Diligence Agent waives its right to require such joining). The Due Diligence Agent waives, in relation to the Trustee, all rights or equities in the Due Diligence Agent's favour arising from any course of dealing between the Due Diligence Agent and the Issuer.

9. FURTHER ASSURANCE

Each party (other than the Trustee) agrees that it will co-operate fully to do all such further acts and things and execute any further documents as may be necessary or desirable in order to give full effect to the arrangements contemplated by this Agreement, and for enforcing all rights, powers, authorities and discretions hereby or by law conferred on the Issuer and the Trustee.

10. ROLE OF TRUSTEE

10.1 No responsibility for information

The Trustee shall not have any responsibility for the accuracy and/or completeness of any information supplied in connection with this Agreement.

10.2 No duty to monitor

The Trustee shall not have any duty to monitor or supervise the performance by the Due Diligence Agent of its duties and obligations under this Agreement or any other the Transaction Document (and the Trustee shall be entitled to assume that the Due Diligence Agent is performing its duties and obligations thereunder until it has actual knowledge to the contrary) nor shall the Trustee be in any way liable for any Liability suffered by any party hereto or any other party resulting from the appointment of the Due Diligence Agent or the acts or omissions of the Due Diligence Agent or any of its agents, sub-contractors, representatives or delegates in the discharge of any of the duties and obligations the Due Diligence Agent is obliged to perform.

11. RIGHTS AND POWERS OF TRUSTEE

Any power or right which may be exercised or determination which may be made under this Agreement by the Trustee may be exercised or made in the Trustee's absolute discretion without any obligation to give reasons therefor and the Trustee shall not be responsible for any liability occasioned by so acting.

12. NON-PETITION AND LIMITED RECOURSE

12.1 No proceedings against the Issuer

Only the Trustee may pursue the remedies available under the general law and/or under this Agreement to enforce any amounts due and payable under this Agreement and the Due Diligence Agent shall not be entitled to proceed directly against the Issuer to enforce such amounts. In particular, the Due Diligence Agent agrees and acknowledges to each of the Issuer and the Trustee, and the Trustee agrees with and acknowledges to the Issuer, that:

12.1.1 the Due Diligence Agent is not entitled to direct the Trustee to enforce any amounts due and payable under this Agreement or take any proceedings or action against the Issuer to enforce such amounts;

12.1.2 the Due Diligence Agent shall not have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amounts due and payable from the Issuer under this Agreement;

12.1.3 neither the Due Diligence Agent nor any person(s) acting on its behalf shall initiate or join any person in initiating an Issuer Insolvency Event or the appointment of an Insolvency Official in relation to the Issuer other than a Receiver or an administrator appointed under clause 13 (*Receiver*) of the Security Deed; and

12.1.4 the Due Diligence Agent shall not be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

12.2 Limited Recourse

The Due Diligence Agent agrees with and acknowledges to each of the Issuer and the Trustee, and the Trustee agrees with and acknowledges to the Issuer, that if at any time following:

12.2.1 the occurrence of either:

- (a) the Maturity Date or any earlier date upon which all of the Notes are due and payable; or
- (b) the service of an Enforcement Notice; and

12.2.2 the realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes and the Transaction Documents in accordance with the applicable Priorities of Payments;

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priorities of Payments, to pay in full all amounts then due and payable under this Agreement, then the amount remaining to be paid (after such application in full of the amounts first referred to in Clause 12.2.2 above) under this Agreement shall, following such application in full of the amounts referred to in 12.2.2 above, cease to be due and payable by the Issuer.

For the purposes of this Clause 12.2, "**Realisation**" means, in relation to any Charged Property, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Charged Property and, for the avoidance of doubt, any realisation of assets purported to be Charged Property regardless of whether or not the security created over such assets is validly created, and including (without limitation) through sale or through performance by an obligor.

13. **COUNTERPARTS**

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

14. **GOVERNING LAW AND JURISDICTION**

14.1 This Agreement, all matters arising from or connected with, and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of Spain.

14.2 Each of the parties hereto irrevocably agrees that the courts of the city of Madrid (Spain) shall have exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of, or in connection with, this Agreement or any non-contractual obligation arising out of or in connection with it and, for such purposes, irrevocably submits to the jurisdiction of such courts.

15. **PROVISIONS RELATING TO THE TRANSACTION DOCUMENTS**

15.1 **Acknowledgement of the Transaction Security**

The Due Diligence Agent:

15.1.1 acknowledges the Transaction Security created by the Trust Documents;

15.1.2 undertakes to the Trustee not to do anything inconsistent with the Transaction Security or the terms of the Transaction Documents;

15.1.3 acknowledges that the Transaction Security is held by the Trustee for the benefit of all the Secured Creditors and that any Receiver shall be appointed by the Trustee for the benefit of all the Secured Creditors;

15.1.4 acknowledges the existence of the rights conferred on the Noteholders by Condition 10 (*Events of Default*) and Condition 11 (*Enforcement*); and

15.1.5 acknowledges that this Clause 15.1 constitutes irrevocable notice in writing to the Due Diligence Agent of the assignment of all of the Issuer's rights in

respect of the Charged Documents under clause 5.3 (*Charged Documents*) of the Security Deed and that subject to Clause 15.1.6 below, the Issuer authorises and instructs each of the Secured Creditors (other than the Trustee), in relation to the Issuer's rights (but not its obligations) under the relevant Charged Document(s), to deal with the Trustee without reference to the Issuer.

15.1.6 acknowledges and consents to the assignment referred to in Clause 15.1.5 above and confirms that:

- (a) the Issuer may, notwithstanding such assignment, exercise its rights, powers and discretions and perform its obligations in relation to the Charged Property and under the Transaction Documents in accordance with the provisions of the Transaction Documents or (as the case may be) such other documents or arrangements; and
- (b) as of the date of this Agreement it has not received from any other person notice of any assignment, assignation or charge of any Charged Property.

15.2 **Receipt**

The Trustee is hereby authorised to execute on behalf of the Secured Creditors a receipt in respect of all or part only of the Secured Liabilities, as may be appropriate from time to time.

15.3 **Recoveries after Enforcement**

Except for moneys paid out by the Trustee pursuant to the Post-Enforcement Payments Priorities, all monies received or recovered by the Secured Creditors in respect of the Secured Liabilities after delivery of an Enforcement Notice (whether by way of set off, retention, compensation, balancing of accounts or otherwise) shall forthwith be paid to (and pending such payment held on trust for) the Trustee.

SCHEDULE 1
REVIEWED DATATAPE FIELDS AND ELIGIBILITY CRITERIA

Asset file structure

Field Name	Description	DD (Y/N)	Source
OpDel	Operation ID	Y	Physical Records/Gedesco DataBase
Internal Code	Receivable ID	Y	Physical Records/Gedesco DataBase
Indirect Obligor Group	Indirect debtor Group (not relevant for Special Claims where Collateral sheet applies)	Y	Physical Records/Gedesco DataBase
Indirect Obligor	Indirect debtor (not relevant for Special Claims where Collateral sheet applies)	Y	Physical Records/Gedesco DataBase
Indirect Obligor VAT	Indirect debtor VAT (not relevant for Special Claims where Collateral sheet applies)	Y	Physical Records/Gedesco DataBase
Direct Obligor	Direct Debtor	Y	Physical Records/Gedesco DataBase
Direct Obligor VAT	Direct Debtor VAT	Y	Physical Records/Gedesco DataBase
Amount Due	Outstanding Balance	Y	Physical Records/Gedesco DataBase
Purchase Amount	Amount financed by Toro	Y	Physical Records/Gedesco DataBase
Due Date	Final maturity date	Y	Physical Records
Operation Date	Financing Date	Y	Physical Records
Total Amount Paid	Amount paid	Y	Gedesco DataBase
Amount Overdue	Amount unpaid	Y	Gedesco DataBase
Defaulted	Confirmation if the Receivable is Default or not	Y	Gedesco DataBase
Payer	Paid by indirect/direct debtor	N	
Indirect Obligor CNAE	Indirect Debtor CNAE (not relevant for Special Claims where Collateral sheet applies)	Y	Physical Records/Gedesco DataBase
Indirect Obligor Industry Code	Indirect Debtor Industry Code (not relevant for Special Claims where Collateral sheet applies)	Y	Gedesco DataBase
Indirect Obligor Industry	Indirect Debtor Industry Class (not relevant for Special Claims where Collateral sheet applies)	Y	Gedesco DataBase
Toro Approved	Confirmation by the Servicer if the Receivable is eligible or not	N	
Status	Needed for Gedesco internal procedures	N	
Purchase Date (Send Date)	Purchase Date	N	
Status Date	Needed for Gedesco internal procedures	N	
Observations	Needed for operational communications between Gedesco-IM	N	
Payment	Payment corresponding to current period	N	
Transferor	Seller	N	
ID_DirectObligor	Direct debtor identification number	N	
ID_IndirectObligor	Indirect debtor identification number (not relevant for Special Claims where Collateral sheet applies)	N	
ID Status	Needed for Gedesco internal procedures	N	
ID_IndirectObligorGROUP	Indirect debtor group identification number (not relevant for Special Claims where Collateral sheet applies)	N	
Issue_Date	Receivable Issue date	Y	Physical Records
Expenses	Extra income due to late fees	N	
Indirect Obligor Rating	Indirect Debtor Rating	Y	Gedesco DataBase
Direct Obligor Rating	Direct Debtor Rating	Y	Gedesco DataBase
Max. Collateral Rating	Maximum collateral rating , used if the operation has more than one collateral	Y	Gedesco DataBase
Assets Rating	Internal scoring: Maximum rating between collateral and debtors	Y	Gedesco DataBase
Indirect Obligor Bloomberg	Minimum public rating of indirect debtor	Y	Bloomberg
Direct Obligor Bloomberg	Minimum public rating of direct debtor	Y	Bloomberg
Indirect Obligor Public	Indirect debtor is a municipality/ linked to public sector	Y	Physical Records/Gedesco DataBase
Direct Obligor Public	Direct debtor is a municipality/ linked to public sector	Y	Physical Records/Gedesco DataBase
Direct Obligor Group	Direct debtor group	Y	Gedesco DataBase
Direct Obligor CNAE	Direct Debtor CNAE	Y	Gedesco DataBase
Direct Obligor Industry Code	Direct Debtor Industry Code	Y	Gedesco DataBase
Direct Obligor Industry	Direct Debtor Industry Class	Y	Gedesco DataBase
Type of Product	See proposed mapping in col. E	N	
Yield	Receivable Yield	N	
Renewal	Confirmation if the Receivable is a renewal or not	Y	Gedesco DataBase

# Renewal	Number of renewals since the date of incorporation to the SPV	Y	Gedesco DataBase
Dt. 1st Operation	Direct Debtor first Operation Date	N	
ID_DirectObligor_GROUP	Direct debtor group identification number	Y	Gedesco DataBase
ID_Type_Product	Used for operational reasons	N	
Secured_Asset	Secured receivable	Y	Physical Records/Gedesco DataBase
Special_receivable	Special claim	Y	Physical Records/Gedesco DataBase
Security_receivable	Security claim	Y	Physical Records/Gedesco DataBase

Atributos	36
Expediente Físico	18
BBDD Gedesco	31

Collateral File Structure

Field Name	Description	DD (Y/N)	Source
OpDel	Operation ID	Y	Physical Records/Gedesco DataBase
Collateral	Name of the guarantor (Indirect Debtor for Special Claims)	Y	Physical Records/Gedesco DataBase
Collateral Group	Guarantor group (Indirect Debtor for Special Claims)	Y	Gedesco DataBase
VAT - CIF	Guarantor Fiscal ID (Indirect Debtor for Special Claims)	Y	Physical Records/Gedesco DataBase
Collateral Rating	Guarantor internal rating (Indirect Debtor for Special Claims)	Y	Gedesco DataBase
Collateral Bloomberg	Guarantor public rating (Indirect Debtor for Special Claims)	Y	Bloomberg
Notary Collateral	Notarized (Yes/No)	Y	Physical Records
Notify Collateral	Notified (Yes/No)	Y	Physical Records
Amount	Guarantee Balance	Y	Physical Records/Gedesco DataBase
Type	Type of guarantee	Y	Physical Records
ID_Type	Guarantee code	N	
ID_Collateral	Guarantor ID	N	
ID_Collateral_Group	Guarantor group ID	N	
Special receivable	Special Claim	Y	Physical Records
Security receivable	Security Claim	Y	Physical Records
3rd Parties	Guarantor other than direct or indirect debtor (Yes/No)	Y	Physical Records

Atributos	13
Expediente Físico	10
BBDD Gedesco	6

Eligibility Criteria

Criteria	Concept (*)	Prospectus	Scope	Source	
Denomination	Receivable	Receivables Eligibility Criteria	b	Receivable Currency Euro	Physical Records
Origination	Receivable	Receivables Eligibility Criteria	c	The Receivable has been originated pursuant an Eligible Funding Document	Physical Records/Gedesco DataBase
Pagará	Receivable	Receivables Eligibility Criteria	f	In case of PN, it contains relevant mentions pursuant Law 19/1985	Physical Records
Identification	Receivable	Receivables Eligibility Criteria	j	Receivable can be identified for ownership on any day	Physical Records/Gedesco DataBase/Audited data
Arrears	Receivable	Receivables Eligibility Criteria	l	Receivable not due and unpaid for more than 5 days	Physical Records/Gedesco DataBase
Assignment	Receivable	Receivables Eligibility Criteria	n	Receivable does not contain any restriction on assignment or any relevant consent has been obtained	Physical Records
Payments	Receivable	Receivables Eligibility Criteria	o	The Debtor s been directed to make all payments to the Originator Account	Physical Records/Gedesco DataBase
Maximum term	Receivable	Receivables Eligibility Criteria	s	Receivable is payable in full no later that one year from its Purchase Date	Physical Records
Maximum maturity	Receivable	Receivables Eligibility Criteria	t	Receivable is payable in full no later than the fifth Business Day preceding the Scheduled Maturity Date	Physical Records
Jurisdiction	Receivable	Receivables Eligibility Criteria	u	Receivable is governed by the laws of Spain	Physical Records
Pagará a la Orden	Receivable	Receivables Eligibility Criteria	v	Endoso en blanco	Physical Records
Pagará no a la orden	Receivable	Receivables Eligibility Criteria	w	Receivable in possession of the Offer Agent on the Relevant Purchase Date	Physical Records
Rollover	Receivable	Receivables Eligibility Criteria	x	Permitted Rollover	Gedesco DataBase
Scoring	Receivable	Receivables Eligibility Criteria	y	Any of the Debtors has an Internal Scoring of "A"	Audited Data
No retention	Receivable	Receivables Eligibility Criteria	aa,bb,v	Amount of the Receivable, PN or Factoring Receivable has been fully paid by the Seller to the relevant Debtor, such amount having not been retained in whole or in part by the Seller;	Physical Records/Gedesco DataBase
Sole Lender	Receivable	Receivables Eligibility Criteria	cc	The Seller is the sole lender under the relevant Loan Agreement	Physical Records
Notification	Receivable	Factoring Claims Eligibility Criteria, Special Claims Eligibility Criteria, and Collateral Claims Eligibility Criteria	m,l and k	The Debtor of the Receivable has been notified of the Seller's ownership	Physical Records
Information	Funding Document	Eligible Funding Document	b	No limitation to disclose information to Relevant Transaction Parties	Physical Records
Documento Público	Funding Document	Eligible Funding Document	c and d	Funding Document executed by means of a <i>Documento Público (escritura pública o póliza)</i>	Physical Records
Factoring Recourse	Funding Document			The Relevant Funding Document contains a recourse clause to the Direct Debtor	Physical Records
Corporate	Debtor	Eligible Debtor	a and c	The Debtor is a corporate with billing address in Spain	Physical Records/Gedesco DataBase
Insolvency	Debtor	Eligible Debtor	b	The Debtor is not insolvent or subject to insolvency proceedings at the Relevant Purchase Date	Physical Records/Gedesco DataBase
No Cross default	Debtor	Eligible Debtor	d	The Debtor is not in default under any other loan or financing advanced by the Seller	Gedesco DataBase
No RAI	Debtor	Eligible Debtor	e	The Debtor is no it is not included in RAI, Experian or ASNEF (Equifax)	Gedesco DataBase
Eligible CNAE	Debtor	Eligible Debtor	h	The Debtor does not belong to the [real estate-construction sector with industry code 47 of the Industry Classification	Physical Records/Gedesco DataBase
Qualifying Portfolio Concentration	Portfolio	Portfolio Requirements	a	the Outstanding Balance of any Qualifying Portfolios does not exceed 5% of the Portfolio Maximum Amount	Audited Data
Direct Group Unsecured Portfolio Concentration	Portfolio	Portfolio Requirements	b	the aggregate Outstanding Balance of any Direct Group Unsecured Portfolio other than a Qualifying Portfolio does not exceed 3% of the Portfolio Maximum Amount	Audited Data
Direct Group Secured Portfolio Concentration	Portfolio	Portfolio Requirements	c	the aggregate Outstanding Balance of any Direct Group Secured Portfolio other than a Qualifying Portfolio does not exceed 3.5 % of the Portfolio Maximum Amount	Audited Data
Largest Direct Industry Portfolio Concentration	Portfolio	Portfolio Requirements	d	the aggregate Outstanding Balance of the Direct Industry Portfolio with the largest aggregate Outstanding Balance does not exceed 30% of the Portfolio Maximum Amount	Audited Data
Second Largest Direct Industry Portfolio Concentration	Portfolio	Portfolio Requirements	e	the aggregate Outstanding Balance of the Direct Industry Portfolio with the second largest aggregate Outstanding Balance does not exceed 20% of the Portfolio Maximum Amount	Audited Data
Direct Public Portfolio Concentration	Portfolio	Portfolio Requirements	f	the aggregate Outstanding Balance of the Direct Public Portfolio does not exceed 5% of the Portfolio Maximum Amount	Audited Data
Portfolio weighted average maturity	Portfolio	Portfolio Requirements	g	the weighted average maturity of the Receivables Portfolio does not exceed 4 months, provided that, for the purposes only of this Portfolio Requirement, the amount of Qualifying Cash shall be deemed to be a Receivable with a maturity of fifteen (15) days	Audited Data
Indirect Unrated Group Portfolio Concentration	Portfolio	Portfolio Requirements	h	the aggregate Outstanding Balance of any Indirect Unrated Group Portfolio does not exceed 7.5 % of the Portfolio Maximum Amount	Audited Data
Indirect Rated Group Portfolio Concentration	Portfolio	Portfolio Requirements	i	the aggregate Outstanding Balance of any Indirect Rated Group Portfolio does not exceed 20 % of the Portfolio Maximum Amount	Audited Data
Indirect Public Portfolio Concentration	Portfolio	Portfolio Requirements	j	the aggregate Outstanding Balance of the Indirect Public Portfolio does not exceed 5% of the Portfolio Maximum Amount	Audited Data

(*) Receivable is referred to Eligible Receivables, Eligible Factoring Claims, Eligible Special Claims and Eligible Collateral Claims

Atributos	35
Expediente Físico	20
BBDD Gedesco	10

SCHEDULE 2
MASTER DEFINITIONS SCHEDULE

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SCHEDULE 1
MASTER DEFINITIONS SCHEDULE

1. **DEFINITIONS**

Except where the context otherwise requires, the following defined terms used in the Transaction Documents have the meanings set out below (as the same may be amended, restated and/or supplemented from time to time):

"Accounting Reference Date" means, in each year, in respect of the Issuer, the date represented and warranted by the Issuer in Paragraph 4 (*Accounting Reference Date*) of Part A of Schedule 3 (*Issuer's Representations and Warranties*) of the Incorporated Terms Memorandum;

"Account Bank" means, as at the Issue Date, Citibank, N.A., London Branch together with any additional or replacement account banks duly appointed from time to time;

"Account Bank Agreement" means the account bank agreement dated the Issue Date among the Issuer, the Cash Manager, the Account Bank and the Trustee;

"Account Bank Fees" means the fees payable by the Issuer to the Account Bank in accordance with the Account Bank Agreement;

"Account Bank Rating" means any of the following ratings:

- (a) short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least P-2 by Moody's; and
- (b) short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least A-2 by S&P,

or, in either case, such lower rating as agreed by the Issuer (acting upon the instructions of the Majority Noteholders);

"Accounts Final Delivery Date" means, in respect of each of the Issuer, the date which is 5 days after its Accounting Reference Date;

"Additional Account" means any account in the name of the Issuer at the Account Bank or any other bank created after the Issue Date established pursuant to and in accordance with the Account Bank Agreement;

"Additional Advance" means an additional advance that may be made by the Subordinated Loan Provider to the Issuer in accordance with the Subordinated Loan Agreement.

"Additional Purchase Date" means (i) the Madrid/Valencia Business Day in the Revolving Period immediately following each Offer Date and (ii) in respect of the Offer Date falling on 19 February 2018, 26 February 2018;

"Additional Purchase Price" means, in respect of an Additional Receivables Portfolio, the amount of the consideration paid or to be paid for the purchase of such

Additional Receivables Portfolio on the related Additional Purchase Date, such amount being equal to:

- (a) the Initial Additional Purchase Price; and
- (b) the Deferred Purchase Price payable on each Interest Payment Date in accordance with the Priorities of Payments; and
- (c) the Additional Remuneration payable on each Interest Payment Date in accordance with the Priorities of Payments;

"Additional Receivables Portfolio" means any Receivables acquired by the Issuer pursuant to the Receivables Sale Agreement on an Additional Purchase Date;

"Additional Receivables Portfolio Identification File" means, in relation to any Additional Receivables Portfolio, an electronic file containing, at least, the information on each Receivable in that Additional Receivables Portfolio set forth in the Receivables Sale Agreement;

"Additional Remuneration" means, in relation to each Interest Payment Date:

- (a) during the Revolving Period, an amount equal to the Available Receipts on such Interest Payment Date remaining (if any) after making payment of the items described in (1) to (7) (inclusive) of the Revolving Period Priority of Payments; and
- (b) after the end of the Revolving Period, an amount equal to the lower of:
 - (i) an amount equal to the Available Receipts on such Interest Payment Date remaining (if any) after making payment of (as applicable): (a) the items described in (1) to (9) (inclusive) of the Amortisation Period Priority of Payments, or (b) the items described in (1) to (7) (inclusive) of the Post-Enforcement Priority of Payments; and
 - (ii) the sum of amounts determined for each relevant Receivable and representing the excess (if any) of the Outstanding Balance of each Receivable (determined by reference to the Purchase Date of such Receivable) which has been paid within the Collection Period preceding such Interest Payment Date over its Funding Base;

"Additional Reserve Fund Advance" has the meaning given to it in Condition 2 (*Definitions*);

"Adverse Claim" means any ownership interest, charge, encumbrance, proprietary or security interest, right of retention, retention of title, lien or other right or claim in, over or on any person's assets or properties in favour of any other person;

"Affiliate" means, with respect to a specified person, any other person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the specified person, and the term "control" (including the terms controlling, controlled by and under common control with)

means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise;

"**Agency Agreement**" means the agency agreement dated the Issue Date among, *inter alios*, the Issuer, the Paying Agents, the Agent Bank and the Trustee;

"**Agent Bank**" means the person duly appointed as agent bank from time to time under the Agency Agreement who, as at the Issue Date, is Citibank, N.A., London Branch;

"**Agents**" means the Agent Bank and the Paying Agent and "**Agent**" means any one of them;

"**Agents' Fees**" means fees payable to the Agents under the Agency Agreement;

"**Amortisation Period**" means the period commencing on the Business Day following the end of the Revolving Period and ending on the earlier of: (i) the date of an Event of Default and (ii) the Scheduled Maturity Date;

"**Amortisation Period Priority of Payments**" means the provisions relating to the order of priority of payments set out in Schedule 3 (*Priorities of Payment*), section 2 (*Amortisation Period Priority of Payments*) of the Cash Management Agreement;

"**Ancillary Rights**" means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including without limitation any security interests, guarantees or indemnities in respect of such Right;

"**Applicable Additional Remuneration**" means (i) in respect of any date of determination falling prior to the first Interest Payment Date; and (ii) in respect of any date of determination falling thereafter, the amount of Additional Remuneration paid (whether in cash or by way of set-off) to the Seller on the Interest Payment Date falling immediately prior to the relevant date of determination;

"**Applicable Law**" means any law or regulation including, but not limited to: (a) any domestic or foreign statute or regulation; (b) any rule or practice of any Governmental Authority, stock exchange or self-regulatory organisation with which each Party is bound or accustomed to comply; and (c) any agreement entered into by the Parties and any Governmental Authority or between any two or more Governmental Authorities;

"**Appointee**" means any attorney, manager, agent, delegate, nominee, custodian, co-trustee or other person appointed by the Trustee under the Trust Deed or the Security Deed;

"**Arranger**" means Nomura International plc;

"**Assigned Rights**" means the Benefit of the Receivables, the Ancillary Rights (including the Claims) and the Funding Document assigned or to be assigned to the Issuer by the Seller in accordance with the terms of the Receivables Sale Agreement;

"Assignment Agreement" means an assignment agreement in, or substantially in, the form of the document so named set out in Schedule 5 of the Receivables Sale Agreement;

"Authorised Recipients" means any Citi Organisation and any agents of the Agents and third parties (including service providers) selected by any of them, wherever situated;

"Authorised Signatory" means, in relation to any Transaction Party, any person who is duly authorised and in respect of whom a certificate has been provided signed by a director or another duly authorised person of such Transaction Party setting out the name and signature of such person and confirming such person's authority to act;

"Available Collections" means, in relation to each Offer Date, an amount calculated by the Cash Manager equal to the balance standing to the credit of the Collection Account at close of business on the Business Day immediately preceding such Offer Date;

"Available Receipts" means, in relation to each Interest Payment Date an amount, calculated by the Cash Manager on or before the immediately preceding Calculation Date, equal to the sum of:

- (a) the balance standing to the credit of the Collection Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period;
- (b) the balance standing to the credit of the Principal Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period; and
- (c) the balance standing to the credit of the Reserve Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period;

"Back-Stop Date" means 2 March 2018;

"Back-Up Servicer" means a back-up Servicer to be appointed by the Issuer under the Servicing Agreement in case of occurrence of the Back-Up Servicer Appointment Event;

"Back-Up Servicer Appointment Event" means the occurrence of any of the following events:

- (a) any Servicer Event;

- (b) any Termination Event;
- (c) a failure by the Servicer to deliver any datatape on its due date (whether or not subsequently cured);
- (d) a failure by the Servicer to make any payment required under the Servicing Agreement (whether or not subsequently cured);
- (e) a breach of the Servicer's other obligations under the Servicing Agreement (whether or not subsequently cured);
- (f) any event which with the passing of time or giving of notice would result in (a) to (e) above; or
- (g) any event or circumstance occurs which has had or is reasonably likely to have a material adverse effect on the condition, assets or business of the Servicer.

"Basic Terms Modification" means each of the following:

- (a) a modification of the date of maturity of any Notes or any other term which would have the effect of postponing any day for payment of interest thereon; or
- (b) reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes; or
- (c) altering the currency of payment of such Notes; or
- (d) altering the quorum or majority required in relation to passing a Basic Terms Modification;

"Benefit" means in respect of any Right held, assigned, conveyed, transferred, charged, sold or disposed of by any person shall be construed so as to include:

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;
- (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made, including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;
- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights;
- (d) the benefit of all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover,

receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and

- (e) all items expressed to be held on trust or, as applicable, custody for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach;

"Block Voting Instruction" means an English language document issued by a Paying Agent in which:

- (a) it is certified that on the date thereof Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:
 - (i) the conclusion of the meeting specified in such Block Voting Instruction; and
 - (ii) the Notes ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph (d) below of the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Notes so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;
- (c) the aggregate principal amount of the Notes so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such Block Voting Instruction (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction;

"Book-Entry Interests" means the beneficial interests in the Global Notes;

"Breach of Duty" means in relation to any person (other than the Trustee, the Agents and the Account Bank), a wilful default, fraud, illegal dealing, negligence or material

breach of any agreement or breach of trust by such person and in relation to the Trustee, the Account Bank, and each Agent means a wilful default, fraud or gross negligence by the Trustee or the relevant Agent or Account Bank (as the case may be);

"**Business Day**" means a day which is both 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 London, Dublin, Madrid;

"**Business Day Convention**" means the business day convention under which, where a relevant date falls on a day which is not a Business Day, that date will be adjusted so that it falls on the first following day that is a Business Day;

"**Calculation Date**" means the day falling three (3) Business Days prior to the Interest Payment Date;

"**Cash Call Amount**" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"**Cash Call Date**" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"**Cash Call Settlement Date**" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"**Cash Management Agreement**" means the cash management agreement dated the Issue Date between, among others, the Issuer, the Cash Manager, the Servicer and the Trustee;

"**Cash Management Fees**" means the fees payable by the Issuer to the Cash Manager in accordance with the Cash Management Agreement (other than the fees payable by the Issuer to the Cash Manager on the Issue Date);

"**Cash Management Services**" means the services provided under the Cash Management Agreement;

"**Cash Manager**" means the person appointed as cash manager from time to time under the Cash Management Agreement, which on the Issue Date is Intermoney Titulización, S.G.F.T., S.A.;

"**Cash Manager Covenants**" means the covenants of the Cash Manager set out in Schedule 6 (*Cash Manager Covenants*) of the Incorporated Terms Memorandum;

"**Cash Manager Termination Event**" has the meaning given to it in the Cash Management Agreement.

"**Cash Manager Warranties**" means the representations and warranties given by the Cash Manager set out in Schedule 4 (*Cash Manager's Representations and Warranties*) of the Incorporated Terms Memorandum and "**Cash Manager Warranty**" means any of them;

"Central Bank" means the Central Bank of Ireland;

"Change of Control of the Seller" means either:

- (a) JZ Business Services 6 B.V. or any of its affiliates cease directly or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, at least 50% of the maximum number of votes that might be cast at a general meeting of the Seller; or
 - (B) have the right to appoint or remove all, or the majority, of the directors or other equivalent officers of the Seller; or
 - (C) give directions with respect to the operating and financial policies of the Seller with which the directors or other equivalent officers of the Seller are obliged to comply; or
 - (ii) hold beneficially at least 50% of the issued share capital of the Seller; or
- (b) Antonio Aynat ceases directly or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Seller; or
 - (ii) hold beneficially more than 10% of the issued share capital of the Seller; or
 - (iii) be appointed as CEO of the Seller;

"Change of Control of the Servicer" means either:

- (a) JZ Gedhold BV (or any of its affiliates or directly owned funds) cease directly or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than 35% of the maximum number of votes that might be cast at a general meeting of the Servicer; or
 - (B) have the right to appoint or remove all, or the majority, of the directors or other equivalent officers of the Servicer; or

- (C) give directions with respect to the operating and financial policies of the Servicer with which the directors or other equivalent officers of the Servicer are obliged to comply; or
 - (ii) hold beneficially more than 35% of the issued share capital of the Servicer; or
- (b) Antonio Aynat ceases directly or indirectly to:
- (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than 15% of the maximum number of votes that might be cast at a general meeting of the Servicer; or
 - (B) cast, or control the casting of, more than 15% of the maximum number of votes that might be cast at a general meeting of the Servicer; or
 - (ii) be appointed as CEO of the Servicer; or
 - (iii) hold beneficially more than 20% of the issued share capital of the Servicer;

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with the Trust Deed;

"**Charged Accounts**" means the Issuer Accounts and any bank or other account in which the Issuer may at any time acquire a Benefit and over which the Issuer has created an Encumbrance in favour of the Trustee pursuant to the Security Deed;

"**Charged Documents**" means the Transaction Documents to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party (other than the Security Deed and the Trust Deed);

"**Charged Property**" means all assets and property of the Issuer which is subject to the security created by the Issuer in favour of the Trustee for it and the other Secured Creditors pursuant to the Security Deed;

"**Citi Organisation**" means Citigroup, Inc., Citibank, N.A., Citibank International Plc, their branches, subsidiaries and affiliates and anyone who succeeds them or to whom they assign their rights other than Citibank, N.A., London Branch;

"**Claims**" means any Factoring Claims, any Special Claims and any Collateral Claims;

"**Clearing System**" means each of Euroclear and Clearstream, Luxembourg;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Client Debtor**" means the client of the Seller under the Factoring Agreement;

"**Closing Cashflows Letter**" means the closing cashflows letter dated on or about the Issue Date between, among others, the Issuer, the Seller and the Arranger;

"**Closing Purchase Price**" means an amount equal to 75% of the Funding Base of the Initial Receivables Portfolio;

"**CoC Notice**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Acceptance Notice**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Date**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Noteholders**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Notes**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Option**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Option Notice**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**CoC Put Price**" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended;

"**Collateral Claims**" means any present or future receivables (other than Special Claims), assigned to the Seller by the relevant Direct Debtor to secure a Receivable;

"**Collateral Claims Eligibility Criteria**" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Collateral Claims;

"**Collateral Debtor**" means each obligor under any Collateral Claims;

"**Collateralised Receivable**" means any Receivable the payment of which is either guaranteed by means of a Guarantee or secured by means of a notarised assignment by the Direct Debtor to the Seller of Collateral Claims;

"**Collection Account**" means the account held in the name of the Issuer with the Account Bank for the purposes of holding the Collections;

"**Collection Period**" means:

- (a) in relation to each Interest Payment Date other than (i) the first Interest Payment Date falling after the Issue Date, (ii) the Extraordinary Interest

Payment Date and (iii) the first Interest Payment Date falling after the Effective Date, the calendar month preceding the month on which that Interest Payment Date falls;

- (b) in respect of the first Interest Payment Date falling after the Issue Date, the period running from the Initial Cut-Off Date until the last day of the calendar month preceding the month on which such first Interest Payment Date falls;
- (c) in respect of the Extraordinary Interest Payment Date, the period from 1 January 2018 until 31 January 2018; and
- (d) in respect of the first Interest Payment Date falling after the Effective Date, the period from 1 February 2018 until 28 February 2018;

"Collection Policy" means the administration and collection criteria and procedures employed by the Servicer from time to time in relation to the servicing of the Receivables in the form attached to the Servicing Agreement;

"Collections" means all payments due in respect of the Receivables;

"Common Safekeeper" means, in relation to the Notes, the common safekeeper, as elected by the Paying Agent pursuant to the Agency Agreement;

"Common Terms" means the provisions set out in Schedule 2 of the Incorporated Terms Memorandum;

"Companies Act" means Companies Act 2014 of Ireland, as amended;

"Conditions" means the terms and conditions of the Notes set out in the Trust Deed and as may be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such Conditions;

"Corporate Services Agreement" means the agreement dated the Issue Date among, *inter alios*, the Issuer, the Share Trustee and the Corporate Services Provider;

"Corporate Services Provider" means, as at the Issue Date, Wilmington Trust SP Services (Dublin) Limited whose registered office is Fourth Floor, 3 Georges Dock, I.F.S.C., Dublin 1, Ireland, in its capacity as such under the Corporate Services Agreement;

"Corporate Services Provider Fee" means the fees payable by the Issuer to the Corporate Services Provider in accordance with the Corporate Services Agreement;

"Credit Policy" means the origination, credit and underwriting criteria and procedures employed by the Seller from time to time in relation to the origination or acquisition of Receivables in the form attached to the Receivables Sale Agreement;

"CRS" means Common Reporting Standard;

"Cut-Off Date" means the Initial Cut-Off Date and each Madrid/Valencia Business Day immediately preceding each Offer Date;

"**DAC2**" means Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU);

"**Day Count Fraction**" means, in respect of an Interest Period or the period in respect of which the Make Whole Amount accrues, the actual number of days in such period divided by 360;

"**Debtor**" means, as required by the context, any Direct Debtor, Indirect Debtor and/or Collateral Debtor;

"**Deemed Collection**" means a Collection which the Issuer shall be deemed to have received if, in relation to any Receivable, any of the following events occurs:

- (a) on any date after its Purchase Date, any Receivable is found not to have met the Eligibility Criteria as at its Purchase Date;
- (b) such Receivable and/or its related Claim(s) fail on any date after its Purchase Date to meet the criteria set forth in paragraphs (ii), (v), (vii), (viii), (xvi), (xvii) and (xxvi) of the Receivables Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiv) and (xv) of the Factoring Claims Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiii) and (xiv) of the Special Claims Eligibility Criteria and in paragraphs (i), (iii), (v), (vi), (xii) and (xiii) of the Collateral Claims Eligibility Criteria by reference to the facts and circumstances existing on such date;
- (c) the Direct Debtor of such Receivable becomes an affiliate of the Seller after its Purchase Date; or
- (d) a Shared Secured Receivable becomes at any time a Defaulted Receivable;

"**Deemed Collection Amount**" means an amount equal to the Deemed Collection;

"**Deemed Collection Date**" means the day on which the Seller becomes aware or is notified by the Issuer that a Deemed Collection has occurred;

"**Default Interest**" means two% per annum payable by the Issuer following the occurrence of the Event of Default and accruing from the date of Event of Default;

"**Defaulted Receivable**" means any Receivable which is due and unpaid for more than 5 calendar days or, in relation to a Receivable arising out of a Loan Agreement having a Receivable which is due and unpaid for more than 5 calendar days, all Receivables arising out of that Loan Agreement and any Receivable in respect of which the Debtor is insolvent or subject to bankruptcy or insolvency proceedings;

"**Defaults Discount**" means the fraction (expressed as a percentage), the numerator of which is the Outstanding Balance of all Defaulted Receivables not repurchased pursuant to the Defaults Repurchase Option or Defaults Repurchase Obligation on that Purchase Date and the denominator of which is the aggregate of the Outstanding Balance of all Receivables in the Receivables Portfolio and the balances then standing to the credit of the Principal Account and the Collection Account (excluding any amounts to be transferred to the Security Account or the Reserve Account on or about

such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination) on that Purchase Date;

"Defaults Obligations Repurchase Price" means an amount equal to the Outstanding Balance of the relevant Defaulted Receivable;

"Defaults Option Repurchase Price" means an amount equal to the Outstanding Balance of the relevant Defaulted Receivables;

"Defaults Repurchase Obligation" means the obligation of the Seller on each Calculation Date to repurchase from the Issuer all outstanding Receivables which became Defaulted Receivables during the immediately preceding Collection Period and, where any Additional Purchase Date falls after the end of a Collection Period, also during the period from the end of that Collection Period and the latest Additional Purchase Date to fall after the end of that Collection Period, in each case, at the Defaults Obligations Repurchase Price;

"Defaults Repurchase Option" means the option of the Seller, on any day, to repurchase from the Issuer any Defaulted Receivable at a Defaults Option Repurchase Price;

"Deferred Purchase Price" or **"DPP"** means, in respect of any Additional Receivables Portfolio to be sold to the Issuer:

- (a) prior to (and excluding) the Effective Date, an amount equal to:
 - (i) 25% of the Funding Base of the Eligible Receivables in the relevant Additional Receivables Portfolio until such time as the aggregate Deferred Purchase Price is equal to EUR40,000,000; and
 - (ii) EUR 0 (zero) afterwards; and
- (b) after (and including) the Effective Date, an amount equal to:
 - (i) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to be sold on the relevant date of determination) is lower than or equal to EUR160,000,000, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to EUR 42,500,000;
 - (ii) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to be sold on the relevant date of determination) is higher than EUR160,000,000.00 and lower than or equal to EUR241,153,846.15, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to the lower of:

- (A) an amount equal to the higher of (X) the aggregate Deferred Purchase Price determined on the previous determination date, and (Y) the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio) multiplied by the Relevant DPP Percentage; and
 - (B) EUR 55,000,000.00; and
- (iii) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to be sold on the relevant date of determination) is higher than EUR 241,153,846.15 and lower than or equal to EUR 285,000,000.00, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to the lower of:
- (A) the Relevant DPP Threshold; and
 - (B) the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio) multiplied by the Relevant DPP Percentage,

provided that where the Subordinated Loan Provider exercised its right to provide an additional advance under the Subordinated Loan Agreement for the purposes of paragraph (m) of the definition of Termination Event, the references in this definition to the aggregate Deferred Purchase Price being equal to the Relevant DPP Threshold shall be deemed to refer to the sum of (X) the aggregate Deferred Purchase Price plus (Y) the amount of such advance being equal to the Relevant DPP Threshold;

"Definitive Notes" means any Notes issued in definitive bearer form and serially numbered pursuant to Condition 1.3;

"Direct Debtor" means the client of the Seller who is a party to the relevant Funding Document (*i.e.*, any Client Debtor, any PN Debtor and any Loan Debtor);

"Direct Group Portfolio" means any Group Portfolio in relation to a Direct Debtor;

"Direct Industry Portfolio" means at any the time all of the outstanding Receivables owed by any Direct Debtors within the same Industry Class;

"Dispute" means a dispute arising out of or in connection with any Transaction Document (including a dispute regarding the existence, validity or termination of any Transaction Document) or relating to any non-contractual or other obligation arising out of or in connection with any Transaction Document or the consequences of its nullity;

"DPP Distributable Amount" means, on any date of determination, an amount equal to:

- (a) if the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio on that date is lower than or equal to EUR55,000,000, zero; or
- (b) if the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio on that date is greater than EUR55,000,000, the lower of:
 - (i) any positive difference between (X) minus (Y), where (X) is the amount of the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio on that date and (Y) is the product of the Funding Base of all outstanding Performing Receivables sold to the Issuer multiplied by 22.807017544 per cent.; and
 - (ii) such amount as will result in the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio immediately following the distribution of such amount being equal to EUR55,000,000,

provided that where the distribution of the amount calculated in accordance with the provisions above would result in a breach of the Portfolio Requirements, it shall be reduced such that following its payment there is no breach of the Portfolio Requirements;

"Due Diligence Agent" means Issuer Solutions S.L.;

"Due Diligence Agent Letter" means a letter so named between *inter alios* the Issuer and the Due Diligence Agent dated on or about the Effective Date;

"Due Diligence Report" means a report in relation to the then existing Receivables Portfolio prepared by the Due Diligence Agent on a quarterly basis (in each of March, June, September and December, starting from March 2018 and covering the period from November 2017 to February 2018);

"Early Redemption Date" means the Interest Payment Date on which the Seller exercises the Portfolio Repurchase Option pursuant to the Receivables Sale Agreement;

"Effective Date" means 26 February 2018;

"Eligible Claims" means any Eligible Factoring Claim, any Eligible Special Claim and any Eligible Collateral Claims.

"Eligibility Criteria" means the Receivables Eligibility Criteria, the Factoring Claims Eligibility Criteria, the Special Claims Eligibility Criteria and the Collateral Claims Eligibility Criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Collateral Claim" means a Collateral Claim which, as of the Purchase Date of the related Receivable, complies with the Collateral Claims Eligibility Criteria;

"Eligible Debtor" means a Debtor who satisfies the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Factoring Claim" means a Factoring Claim which, as of the Purchase Date of the related Receivable, complies with the Factoring Claims Eligibility Criteria;

"Eligible Funding Document" means a Funding Document which satisfies the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Person" means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a bearer of any Voting Certificate; and
- (b) a proxy specified in any Block Voting Instruction;

"Eligible Receivable" means a Receivable which, as of its Purchase Date, complies with the Receivables Eligibility Criteria;

"Eligible Receivables" means Receivables which satisfy the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Special Claim" means a Special Claim which, as of the Purchase Date of the related Receivable, complies with the Special Claims Eligibility Criteria;

"Encumbrance" means:

- (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

"Endorsable Promissory Note" means any Promissory Note which is not a Non-endorsable Promissory Note;

"Enforced Collections" means any collection of any Collateral Claim whose related Collateralised Receivable has become a Defaulted Receivable;

"Enforcement Notice" means a notice delivered by the Trustee to the Issuer and the Cash Manager in accordance with Condition 10 (*Events of Default*) which declares the Notes to be immediately due and payable;

"Estimated Special Claims Amount" means the expected amount of payments of Special Claims Amount (which shall be capped at €1,000,000 per week);

"EU Insolvency Regulation" means Regulation (EU) No. 2015/848 of 26 June 2015 (as amended);

"Euro" or **"EUR"** or **"€"** means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended;

"Euroclear" means Euroclear Bank S.A./N.V.;

"Event of Default" has the meaning given to it in Condition 10 (*Events of Default*);

"Exercise Date" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Expenses" means all amounts due and payable in relation to the Issuer's costs and indemnities payable by the Issuer, such as fees, costs, expenses, indemnities and all other amounts due to the Servicer, Corporate Services Provider, Paying Agent, Agent Bank, Account Bank, Cash Manager, the Due Diligence Agent and any other expenses of the Issuer, including, inter alia, any Tax, audit fees, legal fees and corporate expenses payable by the Issuer;

"Expenses Discount" means, in relation to each Purchase Date, the fraction (expressed as a percentage), the numerator of which is the aggregate of the estimated annualised Expenses and the denominator of which is the Principal Amount Outstanding of the Notes on that Purchase Date, such fraction multiplied by the number of days from that Purchase Date to the weighted average maturity date of the Receivables in the relevant Additional Receivables Portfolio divided by 360;

"Extension Request Notice" has the meaning given to it in Condition 7.6(a) (*Note Extension Option*);

"Extension Test Date" means the last day of the Revolving Period;

"Extraordinary Interest Payment Date" means 26 February 2018;

"Extraordinary Resolution" means (a) a resolution passed at a Meeting duly convened and held in accordance with the Trust Deed by a majority consisting not less than 50% (and in the case of the Basic Terms Modification, by not less than 75%) of the eligible persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting not less than 75% of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of the Noteholders of not less than 75% in aggregate Principal Amount Outstanding of the Notes then outstanding which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders;

"Factoring Agreement" means any agreement entered into by the Seller and a client whereby the Seller purchases from that client receivables owing to such client by third parties;

"Factoring Claims" means the receivables purchased by the Seller under a Factoring Agreement;

"Factoring Claims Eligibility Criteria" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Factoring Claims;

"Factoring Debtors" means each obligor under any Factoring Claims;

"Factoring Receivable" means a Receivable originated under a Factoring Agreement (which Receivable, for the avoidance of doubt, is the obligation of the Direct Debtor to pay the relevant Factoring Claim if this is not paid by the relevant Factoring Debtor);

"FATCA" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; and
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the United States Internal Revenue Service, the government of the United States of America or any governmental or taxation authority in any other jurisdiction;

"FATCA Withholding" means 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;

"Final Discharge Date" means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied (having received confirmation in writing to that effect) that all the Secured Liabilities have been paid or discharged in full;

"Financial Statements" means, in respect of any person, audited financial statements of such person for a specified period (including, a balance sheet, profit and loss account (or other form of income statement) and statement of cash flow);

"First ICC Period" means the period starting on the Initial Increase Payment Date and ending on the First ICC Period End Date;

"First ICC Period End Date" means the Interest Payment Date falling in April 2018;

"First Make Whole Period" means the period between the Effective Date and the third Interest Payment Date falling after the Effective Date (excluding such date);

"**Fitch**" means Fitch Ratings España S.A.U. and/or Fitch Ratings Ltd (as applicable) or any successor to their credit rating businesses;

"**Force Majeure Event**" means an event beyond the reasonable control of the person affected including strike, lock out, labour dispute, act of God, war, riot, civil commotion, epidemics, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, electricity power-cut, fire, flood and/or storm;

"**Foreign Transaction Party**" means a Transaction Party which is incorporated or domiciled in a jurisdiction other than England and Wales;

"**FSMA**" means the Financial Services and Markets Act 2000;

"**Full Datatapes**" means each Weekly Datatape and Monthly Datatape to be delivered by the Servicer to the Cash Manager, the Seller and the Issuer in accordance with the Servicing Agreement;

"**Funding Base**" means, in relation to the Initial Receivables Portfolio and each Additional Receivables Portfolio, an amount equal to the lower of:

- (a) the net amount (after deducting applicable haircuts, fees, commissions and/or other similar amounts) of finance provided by the Seller in respect of the Receivables in the relevant portfolio pursuant to the Funding Documents under which those Receivables arose or were acquired as specified by the Offer Agent in relevant Offer; and
- (b) the aggregate Outstanding Balance of the Receivables in that Portfolio multiplied by a percentage equal to 100% minus the Minimum Discount;

"**Funding Discount**" means (prior to the Effective Date) 5.9% and (from the Effective Date) 4.75% multiplied by the number of days from (and including) the Purchase Date to (and excluding) the weighted average maturity date of the Receivables in the relevant Additional Receivables Portfolio divided by 360;

"**Funding Documents**" means any Factoring Agreement, any Promissory Notes Program and any Loan Agreement;

"**Global Notes**" has the meaning given to that term in Condition 1.1;

"**Governmental Authority**" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or financial regulation and any public legal entity (*entidad de derecho publico*) dependent of any of the foregoing entities (excluding, for the avoidance of doubt, any corporate whose share capital belongs to one or more Governmental Authorities);

"**Group**" means in respect of any Debtor: (a) such debtor; (b) its holding company; (c) its subsidiaries; and (d) any other affiliate of such Debtor;

"**Group Portfolio**" means all of the outstanding Receivables or, as applicable, Security Claims owed by Debtors within the same Group (provided that, for the

purposes of the Portfolio Requirements, the aggregate Outstanding Balance of the Security Claims which are Special Claims will be deemed to be equal to the aggregate Outstanding Balance of the related Receivables);

"**Guarantee**" means any first-demand guarantee (*garantía abstracta a primer requerimiento*) issued by a Guarantor;

"**Guarantor**" means any legal entity duly incorporated and validly existing under the laws of Spain which has issued a first-demand guarantee (*garantía abstracta a primer requerimiento*) for the payment of the full Outstanding Balance of any Receivables;

"**holder**" means the bearer of a Note and the words "**holders**" and related expressions shall (where appropriate) be construed accordingly;

"**ICC Cut-off Date**" means the 8th Business Day prior to each Interest Payment Date falling in each ICC Period;

"**ICC Period**" means each of the First ICC Period, the Second ICC Period and the Third ICC Period;

"**Incorporated Terms Memorandum**" means the memorandum so named dated the Issue Date and signed for the purpose of identification by each of the Transaction Parties;

"**Increase Notice**" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"**Independence Indicator**" means, in respect of the client's classification process by the Seller, the indicator to confirm if the client belongs to a group of companies;

"**Indirect Debtor**" means any Factoring Debtor and any Special Debtor;

"**Indirect Public Portfolio**" means at any time all of the outstanding Security Claims owed by Indirect Debtors which are a Governmental Authority (excluding, for the avoidance of doubt, any corporate whose share capital belongs to one or more Governmental Authorities).

"**Indirect Rated Group Portfolio**" means any Group Portfolio in relation to an Indirect Debtor which has a Minimum Rating (including, for the avoidance of doubt, any corporate whose share capital belongs to one or more Governmental Authorities);

"**Indirect Unrated Group Portfolio**" means any Group Portfolio in relation to an Indirect Debtor which does not have a Minimum Rating;

"**Industry Class**" means the Seller internal code corresponding to the CNAE (*Clasificación Nacional de Actividades Económicas*) code of the Direct Debtor in the Mercantile Registry (*Registro Mercantil*), as set forth in the table attached as Schedule 14 to the Receivables Sale Agreement;

"Ineligible Receivable" means any Receivable which is found not to have met the Eligibility Criteria as at its Purchase Date or which fails on any date after its Purchase Date to meet the Permanent Eligibility Criteria;

"Initial Additional Purchase Price" means, in respect of an Additional Receivables Portfolio, the positive difference between the Funding Base and the Deferred Purchase Price for that Additional Receivables Portfolio;

"Initial Cut-Off Date" means 24 May 2016;

"Initial Increase Date" means 26 February 2018 or such later date as may be agreed between the Issuer and the Lead Manager;

"Initial Purchase Price" means the amount of the consideration paid by the Issuer for the purchase of the Initial Receivables Portfolio, such amount being equal to:

- (a) the Closing Purchase Price payable on the Issue Date; and
- (b) the Deferred Purchase Price payable on each Interest Payment Date in accordance with the Priorities of Payments; and
- (c) the Additional Remuneration payable on each Interest Payment Date in accordance with the Priorities of Payments;

"Initial Reserve Fund Advance" means an amount advanced by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement intended for the establishment of the Reserve Account on the Issue Date;

"Initial Receivables Portfolio" means the portfolio consisting of the Receivables purchased (or to be purchased) by the Issuer from the Seller on the Issue Date;

"Insolvency Event" means in respect of any entity (other than the Issuer, the Servicer, the Seller and the Cash Manager) (each a **"Relevant Entity"**) the occurrence of any of the following events:

- (i) an order is made or an effective resolution passed for the winding up of the Relevant Entity, except a winding up for the purposes of or pursuant to an amalgamation or reconstruction, the terms of which have previously been approved by the Trustee; or
- (ii) proceedings, corporate action or other steps shall be initiated against the Relevant Entity under any applicable liquidation, insolvency, sequestration, diligence, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) and (except in the case of presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) such proceedings are not, in the reasonable opinion

of the Trustee, being disputed in good faith with a reasonable prospect of success or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official shall be appointed in relation to the Relevant Entity or in relation to the whole or any substantial part of the undertaking or assets of the Relevant Entity, or an encumbrancer (other than the Issuer or the Trustee) shall take possession of the whole or any substantial part of the undertaking or assets of the Relevant Entity, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Relevant Entity and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within thirty days of its commencement, or the Relevant Entity (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; and

- (iii) any event occurs which, under Irish law, Spanish law or any applicable law, has an analogous effect to any of the events referred to in paragraphs (a), (b) or (c) above;

"Insolvency Official" means, in respect of any company, a liquidator, provisional liquidator, examiner, administrator (whether appointed by the court or otherwise), bank administrator, bank liquidator, administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction (including, without limitation, any administrator concursal);

"Insolvency Proceedings" means the winding-up, dissolution, examinership sequestration, company voluntary arrangement or administration of a company or corporation and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or of any jurisdiction in which such company or corporation carries on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief from creditors or the appointment of an Insolvency Official;

"Internal Scoring" means, in respect of each Debtor, an internal credit rating assigned by the Seller to such Debtor in accordance with the Credit Policy;

"Interest Amount" means the amount of interest payable in respect of the Notes;

"Interest Determination Date" means (i) in respect of any Interest Period which is not falling during the Ramp-Up Period, the first day of that Interest Period; (ii) in respect of the Interest Periods ending on 15 March 2018, 15 April 2018, 15 May 2018, 15 June 2018, 15 July 2018 and 15 August 2018, two (2) Business Days immediately

preceding the last date of that Interest Period and (iii) in respect of the Interest Period ending on the Extraordinary Interest Payment Date, 2 Business Days immediately preceding the Extraordinary Interest Payment Date;

"Interest Payment Date" means (i) prior to the Effective Date, the date falling on the 15th day of January, April, July and October in each year commencing on the 15 July 2016; (ii) after the Effective Date, the date falling on the 15th day of each month commencing on 15 March 2018, and (iii) the Extraordinary Interest Payment Date, in each case, subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due;

"Interest Period" means each period from (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date provided that:

- (a) the first Interest Period (the "First Interest Period") shall be the period from (and including) the Issue Date and ending on (but excluding) the Interest Payment Date falling in July 2016;
- (b) the Interest Period relating to the Extraordinary Interest Payment Date shall be the period from (and including) 15 January 2018 to (but excluding) 26 February 2018;
- (c) the first Interest Period after the Extraordinary Interest Payment Date shall be the period from (and including) 26 February 2018 to (but excluding) the Interest Payment Date falling in March 2018; and
- (d) the final Interest Period shall be the period from (and including) the Interest Payment Date falling immediately prior to the Maturity Date and ending on (but excluding) the Maturity Date;

"Internal Scoring" means, in respect to each Debtor, the credit rating assigned by the Seller to it in accordance with the Credit Policy;

"Investor Report" means a monthly cash management report prepared by the Cash Manager in accordance with the Cash Management Agreement;

"Investor Report Date" means the day falling no later than five Business Days following each Interest Payment Date;

"Irish Issuer Account" means the bank account of the Issuer holding the proceeds of its issued share capital and the Nominal Issuer Profit;

"Irish Listing Agent" means McCann FitzGerald Listing Services Limited;

"Irish Stock Exchange" means the Irish Stock Exchange p.l.c.;

"Irish VATA" means the Value Added Tax Consolidation Act 2010 of Ireland as amended;

"Issue Date" means 27 May 2016 or such later date as may be agreed between the Issuer, the Seller and the Lead Manager;

"Issuer" or **"Purchaser"** means Castilla Finance DAC (company number 578174), whose registered office is at Fourth Floor, 3 George's Dock, I.F.S.C., Dublin 1, Ireland as Issuer of the Notes;

"Issuer Accounts" means the bank accounts which the Issuer agrees to maintain, pursuant to the terms of the Account Bank Agreement, including the Collection Account, the Reserve Account, the Payments Account, the Principal Account, any Additional Account and any other bank account of the Issuer or in respect of which the Issuer at any time has an interest or, where the context requires, any of them;

"Issuer Bank Mandates" means bank mandates in relation to the Issuer Accounts;

"Issuer Cash Call Notice" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"Issuer Cash Call Option" means the process for increasing the Principal Amount Outstanding of the Notes by way of an Issuer Cash Call Notice as set out in Condition 7.9 (*Issuer Cash Call Option*);

"Issuer Covenants" means the covenants of the Issuer set out in Schedule 5 (*Issuer Covenants*) of the Incorporated Terms Memorandum;

"Issuer Insolvency Event" means:

- (a) the Issuer is (or admits it is) unable to pay its debts as they fall due within the meaning of sections 509(3) or 570 of the Companies Act, or suspends making payments on any of its debts as they fall due;
- (b) a moratorium is declared in respect of any indebtedness of the Issuer;
- (c) the initiation of or consent to Insolvency Proceedings by the Issuer or any other person or the presentation of a petition for the making of an administration order or an order for the appointment of an examiner and such proceedings are not being disputed in good faith with a reasonable prospect of success;
- (d) the making of an administration order or the appointment of an examiner in relation to the Issuer;
- (e) an encumbrancer (excluding the Trustee or any receiver) taking possession of the whole or any substantial part of the undertaking or assets of the Issuer;
- (f) any distress, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any substantial part of the undertaking or assets of the Issuer (excluding by the Trustee or any receiver) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;
- (g) the making of an arrangement, composition, scheme of arrangement, reorganisation with or conveyance to or assignment for the creditors of the

Issuer generally or the making of an application to a court of competent jurisdiction for protection from the creditors of the Issuer generally;

- (h) the passing by the Issuer of an effective resolution or the making of an order by a court of competent jurisdiction for the winding up, liquidation, bankruptcy or dissolution of the Issuer or for the appointment of an examiner; or
- (i) the appointment of an Insolvency Official in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer (excluding, in relation to the Issuer, the appointment by the Trustee of a receiver);

"Issuer Jurisdiction" means the Republic of Ireland;

"Issuer Warranties" means the representations and warranties set out in Schedule 5 (*Issuer's Representations and Warranties*) of the Incorporated Terms Memorandum and **"Issuer Warranty"** means any of them;

"Judicial Procedure" means the procedure started by the Servicer on behalf of the Seller against the client who failed to pay or were declared insolvent in order to recovery any unpaid amount;

"Judicial Records" means, in respect of any Judicial Procedure, any step taken in relation to the procedure and any documentation generated with respect to such Judicial Procedure;

"Lead Manager" means Nomura International plc;

"Liabilities" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings (or threats of any actions or proceedings) or other liabilities whatsoever including legal fees and any Taxes and penalties incurred by that person;

"Listing Rules" means the rules for listing on the Irish Stock Exchange and the rules and regulations implementing the Prospectus Directive in Ireland or otherwise applicable;

"Loan" means the Initial Reserve Fund Advance and the Additional Advance to be made available by the Subordinated Loan Provider to the Issuer in accordance with the Subordinated Loan Agreement;

"Loan Agreement" means any fixed-rate interest loan agreement entered into by the Seller and a client;

"Loan Debtor" means the client of the Seller under a Loan Agreement;

"Loan Receivable" means any receivable owing by to the Seller under a Loan Agreement;

"London Business Day" means a day which is both 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 London;

"Madrid/Valencia Business Day" means a day which is both 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 Madrid and Valencia;

"Majority Noteholders" means a Noteholder or Noteholders holding in aggregate:

- (a) in the case of:
 - (i) the Majority Noteholders Matters listed in paragraph (a) of the definition of the Majority Noteholders Matter, or
 - (ii) serving of an Extension Request Notice under Condition 7.6 (*Note Extension Option*) or a CoC Notice under Condition 7.7 (*Change of Control Put Option*);more than 50% of the Principal Amount Outstanding of the Notes; and
- (b) in all other cases, 66²/₃% or more of the Principal Amount Outstanding of the Notes;

"Majority Noteholders Matters" means each of the matters listed in Condition 12 (*Meetings of Noteholders, Modification and Waiver*);

"Make Whole Amount" has the meaning given to it in Condition 7.8 (*Make Whole Amount*);

"Make Whole Reference Period" has the meaning given to it in Condition 7.8 (*Make Whole Amount*);

"Make Whole Trigger Date" shall mean the date on which an Event of Default referred to in Condition 10.1(f) or any relevant Termination Event occurs;

"Make Whole Trigger Event" shall mean an Event of Default referred to in Condition 10.1(f) or any relevant Termination Event (as applicable);

"Markets in Financial Instruments Directive" means Directive 2014/65/EU, as amended from time to time;

"Master Definitions Schedule" means the master definitions schedule attached as schedule 1 to the Incorporated Terms Memorandum;

"Material Adverse Change" and **"Material Adverse Effect"** mean, as the context specifies:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or

- (b) in respect of a Transaction Party, a material adverse effect on:
 - (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of such Transaction Party; or
 - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or
 - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents; or
- (c) in the context of the Receivables, a material adverse effect on the interests of the Issuer or the Trustee in the Receivables, or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect the Receivables or on the ability of the Trustee to enforce its Transaction Security; or
- (d) a material adverse effect on the validity or enforceability of any of the Notes;

"Maturity Date" means the earlier of:

- (a) the Scheduled Maturity Date;
- (b) the Termination Event Repayment Date; and
- (c) the date of an Event of Default;

"Maximum Call Amount" means (i) in the case of the First ICC Period or the Second ICC Period, EUR20,000,000 and (ii) in the case of the Third ICC Period, EUR30,000,000;

"Maximum Number" means:

- (a) where the aggregate Outstanding Balance of the Defaulted Receivables (including, for the avoidance of doubt, those Defaulted Receivables repurchased by the Seller pursuant to the Defaults Repurchase Option or the Defaults Repurchase Obligation) as at the relevant Purchase Date is equal to or higher than 5% of the Portfolio Maximum Amount and the Outstanding Balance of the relevant Receivable(s) is equal to or higher than 1% of the Portfolio Maximum Amount: two (2) roll-overs; and
- (b) where the aggregate Outstanding Balance of the Defaulted Receivables (including, for the avoidance of doubt, those Defaulted Receivables repurchased by the Seller pursuant to the Defaults Repurchase Option or the Defaults Repurchase Obligation) as at the relevant Purchase Date is higher than 3% but lower than 5% of the Portfolio Maximum Amount and the Outstanding Balance of the relevant Receivable(s) is equal to or higher than 3% of the Portfolio Maximum Amount: two (2) roll-overs,

provided, for the avoidance of doubt, that in any cases other than those specified in sub-paragraphs (a) and (b) above there will be no Maximum Number of rollovers;

"Maximum Principal Amount" means EUR220,000,000;

"Meeting" means a meeting of the Noteholders or of any one or more Noteholders and, except where the context otherwise requires, includes a meeting resumed following an adjournment;

"Member State" means any of the member states of the European Union;

"Minimum Discount" means the percentage being the aggregate of the following percentages:

- (a) Expenses Discount;
- (b) Funding Discount; and
- (c) Defaults Discount;

"Minimum Overcollateralisation Ratio" means 82.2 per cent. for the purposes of determining whether a Termination Event has occurred;

"Minimum Overcollateralisation Test" means, for the purposes of determining whether a Termination Event has occurred, on each Additional Purchase Date and each Interest Payment Date (as applicable) once the aggregate outstanding Deferred Purchase Price is equal to EUR55,000,000, the ratio (expressed as a percentage) between:

- (a) the Principal Amount Outstanding of the Notes; and
- (b) the sum of:
 - (i) the Purchase Price of the outstanding Performing Receivables in the Receivables Portfolio (excluding the amount of the Applicable Additional Remuneration); and
 - (ii) the sum of balances of the Principal Account and the Collection Account as at such Additional Purchase Date (excluding any amounts to be transferred to the Security Account or Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);

"Minimum Rating" means with respect to any Indirect Debtor a public rating of its long-term unsecured, unsubordinated and unguaranteed debt obligations by Moody's, Fitch and/or S&P which is at least equal to BB- (or equivalent), provided that where the relevant Indirect Debtor's long-term unsecured, unsubordinated and unguaranteed debt obligations are rated by two or more rating agencies, only the lowest of the ratings shall be taken into account;

"Modification Certificate" has the meaning given to it in Condition 12.8;

"month" means calendar month;

"Monthly Cash Manager Report" means the report to be prepared by the Cash Manager in accordance with the terms of the Cash Management Agreement;

"Monthly Cash Manager Report Date" means the day falling no later than on the tenth Business Day following the receipt of the Monthly Datatape from the Servicer;

"Monthly Datatape" means the monthly datatape to be prepared by the Servicer under the Servicing Agreement in the form or similar to the form of the datatape attached to the Servicing Agreement and provided to the Cash Manager, the Issuer and the Seller;

"Moody's" means Moody's Investors Service Limited or any successor to its ratings business;

"Nominal Issuer Profit" means EUR1,000 per annum to be credit to the Irish Issuer Account in accordance with the relevant Priority of Payments;

"Non-endorsable Promissory Note" means any Promissory Note whose endorsement is prohibited in the Promissory Note;

"Non-Extending Noteholder" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Non-Extending Put Option" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Non-Extending Put Option Notice" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Notes" means up to EUR220,000,000 fixed rate Notes due 2020 or, where the context requires, any of them and includes the Definitive Notes and the Global Notes;

"Notes Interest Rate" means:

- (a) for the first Interest Period after the Issue Date, 5% per annum and for each subsequent Interest Period after the Issue Date until the Effective Date (following which paragraph (b) below shall apply), 5.9% per annum; and
- (b) for the first Interest Period after the Effective Date (i) 5.9% per annum for each day prior to the occurrence of the Initial Increase Date; and (ii) 4.75% per annum for each date of that Interest Period thereafter; and
- (c) for each subsequent Interest Period, 4.75% per annum (if the Initial Increase Date has occurred) or 5.9% per annum (if the Initial Increase Date has not occurred), as applicable;

"Note Extension Option" means the right of the Majority Noteholders to extend the Scheduled Maturity Date of the Notes to the Note Extension Option Date;

"Note Extension Option Date" means the date falling 42 months after the Initial Increase Date;

"Noteholders" means in relation to any Notes represented by a Global Note, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (other than

Euroclear and/or Clearstream, Luxembourg), in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error (other than for the purpose of payments in respect thereof, the right to which shall be vested as against the Issuer and any Paying Agent, solely in the bearer of a Global Note in accordance with and subject to its terms and for which purpose Noteholder means the bearer of a Global Note);

"**Notices Condition**" means Condition 15 (*Notice to Noteholders*);

"**Notices Details**" means the provisions set out in Schedule 7 of the Incorporated Terms Memorandum;

"**Noteholders Datatapes**" means a weekly data tape and a monthly data tape containing the same information as Full Datatapes, except for the names of the Direct Debtors, which in the case of Noteholders Datatapes shall only contain the information in relation to (i) fifteen (15) Direct Debtors with the highest aggregate Outstanding Balances and (ii) the Direct Debtors of the Defaulted Receivables;

"**Notification Event**" means:

- (a) the making of an order of a court or regulatory authority requiring notice of the transfer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;
- (b) the priority of the Transaction Security granted by the Issuer or the Seller has changed or has been otherwise affected in a manner which is prejudicial to the interests of the Noteholders but only to the extent that giving notice to the relevant Debtors that the Receivables have been transferred to the Issuer is necessary or advisable to protect the Transaction Security;
- (c) the occurrence of a Servicer Event;
- (d) the occurrence of a Seller Insolvency Event;
- (e) the occurrence of a Termination Event (irrespective of whether it may be subsequently waived or not);
- (f) on any Purchase Date, the cumulative Defaulted Receivables are equal to or higher than 20% of the Principal Amount Outstanding of the Notes as at the Issue Date;
- (g) the occurrence of a Material Adverse Change in relation to business, operations, assets or condition (financial or otherwise) of the Seller; or
- (h) the Tangible Net Worth of the Seller falls below EUR70,000,000;

"**Notification Event Notice**" means a notification event notice to be delivered pursuant to the Receivables Sale Agreement upon the occurrence of the Notification Event;

"Obligations" means all of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents;

"OC Amount" means, in respect of each Interest Payment Date, the difference (floored at zero) between:

- (a) the sum of (X) the Maximum Principal Amount; *plus* (Y) the aggregate outstanding Deferred Purchase Price as at the last date of the related Interest Period; *minus* the Funding Base of the outstanding Performing Receivables; *less*
- (b) the DPP Distributable Amount;

"OC Test Date" means the last date of the Ramp-Up Period;

"Offer" means delivery by electronic means of the Offer Documents by the Servicer to the Cash Manager pursuant to the Receivables Sale Agreement, which shall constitute an irrevocable offer by the Seller binding upon it to sell to the Purchaser each of the Receivables in the Additional Receivables Portfolio designated thereunder;

"Offer Agent" means Gedesco Services Spain, S.A.U.;

"Offer Date" means (i) any Reconciliation Date (other than a Reconciliation Date falling during the period from the end of a Collection Period and the Interest Payment Date falling immediately after such Collection Period) within the Revolving Period; and (ii) each of the following dates: 3 April 2017, 5 April 2017, 3 July 2017, 7 July 2017, 2 October 2017, 5 October 2017, 2 January 2018, 5 January 2018, 19 February 2018, 5 March 2018, 9 March 2018, 28 March 2018, 9 April 2018, 30 April 2018, 7 May 2018, 16 May 2018, 4 June 2018, 8 June 2018, 2 July 2018, 9 July 2018, 6 August 2018, 3 September 2018, 10 September 2018, 1 October 2018, 5 October 2018, 5 November 2018, 9 November 2018, 3 December 2018, 10 December 2018, 2 January 2019, 8 January 2019, 16 January 2019, 4 February 2019, 8 February 2019, 4 March 2019, 8 March 2019, 1 April 2019, 8 April 2019, 7 May 2019, 16 May 2019, 3 June 2019, 10 June 2019, 1 July 2019, 8 July 2019, 7 August 2019, 2 September 2019, 9 September 2019, 30 September 2019, 7 October 2019, 16 October 2019, 4 November 2019, 8 November 2019, 2 December 2019, 9 December 2019, 2 January 2020, 8 January 2020, 15 January 2020, 31 January 2020 and 6 February 2020, **provided that** none of the dates specified in this paragraph (ii) shall be an Offer Date if it falls fewer than 3 Business Days prior to an Interest Payment Date, and **provided further that** no Offer may be made on a date on which there is no Due Diligence Agent appointed to the Issuer;

"Offer Documents" means the relevant Additional Receivables Portfolio Identification File that the Servicer on behalf of the Seller represents by such delivery as the relevant Additional Receivables Portfolio Identification File;

"Official List" means the official list maintained by the Irish Stock Exchange, to which the Notes are admitted, and which is regulated by the listing rules established by the Irish Stock Exchange;

"Operational Accounts" means the Originator Account and the Security Account;

"Ordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by more than 50% of the eligible persons voting thereat on a show of hands or, if a poll is duly demanded, by a simple majority of the votes cast on such poll;

"Originator Account" means the account opened in the name of the Seller in the books of the Originator Account Bank with IBAN ES4720381560076000215640;

"Originator Account Bank" means Bankia, S.A.;

"Originator Account Pledge Agreement" means the pledge agreement over the Originator Account dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"outstanding" means in relation to the Notes all the Notes issued other than:

- (a) those Notes which have been redeemed in full pursuant to the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Trustee or to the Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes;
- (c) those Notes which have been purchased and cancelled in accordance with the Conditions;
- (d) those Notes which have become void under Condition 9 (*Prescription*);
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Global Notes*);
- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes 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 Global Notes*); and
- (g) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes or for the Notes in definitive form pursuant to its provisions;

provided that for each of the following purposes, namely:

- (a) the right to attend and vote at any meeting of the Noteholders, an Extraordinary Resolution in writing or an Ordinary Resolution in writing and any direction or request by the holders of Notes;

- (b) the determination of how many and which Notes are for the time being outstanding for the purposes of Conditions 10 (*Events of Default*) and 11 (*Enforcement*);
- (c) any right, discretion, power or authority (whether contained in the Conditions, any other Transaction Document 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 Noteholders; and
- (d) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Seller and/or any Affiliate of either of them, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except in the case of any of the Seller or any Affiliate thereof (the "**Relevant Persons**") where all of the Notes are held by or on behalf of or for the benefit of one or more Relevant Persons shall be deemed to remain outstanding;

"**Outstanding Balance**" means, with respect to any Receivable, as at any date of determination the outstanding balance which is scheduled to become due;

"**Paying Agent**" means, as at the Issue Date, Citibank, N.A., London Branch and any additional or replacement paying agents as appointed from time to time;

"**Paying Agents**" means the Paying Agent together with any successor or additional paying agents appointed from time to time in connection with the Notes under the Agency Agreement, and Paying Agent means any one of them;

"**Paying Transaction Party**" means where any Transaction Party is under an obligation created by a Transaction Document to make a payment to a Receiving Transaction Party the Transaction Party who is to make such payment;

"**Payments Account**" means the account opened in the name of the Issuer with the Account Bank for the purposes of holding all amounts to be distributed on each Interest Payment Date according to the applicable Priority of Payments;

"**Permanent Global Note**" means the permanent global notes obtained by exchanging interests in a Temporary Global Note on and after the date which is 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder;

"**Performing Receivable**" means any Receivable which is not a Defaulted Receivable;

"**Permanent Eligibility Criteria**" means criteria set forth in paragraphs (ii), (v), (vii), (viii), (xvi), (xvii) and (xxvi) of the Receivables Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiv) and (xv) of the Factoring Claims Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiii) and (xiv) of the Special Claims Eligibility Criteria and in paragraphs (i), (iii), (v), (vi), (xii) and (xiii) of the Collateral Claims Eligibility Criteria;

"Permitted Rollover" means a rollover of a Receivable which in the reasonable opinion of the Seller (acting in good faith), would have not become a Defaulted Receivable should it have not been rolled over, and where the rolled-over Receivable is an Unsecured Receivable, does not exceed the Maximum Number of rollovers;

"Person" means an individual, partnership, company, corporation, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof;

"PN Debtor" means the client of the Seller under a Promissory Notes Program;

"PN Receivable" means any Receivable arising from a Promissory Note issued by a PN Debtor and subscribed by the Seller under a Promissory Note Program;

"Portfolio Maximum Amount" means, on any date of determination, the aggregate of (a) EUR 220,000,000 *plus* (b) the higher of (x) EUR55,000,000 and (y) the aggregate outstanding Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio (as determined prior to the relevant Additional Purchase Date);

"Portfolio Repurchase Date" shall have the meaning given to it in Condition 7.5(b);

"Portfolio Repurchase Option" means the option by the Seller, on any Interest Payment Date during the Amortisation Period on at least three months' prior written notice to the Issuer and the Cash Manager to repurchase the Receivables Portfolio from the Issuer at a repurchase price equal to the aggregate Outstanding Balance of all Receivables in the Receivables Portfolio;

"Portfolio Repurchase Option Notice" shall have the meaning given to it in Condition 7.5(b);

"Portfolio Repurchase Date" shall have the meaning given to it in Condition 7.5(b);

"Portfolio Repurchase Price" has the meaning given to it in the Receivables Sale Agreement;

"Portfolio Requirements" has the meaning given to it in the Receivables Sale Agreement;

"Post-Enforcement Priority of Payments" means the priority of payments for the application of amounts received or recovered by the Trustee (or a receiver appointed on its behalf) following the service of an Enforcement Notice as set out in the Security Deed and the Cash Management Agreement;

"Potential Event of Default" means any event which will become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default;

"Preliminary Prospectus" means each of (i) the preliminary prospectus No.1 in relation to the Notes dated 11 March 2016; (ii) the preliminary prospectus No.2 in relation to the Notes dated 21 April 2016; (iii) the preliminary prospectus No. 3 in relation to the Notes dated 9 May 2016; (iv) the preliminary prospectus No. 5 in

relation to the Notes dated 19 May 2016, and (v) the preliminary prospectus No. 6 in relation to the Notes dated 23 May 2016;

"Pre-Increase Cut-Off Date" means 26 January 2018;

"Pre-Selected Candidates" means the following candidates for the role of the Back-Up Servicer (listed in the order of preference) (i) Hipoges and (ii) AIG Europe Limited (Spanish Branch);

"Presentation Date" has the meaning given to it in Condition 6.4 (*Payment only on a Presentation Date*);

"Principal Account" means the account so named opened in the name of the Issuer with the Account Bank on or about the Issue Date;

"Principal Amount Outstanding" has the meaning given to it in Condition 7.10 (*Principal Amount Outstanding*);

"Priority of Payments" means the Revolving Period Priority of Payments, the Amortisation Period Priority of Payments and the Post-Enforcement Priority of Payments, or any of them;

"Proceedings" means any legal proceedings relating to a Dispute;

"Promissory Note" means a promissory note ("*pagaré*");

"Promissory Notes Program" means any agreement entered into by the Seller and a client whereby the Seller may subscribe, at its entire discretion, for Promissory Notes to be issued by such client from time to time;

"Prospectus" means each of (i) the prospectus dated on or about the Issue Date prepared in connection with the issue by the Issuer of the Notes and (ii) the prospectus dated on or about the Initial Increase Date prepared in connection with the amendments to the terms of the Notes to become effective on or about the Initial Increase Date;

"Prospectus Directive" means Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Relevant Member State);

"Purchase Date" means the Issue Date or an Additional Purchase Date;

"Purchase Price" means either the Initial Purchase Price or an Additional Purchase Price, as applicable;

"Purchase Price Payment Date" means the London Business Day immediately following an Additional Purchase Date;

"Put Acceptance Notice" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Put Notes" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Qualifying Asset" means a qualifying asset within the meaning of Section 110 of the Taxes Act;

"Qualifying Cash" means the sum of balances of the Principal Account and the Collection Account (excluding the Additional Purchase Price and any amounts to be transferred to the Security Account or the Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);

"Qualifying Company" means a qualifying company within the meaning of Section 110 of the Taxes Act;

"Qualifying Portfolios" means each of the Direct Group Portfolios with the first, second and third highest aggregate Outstanding Balances;

"Qualifying Subordinated Loan Provider" means a person that is beneficially entitled to interest received on the Subordinated Loan and is:

- (a)
 - (i) a bank within the meaning of Section 246 of the Taxes Act which is carrying on a *bona fide* banking business in Ireland for the purposes of Section 246(3)(a) of the Taxes Act with which the Subordinated Loan is connected; or
 - (ii)
 - (A) a person that is, under the laws of a Relevant Territory, resident in that Relevant Territory for the purposes of corporation or income tax in that Relevant Territory;
 - (B) a United States of America ("**U.S.**") company, provided the U.S. company is incorporated in the U.S. and subject to U.S. federal tax on its worldwide income; or
 - (C) a U.S. Limited Liability Company ("**LLC**"), provided the ultimate recipients of the interest would, if they were themselves Subordinated Loan Providers, be Qualifying Subordinated Loan Provider within paragraph (ii)(A) or (ii)(B) of this definition and the business conducted through the LLC is so structured for market reasons and not for tax avoidance purposes;

provided in each case at (ii)(A), (ii)(B) or (ii)(C) the Subordinated Loan Provider is not carrying on a trade or business in Ireland through an agency or branch with which the Subordinated Loan is connected; or

- (iii) a qualifying company within the meaning of Section 110 of the Taxes Act; or
- (iv) a Treaty Subordinated Loan Provider; or

- (v) a body corporate:
 - (A) which advances money in the ordinary course of a trade which includes the lending of money;
 - (B) in whose hands any interest payable in respect of monies so advanced is taken into account in computing the trading income of such company; and
 - (C) which has made the appropriate notifications under Section 246(5)(a) of the Taxes Act to the Revenue Commissioners of Ireland and the Issuer; or
- (vi) an investment undertaking within the meaning of Section 739B of the Taxes Act.

and

- (b)
 - (i) a person (not being a Specified Person) who is a pension fund, government body or other person resident in a Relevant Territory who, under the laws of that Relevant Territory, is exempted from tax which generally applies to profits, income or gains in that Relevant Territory; or
 - (ii) in respect of the Subordinated Loan, under the laws of a Relevant Territory, subject, without any reduction computed by reference to the amount of such interest, to a tax which corresponds to Irish income or corporation tax which generally applies to profits, income or gains received in that Relevant Territory, by persons, from sources outside that Relevant Territory; or
 - (iii) resident in Ireland or providing the Subordinated Loan or holding the Notes in connection with a permanent establishment in Ireland;

"Quoted Eurobond" means a quoted Eurobond within the meaning of section 64 of the Taxes Act;

"Ramp-Up Period" means the period starting on the Initial Increase Date (including such date) and ending on the Interest Payment Date falling in August 2018 (excluding such date);

"Rating Trigger" means the long-term unsecured unguaranteed and unsubordinated debt obligations of the Originator Account Bank or the Security Account Bank ceasing to be rated at least B2 by Moody's and B by Fitch and S&P;

"Realisation" has the meaning given to it in Condition 16 (*Limited Recourse*);

"Receivables" means those receivables owing by a Direct Debtor originated by the Seller pursuant to a Funding Document;

"Receivables Eligibility Criteria" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Receivables;

"Receivables Identification File" means the Initial Receivables Portfolio and each Additional Receivables Portfolio Identification File sent by the Offer Agent on behalf of the Seller on the Relevant Offer Date;

"Receivables Portfolio" means the Initial Receivables Portfolio and each Additional Receivables Portfolio;

"Receivables Sale Agreement" means the receivables sale and purchase agreement dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"Receiver" means any person (being a licensed insolvency practitioner) who is appointed by the Trustee to be a receiver or an administrative receiver (as the case may be) of the Charged Property to act jointly, independently, or jointly and severally, as the Trustee shall determine;

"Receiving Transaction Party" means, where any Transaction Party is under an obligation created by a Transaction Document to make payment to another Transaction Party, the Transaction Party which is to receive such payment;

"Reconciliation Date" means any Monday until the Final Discharge Date unless such Monday is not a Madrid/Valencia Business Day in which case it shall be the first following Madrid/Valencia Business Day;

"Reconciliation Payment Date" means the second Business Day immediately following a Reconciliation Date;

"Records" means, with respect to any Receivable or Claim, all Funding Documents and other documents, books, records and other information (including, without limitation, computer programmes, tapes, disks, punch cards, data processing software and related property and rights) relating to such Receivable or Claim, any Ancillary Rights (other than the Records) or the related Debtors which are necessary to service or enforce such Receivable, Claim and Ancillary Rights;

"Redemption Amount" means the Principal Amount Outstanding of the Notes together with any unpaid interest accrued thereon and any default interest;

"Regulated Market" means a regulated market for the purposes of the Markets in Financial Instruments Directive;

"Regulatory Direction" means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person is accustomed to comply;

"Relevant" means:

- (a) when used in relation to the execution of or the entering into of a Transaction Document and in conjunction with a reference to any Transaction Party, a

Transaction Document which such Transaction Party is required to execute or enter into or has executed or entered into;

- (b) when used in respect of the Transaction Documents generally and in conjunction with a reference to any particular Transaction Party, the Transaction Documents to which such Transaction Party is a party;

and references to "**Relevant Transaction Documents**" and cognate expressions shall be construed accordingly;

"**Relevant Citi Entity**" means the Party named as such in the relevant Transaction Document;

"**Relevant Date**" has the meaning given in Condition 9 (*Prescription*);

"**Relevant DPP Percentage**" means (i) 26.5625% for the purposes of paragraph (b)(ii) of the definition of "DPP", and (ii) 22.807017544% for the purposes of paragraph (b)(iii) of the definition of "DPP";

"**Relevant DPP Threshold**" means (i) prior to the Effective Date, EUR40,000,000, and (ii) from the Effective Date, EUR65,000,000;

"**Relevant Information**" means any written information provided by the Issuer, the Seller or the Servicer, as the case may be, to the Arranger in connection with the preparation of the Prospectus or any presentation by the Arranger to potential investors;

"**Relevant Matter**" means any amendment, variation, supplement, modification, consent, waiver, indulgence (including the grant of any grace period), release or failure or omission to exercise any right, composition, compounding or other similar arrangement (other than any such amendment, variation, supplement, modification, consent, waiver, indulgence, release or failure or omission to exercise any right, composition, compounding or other similar arrangement (i) that has been made in accordance with the Issuer's instructions or consent, (ii) that is permitted by the Collection Policy and/or the Servicing Agreement with respect to the Receivables, the Claims, the Ancillary Rights and the Funding Documents or (iii) whose object is exclusively the taking of security or additional security in respect of a Receivable without amending any other features thereof);

"**Relevant Member State**" means each Member State of the European Economic Area which has implemented the Prospectus Directive;

"**Relevant Territory**" means:

- (a) a Member State of the European Union other than Ireland;
- (b) not being such a Member State, a territory with the government of which arrangements having the force of law by virtue of section 826(1) of the Taxes Act have been made; or

- (c) not being a territory referred to in paragraph (a) or (b), a territory with the government of which arrangements have been made which on completion of the procedures set out in section 826(1) of the Taxes Act, will have the force of law;

"Replacement Cash Management Agreement" means an agreement entered into by the Replacement Cash Manager with the Issuer and the Trustee substantially on the terms of the existing Cash Management Agreement;

"Replacement Cash Manager" means the replacement cash manager appointed pursuant to the terms of the Cash Management Agreement;

"Repurchase Agreement" means an agreement in, or substantially in, the form of the document so named set out in the Receivables Sale Agreement;

"Required Consents" means

- (a) filing of the Prospectus with the Central Bank of Ireland and the Irish Companies Registration Office;
- (b) application for the Notes to be listed on the Official List and the granting of such application;
- (c) application for the Notes to be admitted to trading on the Regulated Market of the Irish Stock Exchange and the granting of such application; and
- (d) filing of correctly completed Form C1 and Section 1001 notice in respect of the Security Deed with the Companies Registration Office and Revenue Commissioners, respectively, in Ireland;

each in accordance with any relevant Requirements of Law or any Regulatory Direction;

"Required Rating" means the short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least P-2 by Moody's and A-2 by S&P;

"Requirement of Law" in respect of any person shall mean:

- (a) any law, treaty, rule, requirement or regulation;
- (b) a notice by or an order of any court having jurisdiction;
- (c) a mandatory requirement of any regulatory authority having jurisdiction; or
- (d) a determination of an arbitrator or Governmental Authority,

in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply;

"Reserve Account" means the account opened in the name of the Issuer with the Account Bank for the purposes of holding the Reserve Account Target Amount;

"Reserve Account Minimum Amount" means EUR4,375,000.00;

"Reserve Account Target Amount" has the meaning given to it in Condition 2 (*Definitions*);

"Return Agreement" means a Specified Agreement whereby payments due under the Specified Agreement are dependent on the results of the Issuer's business or any part of the Issuer's business;

"Revenue Commissioners" means the Revenue Commissioners of Ireland;

"Reviewed Datatape Fields" means the list of datatape fields set forth in the Receivables Sale Agreement;

"Reviewed Eligibility Criteria" means the Eligibility Criteria set forth in the Receivables Sale Agreement;

"Revolving Period" means the period commencing on (and including) the Issue Date and ending on the earliest to occur of (a) the Termination Event Date, (b) the date of an Event of Default, (c) the date falling 6 months before the Scheduled Maturity Date, (d) the date on which an Issuer Cash Call Option has not been completed in accordance with Condition 7.9 (*Issuer Cash Call Option*), and (e) the Back-Stop Date if the Initial Increase Date has not occurred by such date;

"Revolving Period Priority of Payments" means the provisions relating to the order of priority of payments set out in Schedule 3 (*Priorities of Payment*), Part 1 (*Revolving Period Priority of Payments*) of the Cash Management Agreement;

"Reverse Charge" means the charge arising as a result of section 8(1) of VATA or section 12 (1) of the Irish VATA or any other equivalent legislation in another jurisdiction;

"Right" means any asset (including any Receivables or Security Claims), agreement, property or right;

"Risk Department" means the department which analyses and classify the risk of any existing or future client of the Seller;

"S&P" means Standard & Poor's Credit Market Services Europe Limited and any successor or replacement to its credit rating business;

"Scheduled Maturity Date" means the later of (i) the Interest Payment Date falling in the thirtieth month after the Effective Date; or (ii) if the Note Extension Option is exercised, the Interest Payment Date falling on or around the Note Extension Option Date;

"Second ICC Period" means the period starting on the First ICC Period End Date (excluding such date) and ending on the Second ICC Period End Date;

"Second ICC Period End Date" means the Interest Payment Date falling in June 2018;

"Second Make Whole Period" means the period between the third Interest Payment Date falling after the Effective Date (including such date) and the ninth Interest Payment Date falling after the Effective Date (excluding such date);

"Second Reserve Increase Date" has the meaning given to it in Condition 2 (*Definitions*);

"Section 110" means Section 110 of the Taxes Consolidation Act 1997 (as amended);

"Section 246" means Section 246 of the Taxes Act;

"Secured Creditors" means the Seller, the Trustee, the Servicer, the Cash Manager, the Account Bank, the Agents, the Corporate Services Provider, the Noteholders, the Subordinated Loan Provider, the Due Diligence Agent and any Receiver and any other party which becomes a Secured Creditor pursuant to the Security Deed;

"Secured Liabilities" means any and all monies, obligations and liabilities and all other amounts due, owing, payable or owed by the Issuer to the Secured Creditors under the Notes and/or the Transaction Documents, and references to Secured Liabilities includes references to any of them;

"Secured Receivable" means any Factoring Receivable and any Special Receivable;

"Securities Act" means the United States Securities Act of 1933, as amended;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Security Account" means the account opened in the name of the Seller in the books of the Security Account Bank with IBAN ES7320381560016000215757;

"Security Account Bank" means Bankia, S.A.;

"Security Account Pledge Agreement" means the pledge agreement over the Security Account dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"Security Claims" means any Factoring Claim and any Special Claims;

"Security Deed" means the security deed dated the Issue Date between the Issuer and the Trustee;

"Security Period" means the period beginning on the date of the Security Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

"Security Powers of Attorney" means the security powers of attorney dated the Issue Date granted by the Issuer in favour of the Trustee in, or substantially in, the form set out in the Security Deed;

"Selection Criteria" means a list of pre-agreed criteria to be applied to select Additional Receivables to be purchased on the Additional Purchase Date, to the extent that the Seller offers more Eligible Receivables than the Issuer can purchase with the Available Collections;

"Seller" means Toro Finance S.L.U. in its capacity as seller of the Receivables to the Issuer under the Receivables Sale Agreement;

"Seller Account" means the account opened in the name of the Seller in the books of Bankia, S.A. with IBAN ES16 2038 1560 0260 0018 8507;

"Seller Insolvency Event" or "Servicer Insolvency Event" or "Cash Manager Insolvency Event" means the occurrence of any of the following events:

- (a) the Seller or the Servicer or the Cash Manager (as applicable) is unable or admits its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) a declaration of insolvency (*concurso*), winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Seller or the Servicer or the Cash Manager (as applicable) (including, for the avoidance of doubt and without limitation, any petition under article 5 bis and the Fourth Additional Provision of the Spanish Insolvency Law 22/2003, dated 9 July 2003; or
 - (ii) a composition, compromise, assignment or arrangement with (i) any creditor of the Seller or the Servicer or the Cash Manager (as applicable) being owed more than €2,500,000 or (ii) a number of creditors of the Seller or the Servicer or the Cash Manager (as applicable) being owed in aggregate more than €2,500,000 in either case, by reason of actual or anticipated financial difficulties; or
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Seller or the Servicer or the Cash Manager (as applicable) or any of its assets;

or any analogous procedure or step is taken in any jurisdiction, provided however that no Seller Insolvency Event or Servicer Insolvency Event or Cash Manager Insolvency Event (as applicable) would have occurred if any petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement;

"Seller Security Power of Attorney" means the power of attorney dated the Issue Date in the form set out in the Receivables Sale Agreement;

"**Servicer**" means the person appointed by the Issuer under the Servicing Agreement to service the Receivables being, at the Issue Date, Gedesco Services Spain, S.A.U.;

"**Servicer Standard of Care**" means the standard of care set out in the Servicing Agreement to which the Servicer will perform its obligations and the exercise of its discretions under the Servicing Agreement and its exercise of the rights of the Issuer in respect of contracts and arrangements giving rise to payment obligations in respect of the Receivables;

"**Servicer Event**" means:

- (a) the occurrence of a Servicer Insolvency Event; or
- (b) the Servicer defaults on any payment and/or payments in respect of its financial indebtedness exceeding EUR2,500,000; or
- (c) the Servicer fails to observe or perform in any material respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a Material Adverse Effect on the Issuer's ability to make payments in respect of the Notes and continues unremedied for a period of 30 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer; or a non-cured breach of its obligations under the Servicing Agreement; or
- (d) the Servicer breaches its representations and warranties given in the Servicing Agreement; or
- (e) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct any movement of collections as required under the Servicing Agreement and the other Transaction Documents;

"**Servicer Covenant**" means a covenant of the Servicer contained in the Servicing Agreement and "**Servicer Covenants**" means all of those covenants;

"**Services**" means the services to be provided by the Servicer under the Servicing Agreement;

"**Servicing Agreement**" means the servicing agreement dated the Issue Date relating to the Receivables between the Issuer, the Seller, the Servicer and the Cash Manager;

"**Servicing Fees**" means the fees payable by the Issuer to the Servicer in accordance with the Servicing Agreement;

"**Share Trustee**" means, as at the Issue Date, Wilmington Trust SP Services (Dublin) Limited;

"**Shared Secured Receivable**" means a Secured Receivable or a Collateralised Receivable in relation to which the Benefit of the related Security Claim(s) or Collateral Claim(s) is at any time partially held by the Seller as security for the

liabilities of the relevant Direct Debtor under claims other than the Secured Receivables or Collateralised Receivables;

"Signing and Closing Agenda" means the agenda so named and dated on or before the Issue Date to confirm their agreement to its terms;

"Spanish Bank Mandates" means the bank mandates in relation to the Originator Account Pledge Agreement and the Security Account Pledge Agreement;

"Special Claims" means each receivable designated as such in the relevant Receivables Identification File;

"Special Claims Amount" means some collections of Special Claims credited to the Collection Account which will be required to be transferred to the Security Account for payment by the Seller to the Debtor to whom those amounts are owed;

"Special Claims Eligibility Criteria" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Special Claims;

"Special Debtor" means each obligor under any Special Claims;

"Special Receivable" is a Receivable which is secured by means of a notarised assignment by the Direct Debtor to the Seller of a Special Claim;

"Specified Agreement" means any agreement, arrangement or understanding that:

- (a) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and
- (b) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred;

"Specified Office" means, with respect to the Agents, the offices listed at the end of the Conditions or such other offices as may from time to time be duly notified pursuant to Condition 15 (*Notice to Noteholders*);

"Specified Person" means:

- (a) a company which directly or indirectly controls the Issuer; or
- (b) a person or connected persons from whom assets were acquired or to whom the Issuer has made loans or advances or with whom the Issuer has entered into a Specified Agreement, where the aggregate value of such assets, loans,

advances or agreements represents not less than 75% of the aggregate value of the Qualifying Assets of the Issuer;

"Subordinated Loan Agreement" means the loan agreement dated the Issue Date between the Issuer and the Subordinated Loan Provider;

"Subordinated Loan Interest" means interest of 8% to be paid by the Issuer to the Subordinated Loan Provider in accordance with the Subordinated Loan Agreement;

"Subordinated Loan Provider" means, as at the Issue Date, Toro Finance S.L.U.;

"Subordinated Loan" means the loan provided to the Issuer by the Subordinated Loan Provider pursuant to the Subordinated Loan Agreement;

"Subscription Agreement" means the agreement so named dated the Issue Date between the Issuer, the Seller and Arranger;

"Successor Servicer" means an entity appointed as a successor servicer in accordance with the Servicing Agreement to perform the Services following the occurrence of a Servicer Event;

"Tangible Net Worth" means the aggregate of (a) the amounts paid up or credited as paid up on the issued ordinary share capital of the Seller plus (b) the lower of (i) EUR80,000,000 or (ii) the amount outstanding under the shareholder loan of the Seller at the relevant time (excluding any interest); plus (c) the aggregate amount of the reserves of the Seller;

"TARGET 2 System" means the Trans European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single platform and which was launched on 19 November 2007;

"Tax" shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction, withholding or related liability of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed or levied by or on behalf of any Tax Authority in the Issuer Jurisdiction or in Spain as applicable, and **"Taxes"**, **"taxation"**, **"taxable"** and comparable expressions shall be construed accordingly;

"Tax Authority" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including Her Majesty's Revenue and Customs, the Irish Revenue Commissioners and the *Agencia Española de Administración Tributaria*;

"Tax Credit" means any credit received by a Transaction Party from a Tax Authority in respect of any Tax paid by such Transaction Party;

"Tax Deduction" means any deduction or withholding for or on account of Tax;

"Tax Payment" means any payment for or on account of Tax;

"**Taxes Act**" means the Taxes Consolidation Act 1997, of Ireland, as amended;

"**Temporary Global Note**" has the meaning given to such term in the Conditions;

"**Termination Event**" means the occurrence of any of the following events:

- (a) failure by the Seller to timely pay any Deemed Collection Amounts;
- (b) on any Additional Purchase Date, the outstanding Defaulted Receivables being equal to or higher than 5% of the aggregate Outstanding Balance of the Receivables plus the cash credited in the Collection Account and the Principal Account (excluding any amounts to be transferred to the Security Account or the Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);
- (c) on any Additional Purchase Date and each Interest Payment Date on which the outstanding Deferred Purchase Price is equal to or higher than EUR55,000,000, the Minimum Overcollateralisation Test is equal to or higher than the Minimum Overcollateralisation Ratio;
- (d) Change of Control of the Servicer or Change of Control of the Seller;
- (e) the occurrence of a Material Adverse Change in relation to business operations, assets or condition (financial or otherwise) of the Seller or the Servicer.
- (f) failure by the Servicer or the Seller to comply with any other of its respective obligations under the Transaction Documents subject to agreed remedy periods if capable of remedy;
- (g) as at any (i) Additional Purchase Date (during the Revolving Period), (ii) Reconciliation Date (after the end of the Revolving Period), or (iii) Interest Payment Date, the aggregate balance of the Reserve Account falls below the Reserve Account Minimum Amount;
- (h) misrepresentation of any party under a Transaction Document (subject always to the agreed remedy periods if capable of remedy);
- (i) the occurrence of a Seller Insolvency Event or a Servicer Insolvency Event;
- (j) the cumulative Defaulted Receivables on the Purchase Date is equal or higher than 30% of the Principal Amount Outstanding of the Notes as of the Issue Date;
- (k) unlawfulness and invalidity of any Transaction Document;
- (l) failure by the Issuer (acting on the instructions of the Majority Noteholders) to appoint a Back-Up Servicer satisfactory to the Majority Noteholders (and/or failure by the Back-Up Servicer to accept such appointment) within 2 months following a Back-Up Servicer Appointment Event (other than that resulting

from the occurrence of a Servicer Insolvency Event in which case the reference to 2 months shall be to 2 weeks);

- (m) on the last date of the Ramp-Up Period (the "**OC Test Date**") or any date thereafter, the aggregate outstanding Deferred Purchase Price in respect of the Receivables purchased by the Issuer during the period from the Issue Date to the OC Test Date, is less than EUR55,000,000.00, provided that where the Minimum Overcollateralisation Test is not satisfied on the OC Test Date, the Subordinated Loan Provider shall be entitled to make to the Issuer an additional advance under the Subordinated Loan Agreement in an amount equal to the difference between EUR55,000,000 and the actual aggregate outstanding Deferred Purchase Price as at the OC Test Date and provided that the Issuer receives such advance not later than on the OC Test Date, the Termination Event under this paragraph (m) shall be deemed not to have occurred; or
- (n) as of the relevant Purchase Date, (i) the cumulative Deemed Collections exceed EUR30,000,000 or relate cumulatively to 15 or more different Direct Debtors; or (ii) the Deemed Collections for a single Collection Period exceed EUR15,000,000 or relate cumulatively to 7 or more different Direct Debtors, provided that for these purposes only, the Deemed Collections shall be determined by reference to the Receivables which have been discovered not to be compliant with one or more Eligibility Criteria as a result of an audit (including the Due Diligence Report) by the Issuer or its agents (including the Due Diligence Agent);

"Termination Event Date" means the date on which a Termination Event occurs;

"Termination Event Repayment Date" means the date on which, following a Termination Event, the Redemption Amount has been paid in full to the Noteholders;

"Third ICC Period" means the period starting on the Second ICC Period End Date (excluding such date) and ending on the Interest Payment Date falling in August 2018;

"Third Make Whole Period" means the period between the ninth Interest Payment Date falling after the Effective Date (including such date) and the twenty-first Interest Payment Date falling after the Effective Date (excluding such date);

"Third Party Expenses" means any amounts due and payable by the Issuer to third parties (not being Secured Creditors) including any Liabilities payable in connection with:

- (a) the purchase by the Issuer of the Receivables Portfolio;
- (b) any filing or registration of any Transaction Documents;
- (c) any provision for and payment of the Issuer's liability to any Tax Authority for any Tax;
- (d) any Requirement of Law or any Regulatory Direction;

- (e) any advertising, publication, communication and printing expenses including postage, telephone and telex charges;
- (f) the admission of the Notes to the Official List or to trading on the Regulated Market of the Irish Stock Exchange; and
- (g) any other amounts then due and payable to third parties and incurred without breach by the Issuer of the provisions of the Transaction Documents;

"Transaction Documents" means the Trust Deed, the Notes (when issued), the Agency Agreement, the Servicing Agreement, the Cash Management Agreement, the Account Bank Agreement, the Security Deed, the Security Powers of Attorney, the Receivables Sale Agreement, the Seller Security Power of Attorney, the Originator Account Pledge Agreement, the Security Account Pledge Agreement, the Incorporated Terms Memorandum, the Corporate Services Agreement, the Subordinated Loan Agreement, the Due Diligence Agent Letter and any other document entered into by one or more Transaction Parties which is designated as a Transaction Document with the consent of the Trustee, the Issuer and the Seller;

"Transaction Documents List" means the list set out in Schedule 1 to the Signing and Closing Agenda;

"Transaction Party" means each of the Issuer, the Seller, the Trustee, the Agents, the Servicer, the Cash Manager, the Account Bank, the Corporate Services Provider, the Subordinated Loan Provider, the Due Diligence Agent and any other party to the Transaction Documents;

"Transaction Security" means security granted by the Issuer under the Security Deed and/or the security granted by the Seller under the Originator Account Pledge Agreement and the Security Account Pledge Agreement (as applicable);

"Treaty" means the Treaty on the Functioning the European Union;

"Treaty Subordinated Loan Provider" means, a Subordinated Loan Provider which is treated as a resident of a Treaty State for the purposes of a double taxation treaty with Ireland and does not carry on a business in Ireland through a permanent establishment with which the Subordinated Loan is effectively connected that, subject to the completion of procedural formalities, is entitled to relief from Irish tax on interest under that double taxation treaty;

"Treaty State" means a jurisdiction having a double taxation treaty with Ireland that is in effect which makes provision for full exemption from tax imposed by Ireland on interest;

"Trust Corporation" means a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation;

"Trust Deed" means the trust deed creating the Notes dated the Issue Date between the Issuer and the Trustee;

"Trust Documents" means the Trust Deed and the Security Deed;

"Trustee" means, as at the Issue Date, Citicorp Trustee Company Limited and any additional or replacement trustee appointed from time to time in accordance with the Trust Deed;

"Trustee Acts" means both the Trustee Act 1925 and the Trustee Act 2000 of England and Wales;

"Trustee Expenses" means all amounts due and payable in relation to the fees, costs, expenses, liabilities, indemnity payments and all other amounts due to the Trustee;

"Trustee Fees" means the fees payable by the Issuer to the Trustee in accordance with the Trust Deed;

"Unsecured Receivable" means any Receivable which is not a Secured Receivable;

"VAT" means value added tax imposed by VATA or Irish VATA and legislation and regulations supplemental thereto and includes any other tax of a similar fiscal nature whether imposed in the United Kingdom (instead of or in addition to value added tax), in Ireland, in Spain or elsewhere from time to time;

"VATA" means the Value Added Tax Act 1994;

"VAT Group" means a group for the purposes of the VAT;

"Voting Certificate" means an English language certificate issued by a Paying Agent in which it is stated:

- (a) that on the date thereof Notes (not being Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:
 - (i) the conclusion of the meeting specified in such Voting Certificate; and
 - (ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
- (b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes represented by such Voting Certificate;

"Weekly Cash Manager Report" means the report to be prepared by the Cash Manager in accordance with the terms of the Cash Management Agreement;

"Weekly Cash Manager Report Date" means (i) the day following Additional Purchase Date during the Revolving Period and (ii) each second Business Day falling after each Reconciliation Date after the end of the Revolving Period;

"Weekly Datatape" means a weekly datatape to be prepared by the Servicer under the Servicing Agreement in the form or similar to the form of the datatape attached as to the Servicing Agreement;

"Wholesale Debt Instrument" means a wholesale debt instrument within the meaning of section 246A of the Taxes Act;

"Written Resolution" means a resolution in writing signed by or on behalf of (i) Noteholders holding in aggregate not less than 75% in aggregate Principal Amount Outstanding of the Notes then outstanding or (ii) in case of a Majority Noteholders Matter, the Majority Noteholders, which resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

"24 hours" means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where any Meeting is to be held and in each of the places where the Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held); and

"48 hours" means 2 consecutive periods of 24 hours.

2. PRINCIPLES OF INTERPRETATION AND CONSTRUCTION

2.1 Knowledge

- 2.1.1 References in any Transaction Document to the expressions "so far as the Seller is aware" or "to the best of the knowledge, information and belief of the Seller" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Seller located at calle Velázquez, 18, 4º derecha, 28001 Madrid, Spain, together with the knowledge which such persons could have had if the Seller had acted in accordance with the Transaction Documents.
- 2.1.2 References in any Transaction Document to the expressions "so far as the Servicer is aware" or "to the best of the knowledge, information and belief of the Servicer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Servicer located at Avenida de Aragón, número 2-bis, entresuelo, Valencia, Spain, together with the knowledge which such persons could have had if the Servicer had acted in accordance with the Transaction Documents.
- 2.1.3 References in any Transaction Document to the expressions "so far as the Issuer is aware" or "to the best of the knowledge, information and belief of the Issuer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of directors of the Issuer located at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland, together with the knowledge which such persons could have had if the Issuer had acted in accordance with the Transaction Documents.
- 2.1.4 References in any Transaction Document to the expressions "so far as the Trustee is aware" or "to the best of the knowledge, information and belief of

the Trustee" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Trustee.

2.2 Interpretation

Any reference in the Transaction Documents to:

a document being in an "*agreed form*" means that the form of the document in question has been agreed between the proposed parties thereto and that a copy thereof has been signed for the purposes of identification by Clifford Chance LLP;

"**continuing**", in respect of an Termination Event, an Event of Default or a Potential Event of Default, shall be construed as a reference to an Termination Event, an Event of Default or a Potential Event of Default, as the case may be, which has not been waived in accordance with the terms of the Conditions or, as the case may be, the relevant Transaction Document and, in respect of a Potential Event of Default, one which has not been remedied within the relevant grace period to the extent it is capable of remedy or waived in accordance with the terms of the Conditions or, as the case may be, the relevant Transaction Document;

"*Euroclear*" and/or "*Clearstream, Luxembourg*" shall, wherever the context so admits, be deemed to include reference to any additional or alternative clearing system approved by the Issuer in relation to the Notes;

"**holder**" means the registered holder of any Note and the word "**holders**" and related expressions shall (where appropriate) be construed accordingly;

"*including*" shall be construed as a reference to "*including without limitation*", so that any list of items or matters appearing after the word "*including*" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including";

"*indebtedness*" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a "*law*" shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, by-law, order or any other legislative measure (whether primary or subsidiary made pursuant to primary legislation) of any government, supranational, local government, statutory or regulatory body or court;

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 succeeding calendar month except that:

- (a) if any such numerically corresponding day is not a Business Day, such period shall end on the immediately succeeding Business Day to occur in that next succeeding calendar month or, if none, it shall end on the immediately preceding Business Day; and

- (b) if there is no numerically corresponding day in that next succeeding calendar month, that period shall end on the last Business Day in that next succeeding calendar month,

and references to "*months*" shall be construed accordingly;

a "*person*" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

"*principal*" shall, where applicable, include premium;

"*repay*", "*redeem*" and "*pay*" shall each include both of the others and "*repaid*", "*repayable* and *repaid*", "*redeemed*", "*redeemable*" and "*redemption*" and "*paid*", "*payable*" and "*payment*" shall be construed accordingly;

a reference to any person defined as a "*Transaction Party*" in this Agreement or in any Transaction Document or in the Conditions shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests;

a "*subsidiary*" of a company or corporation shall be construed as a reference to any company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a subsidiary of another subsidiary of the first mentioned company or corporation

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

a "*successor*" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred; and

a "*wholly owned subsidiary*" of a company or corporation shall be construed as a reference to any company or corporation which has no other members except that other company or corporation and that other company's or corporation's wholly owned subsidiaries or persons acting on behalf of that other company or corporation or its wholly owned subsidiaries.

2.3 **Currency symbols**

"euro", "EUR" or "€" means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

2.4 **Transaction Documents and other agreements**

Any reference to the Incorporated Terms Memorandum, any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to the Incorporated Terms Memorandum, such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced.

2.5 **Legislation and Treaties**

Any reference to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation), statute or treaty shall be construed as a reference to such legislation, regulations, subsidiary legislation, statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.

2.6 **Time**

Any reference in any Transaction Document to a time of day shall, unless a contrary indication appears, be a reference to Madrid/London time (as applicable).

2.7 **Schedules**

Any Schedule of, or Appendix to a Transaction Document forms part of such Transaction Document and shall have the same force and effect as if the provisions of such Schedule or Appendix were set out in the body of such Transaction Document. Any reference to a Transaction Document shall include any such Schedule or Appendix.

2.8 **Headings**

Section, Part, Schedule, Paragraph and Clause headings are for ease of reference only.

2.9 **Sections**

Except as otherwise specified in a Transaction Document, reference in a Transaction Document to:

2.9.1 a "*Section*" shall be construed as a reference to a section of such Transaction Document;

2.9.2 a "*Part*" shall be construed as a reference to a part of such Transaction Document;

- 2.9.3 a "*Schedule*" shall be construed as a reference to a schedule of such Transaction Document;
- 2.9.4 a "*Clause*" shall be construed as a reference to a clause of a Part or Section (as applicable) of such Transaction Document;
- 2.9.5 a "*Paragraph*" shall be construed as a reference to a paragraph of a Schedule of such Transaction Document; and
- 2.9.6 "*this Agreement*" shall be construed as a reference to such Transaction Document together with any Schedules thereto.

2.10 **Number**

In any Transaction Document, save where the context otherwise requires, words importing the singular number include the plural and *vice versa*.

2.11 **Time of the Essence**

Any date or period specified in any Transaction Document may be postponed or extended by mutual agreement between the parties thereto, but as regards any time or period originally fixed or so postponed or extended, time shall be of the essence.

EXECUTION PAGE(S)

Issuer

SIGNED by)
CASTILLA FINANCE DAC)
acting by its duly authorised attorney)

Authorised attorney

Due Diligence Agent

SIGNED by
ISSUER SOLUTIONS, S.L.
as Due Diligence Agent

Ms. Ana Delso
Acting by its powers as administrator (*administrador solidario*)

Trustee

SIGNED for and on behalf of)
CITICORP TRUSTEE COMPANY)
LIMITED)
acting by its Director) _____
Director

Seller

SIGNED by
TORO FINANCE, S.L.U.

Mr. Antonio Aynat Eknés
Acting as its duly authorised attorney

**SCHEDULE 6
FORM OF ENGLISH DEED OF AMENDMENT**

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see overleaf

DATED ____ FEBRUARY 2018

CASTILLA FINANCE DAC
AS ISSUER

CITICORP TRUSTEE COMPANY LIMITED
AS TRUSTEE

TORO FINANCE S.L.U.
AS SELLER AND SUBORDINATED LOAN PROVIDER

GEDESCO SERVICES SPAIN S.A.U.
AS SERVICER

CITIBANK, N.A., LONDON BRANCH
AS ACCOUNT BANK, AGENT BANK AND PAYING AGENT

INTERMONEY TITULIZACIÓN S.G.F.T. S.A.
AS CASH MANAGER

AND

WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED
AS CORPORATE SERVICES PROVIDER

DEED OF AMENDMENT AND RESTATEMENT

CONTENTS

Clause	Page
1. Definitions and Interpretation	2
2. Amendment and Restatement	3
3. Consent	4
4. Continuation of Security and Guarantee	4
5. Continuity and Further Assurance	5
6. Non Petition and Limited Recourse	5
7. Counterparts	6
8. Governing Law and Jurisdiction	6
Schedule 1 Amended and Restated Incorporated Terms Memorandum	8
Schedule 2 Amended and Restated Trust Deed	9
Schedule 3 Amended and Restated Cash Management Agreement	10
Schedule 4 Amended and Restated subordinated loan agreement	11
SIGNATORIES	12

THIS DEED OF AMENDMENT AND RESTATEMENT is dated ____ February 2018 and made between:

- (1) **CASTILLA FINANCE DAC**, a private company incorporated with limited liability under the laws of Ireland having its registered office at Fourth Floor, 3 George's Dock, I.F.S.C., Dublin 1, Ireland and registered number 578174 and with Spanish Tax Identification Number (NIF) N0073182H (the "**Issuer**");
- (2) **CITICORP TRUSTEE COMPANY LIMITED**, whose registered office is at Citigroup Centre, 2 Canada Square, London E14 5LB (acting in its capacity as the "**Trustee**", which expression shall include such company and all other persons or companies for the time being acting as trustee (or co-trustee) pursuant to the terms of the Trust Deed and the Security Deed);
- (3) **TORO FINANCE S.L.U.**, a company duly incorporated and existing in accordance with the laws of Spain, with registered office at Paseo de la Castellana, 41 4^a planta, 28046 Madrid, registered with the Mercantile Registry of Madrid under volume 31,442, sheet 87, 8th section, page number M-565.943, 1st inscription and with Spanish tax identification number (NIF) B-86816246 (the "**Seller**" and "**Subordinated Loan Provider**");
- (4) **GEDESCO SERVICES SPAIN S.A.U.**, a company duly incorporated and existing in accordance with the laws of Spain, with registered office at Valencia, Avenida de Aragón, número 2-bis, entresuelo, registered with the Mercantile Registry of Valencia under volume 6.993, Sheet 45, Page V-79530 and with Spanish tax identification number (NIF) A-97097661 (the "**Servicer**");
- (5) **CITIBANK, N.A., LONDON BRANCH**, whose registered office is at Citigroup Centre, 2 Canada Square, Canary Wharf, London E14 5LB (the "**Account Bank**", "**Agent Bank**" and "**Paying Agent**");
- (6) **INTERMONEY TITULIZACIÓN S.G.F.T. S.A.**, a management company (sociedad gestora) of securitisation funds (fondos de titulización), with registered office at C/ Príncipe de Vergara, 131 planta 3^a, 28002 Madrid, holder of the Spanish C.I.F. number A-83774885 and registered with the Commercial Registry of Madrid, Volume 19,277, Page 127, Section 8, Sheet M-337,707, entry n° 1, and also registered under number 10 in the Special Register of Securitisation Fund Management Companies (Registro Especial de Sociedades Gestoras de Fondos de Titulización) kept by the Spanish Securities and Exchange Commission (Comisión Nacional del Mercado de Valores) (the "**Cash Manager**"); and
- (7) **WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED**, (registered number 318390), whose registered office is at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland (the "**Corporate Services Provider**").

RECITALS:

- (A) On 27 May 2016, the Issuer, the Seller, the Servicer, the Account Bank, the Cash Manager, the Corporate Services Provider and the Trustee entered into an incorporated terms memorandum (as amended and restated on 1 March 2017) (the "**Original ITM**") in connection with the issue of the Notes by the Issuer.

- (B) On 27 May 2016, the Issuer and Trustee entered into a trust deed (as amended and restated on 1 March 2017) (the "**Original Trust Deed**") in connection with the issue of the Notes by the Issuer.
- (C) On 27 May 2016, the Issuer, Trustee, Servicer and Cash Manager entered into a cash management agreement (the "**Original CMA**") in connection with the issue of the Notes by the Issuer.
- (D) On 27 May 2016, the Issuer, the Trustee and the Subordinated Loan Provider entered into the subordinated loan agreement (the "**Original SLA**").
- (E) The Parties are now proposing to enter into this Deed for the purposes of amending and restating the Original ITM, the Original Trust Deed, the Original CMA and the Original SLA (collectively, the "**Original Documents**") and the Parties are entering into this Deed with the intention to amend certain provisions of the Original Documents.
- (F) By a Written Resolution dated 22 February 2018 (the "**Resolution**"), the Noteholders consented to the amendment and restatement of the Original Documents in the forms scheduled hereto and have directed, authorised, requested and empowered the Trustee (i) to grant its consent to the Issuer entering into this Deed, and (ii) to enter into this Deed.

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

Unless otherwise defined in this Deed or the context otherwise requires, words and expressions used in this Deed (including the recitals and schedules) have the meanings and constructions ascribed to them in the Amended and Restated ITM.

In this Deed:

"**Amended and Restated CMA**" means the Original CMA, as amended and restated by this Deed;

"**Amended and Restated ITM**" means the Original ITM, as amended and restated by this Deed;

"**Amended and Restated SLA**" means the Original SLA, as amended and restated by this Deed;

"**Amended and Restated Trust Deed**" means the Original Trust Deed, as amended and restated by this Deed;

"**Effective Date**" means 26 February 2018;

"**Original CMA**" has the meaning given to it in Recital (C) above;

"**Original Documents**" has the meaning given to it in Recital (E) above;

"**Original ITM**" has the meaning given to it in Recital (A) above;

"**Original SLA**" has the meaning given to it in Recital (D) above;

"**Original Trust Deed**" has the meaning given to it in Recital (B) above;

"**Resolution**" has the meaning given to it in Recital (F) above; and

"**Spanish Amendment Agreement**" means the amendment to the Receivables Sale Agreement, the Servicing Agreement, the Originator Account Pledge Agreement and the Security Account Pledge Agreement dated on or about the date hereof between, *inter alios*, the Issuer and the Seller.

1.2 **Clauses**

In this Deed any reference to a "Clause" or a "Schedule" is, unless the context otherwise requires, a reference to a Clause in or a Schedule to this Deed.

1.3 **Third Party Rights**

Rights under this Deed only accrue to a person party to this Deed. Accordingly a person who is not a party to this Deed shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

2. **AMENDMENT AND RESTATEMENT**

2.1 **Effective Date**

Save as provided in Clause 2.7 (*Extraordinary Interest Payment Date*), the parties hereto agree and acknowledge that the amendment and restatement set out in Clauses 2.2 (*Amendment and Restatement of the Original Incorporated Terms Memorandum*) to 2.5 (*Amendment and Restatement of the Original Subordinated Loan Agreement*) below shall be effective as of the Effective Date.

2.2 **Amendment and Restatement of the Original Incorporated Terms Memorandum**

The parties to the Original ITM agree that the Original ITM shall be amended and restated as set out in Schedule 1 (*Amended and Restated Incorporated Terms Memorandum*) to this Deed.

2.3 **Amendment and Restatement of the Original Trust Deed**

The parties to the Original Trust Deed agree that the Original Trust Deed shall be amended and restated as set out in Schedule 2 (*Amended and Restated Trust Deed*) to this Deed.

2.4 **Amendment and Restatement of the Original Cash Management Agreement**

The parties to the Original CMA agree that the Original CMA shall be amended and restated as set out in Schedule 3 (*Amended and Restated Cash Management Agreement*) to this Deed.

2.5 **Amendment and Restatement of the Original Subordinated Loan Agreement**

The parties to the Original SLA agree that the Original SLA shall be amended and restated as set out in Schedule 4 (*Amended and Restated Subordinated Loan Agreement*) to this Deed.

2.6 **Designation as Transaction Documents**

The Issuer, the Seller and the Trustee hereby designate this Deed and the Spanish Amendment Agreement as Transaction Documents.

2.7 **Extraordinary Interest Payment Date**

Notwithstanding anything to the contrary, express or implied, the parties hereby agree that for the purposes of the distributions on the Extraordinary Interest Payment Date, the provisions of section 1 (*Revolving Period Priority of Payments*) of schedule 3 (*Priorities of Payment*) as set out in the Original CMA shall apply.

3. **CONSENT**

Each of the parties to this Deed (and in the case of the Issuer and the Trustee, pursuant to the Resolution) agrees that by entering into this Deed it consents to the amendment and restatement of each Original Document on the terms set out in this Deed.

4. **CONTINUATION OF SECURITY**

4.1 By clause 5 (*Creation of Security*) of the Security Deed, the Issuer granted security for the payment and discharge of the Secured Liabilities due and payable to the Secured Creditors (the "**Original Security**").

4.2 The Issuer hereby confirms for the benefit of the Trustee and the Secured Creditors that the Original Security created by the Issuer pursuant to the Security Deed shall remain in full force and effect notwithstanding any amendments to the Original Documents, the receivables sale agreement, the servicing agreement, the originator account pledge agreement and the security account pledge agreement; and continue to secure the Secured Liabilities.

5. **SUPPLEMENTAL SECURITY**

5.1 On the Effective Date, the Issuer hereby grants security for the payment or discharge of all Secured Liabilities from time to time on the terms of clause 5 (*Creation of Security*) of the Security Deed following the amendments set out herein such that all references in the Security Deed to the capitalised terms used but not defined therein shall be to such terms as are set out in schedule 1 (*Master Definitions Schedule*) to the Amended and Restated ITM (the "**Supplemental Security**").

5.2 All Supplemental Security created by or pursuant to Clause 5.1 above is:

- (a) created with full title guarantee;
- (b) created in favour of the Trustee for itself and as trustee on behalf of the other Secured Creditors;

- (c) continuing security for the payment and discharge of the Secured Obligations as amended pursuant to this Deed.

5.3 The Supplemental Security created by or pursuant to Clause 5.1 above is created in addition and without prejudice to the security confirmation contained in Clause 4 (*Continuation of Security*) and without prejudice but subject only to the Original Security.

6. CONTINUITY AND FURTHER ASSURANCE

Each of the Parties hereto (except the Trustee) shall, at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Deed.

7. NON PETITION AND LIMITED RECOURSE

7.1 No proceedings against the Issuer

Only the Trustee may pursue the remedies available under the general law and/or under the Transaction Documents to enforce the Transaction Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Transaction Security. In particular, each of the Noteholders and the other Secured Creditors (other than the Trustee) agrees and acknowledges to each of the Issuer and the Trustee, and the Trustee agrees with and acknowledges to the Issuer, that:

- (a) none of the Secured Creditors (nor any person on their behalf, other than the Trustee where appropriate) are entitled, otherwise than as permitted by the Transaction Documents and the Conditions, to direct the Trustee to enforce the Transaction Security or take any proceedings or action against the Issuer to enforce or realise the Transaction Security;
- (b) none of the Secured Creditors (nor any person on their behalf, other than the Trustee) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to any of such Secured Creditors;
- (c) none of the Secured Creditors nor any person on their behalf shall initiate or join any person in initiating an Issuer Insolvency Event or the appointment of an Insolvency Official in relation to the Issuer other than a Receiver or an administrator appointed under clause 12 (*Receiver*) of the Security Deed; and
- (d) none of the Secured Creditors shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

7.2 Limited Recourse

Each Transaction Party (other than the Issuer and the Trustee) agrees with and acknowledges to each of the Issuer and the Trustee, and the Trustee agrees with and acknowledges to the Issuer, that if at any time following:

- (a) the occurrence of either:
 - (i) the Maturity Date or any earlier date upon which all of the Notes are due and payable; or
 - (ii) the service of an Enforcement Notice; and
- (b) Realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes and the Transaction Documents in accordance with the applicable Priorities of Payments;

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priorities of Payments, to pay in full all amounts then due and payable under the Notes or under any Transaction Documents, then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above) under the Notes or such Transaction Document (and any obligation under any Transaction Document junior to such Notes or that Transaction Document) shall, following such application in full of the amounts referred to in (b) above, cease to be due and payable by the Issuer.

For the purposes of this Paragraph 7.2, "**Realisation**" means, in relation to any Charged Property, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Charged Property and, for the avoidance of doubt, any realisation of assets purported to be Charged Property regardless of whether or not the security created over such assets is validly created, and including (without limitation) through sale or through performance by an obligor.

8. COUNTERPARTS

This Deed may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Deed may enter into the same by executing and delivering a counterpart.

9. GOVERNING LAW AND JURISDICTION

- 9.1 This Deed and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, English law.
- 9.2 Each of the parties hereto irrevocably agrees that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Deed (respectively "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

9.3 Each of the Parties hereto irrevocably waive any objection which it might now or hereafter have to the courts referred to in Clause 9.2 being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

IN WITNESS WHEREOF this Deed has been executed as a deed by the parties hereto.

SCHEDULE 1
AMENDED AND RESTATED INCORPORATED TERMS MEMORANDUM

(Paginated separately - rest of the page intentionally left blank)

SCHEDULE 2
AMENDED AND RESTATED TRUST DEED

(Paginated separately - rest of the page intentionally left blank)

SCHEDULE 3
AMENDED AND RESTATED CASH MANAGEMENT AGREEMENT

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SCHEDULE 4
AMENDED AND RESTATED SUBORDINATED LOAN AGREEMENT

(Paginated separately - rest of the page intentionally left blank)

SIGNATORIES

SIGNED and **DELIVERED** as a **DEED** for and on behalf)
of **CASTILLA FINANCE DAC**)
by its duly authorised attorney)
in the presence of:)

(Witness' Signature)

(Witness' Name)

(Witness' Address)

(Witness' Occupation)

EXECUTED as a **DEED**)
for and on behalf of)
CITICORP TRUSTEE COMPANY)
LIMITED)
acting by a Director)

Director

In the presence of:

Name:

Occupation:

Address:

EXECUTED as a **DEED** by)
TORO FINANCE S.L.U.)
by a Director)
in the presence of:)

(Witness' Signature)

(Witness' Name)

(Witness' Address)

(Witness' Occupation)

EXECUTED as a **DEED** by)
GEDESCO SERVICES SPAIN S.A.U.)
by a Director)
in the presence of:)

(Witness' Signature)

(Witness' Name)

(Witness' Address)

(Witness' Occupation)

EXECUTED as a **DEED**)
for and on behalf of)
CITIBANK N.A., LONDON BRANCH)
acting by its duly delegated signatory)

Delegated Signatory:

EXECUTED as a **DEED** by)
INTERMONEY TITULIZACIÓN S.G.F.T. S.A.)
by a Director)
in the presence of:)

(Witness' Signature)

(Witness' Name)

(Witness' Address)

(Witness' Occupation)

GIVEN under the **COMMON SEAL** of)
WILMINGTON TRUST SP SERVICES)
(DUBLIN) LIMITED)
)

Director

Director / Secretary

**SCHEDULE 7
SPANISH AMENDMENT AGREEMENT**

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Please see overleaf

CASTILLA FINANCE DESIGNATED ACTIVITY COMPANY

as Issuer, Purchaser and Secured Party

TORO FINANCE, S.L.U.

as Seller and Pledgor

GEDESCO SERVICES SPAIN, S.A.U.

as Offer Agent and Servicer

and

INTERMONEY TITULIZACIÓN, S.G.F.T., S.A.

as Cash Manager

**AMENDMENT TO THE RECEIVABLES SALE AGREEMENT,
THE SERVICING AGREEMENT, THE ORIGINATOR ACCOUNT
PLEDGE AGREEMENT AND THE SECURITY ACCOUNT
PLEDGE AGREEMENT**

CONTENTS

Clause	Page
1. DEFINITIONS.....	2
2. AMENDMENT OF THE SERVICING AGREEMENT.....	2
3. AMENDMENT OF THE RSA.....	3
4. AMENDMENT OF SCHEDULE 1 (<i>MASTER DEFINITIONS SCHEDULE</i>) OF THE AGREEMENTS.....	5
5. RATIFICATION OF THE AGREEMENTS.....	5
6. DESIGNATION OF THIS AMENDMENT AGREEMENT AS TRANSACTION DOCUMENT.....	6
7. NOTICES.....	6
8. RESTRICTION ON ENFORCEMENT OF SECURITY, NON PETITION AND LIMITED RECOURSE.....	6
9. GOVERNING LAW AND JURISDICTION.....	6

This Agreement is made on 22 February 2018.

APPEAR

- (1) **Mr. Antonio Aynat Eknés**, of legal age, with Spanish DNI number 19.836.761-C, in the name and on behalf of **TORO FINANCE S.L.U.** (the "**Seller**" or the "**Pledgor**"), a Spanish limited liability company validly incorporated and existing under the laws of Spain with registered office at Paseo de la Castellana, 41 4ª planta, 28046 Madrid, Spain, registered in the Commercial Registry of Madrid at the Volume 31442, Sheet 87, Page M-565943 and with Spanish tax identification number (NIF) B-86816246.

He acts by virtue of a power of attorney contained in the resolution of the Board of Directors of the Pledgor dated 6 February 2018 and raised to the status of Spanish public document on 8 February 2018 before the Notary Public of the city of Madrid Mr. Antonio de la Esperanza Rodríguez with number 548 of his official records.

- (2) **Mr. Manuel González Escudero**, of legal age, with Spanish DNI number 07.470.550-N, in the name and on behalf of **CASTILLA FINANCE DESIGNATED ACTIVITY COMPANY** (hereinafter, the "**Issuer**", the "**Purchaser**" or the "**Secured Party**"), a private company incorporated with limited liability under the laws of Ireland having its registered office at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Dublin, Ireland and with Spanish Tax Identification Number N0073182H.

He acts by virtue of a power of attorney granted on 18 March 2016 before the Notary Public of Dublin, Mr. Patrick J.A. Kelly, duly apostilled.

- (3) **Mr. Antonio Aynat Eknés**, of legal age, with Spanish DNI number 19.836.761-C, in the name and on behalf of **GEDESCO SERVICES SPAIN, S.A.U.**, a company duly incorporated and existing in accordance with the laws of Spain, with registered office at Valencia, Avenida de Aragón, número 2-bis, entresuelo, registered with the Mercantile Registry of Valencia under volume 6.993, Sheet 45, Page V-79530 and with Spanish tax identification number (NIF) A-97097661 (the "**Offer Agent**" or the "**Servicer**").

He acts by virtue of a power of attorney contained in the resolution of the Board of Directors of the Servicer dated 22 February 2013 and raised to the status of Spanish public document on 27 February 2013 before the Notary Public of the city of Valencia Mr. Ricardo Monllor González with number 186 of his official records.

- (4) **Mrs. Carmen Barrenechea Fernández**, of legal age, with Spanish DNI number 51.383.745-C and **Mr. Manuel González Escudero**, of legal age, with Spanish DNI number 07.470.550-N, in the name and on behalf of **INTERMONEY TITULIZACIÓN S.G.F.T., S.A.**, a management company (*sociedad gestora*) of securitisation funds (*fondos de titulización*), with registered office at C/ Príncipe de Vergara, 131 planta 3ª, 28002 Madrid, holder of the Spanish C.I.F. number A-83774885 and registered with the Commercial Registry of Madrid, Volume 19,277, Page 127, Section 8, Sheet M-337,707, entry nº 1, and also registered under number 10 in the Special Register of Securitisation Fund Management Companies (*Registro Especial de Sociedades Gestoras de Fondos de Titulización*) kept by the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*) (the "**Cash Manager**").

They act by virtue of a power of attorney contained in the resolution of the Board of Directors of the Cash Manager dated 24 February 2014 and raised to the status of Spanish public document on 17 March 2014 before the Notary Public of the city of Madrid Mr. Antonio Huerta Trólez with number 585 of his official records.

The Seller, the Purchaser, the Offer Agent and the Cash Manager shall be referred to jointly as the "**Parties**".

WHEREAS

- (A) On 27 May 2016 the Parties entered into the following agreements governed by Spanish law before the Spanish Notary of Madrid Mr. Fernando Molina Stranz: (i) a receivables sale agreement (the "**Original RSA**"); (ii) a servicing agreement (the "**Original Servicing Agreement**"); (iii) an originator account pledge agreement and (iv) a security account pledge agreement (hereinafter, the "**Original Agreements**").
- (B) On 1 March 2017, Schedule 1 of all the Original Agreements (which contains section 1 (*Definitions*) of the Master Definitions Schedule set out at Schedule 1 of the Incorporated Terms Memorandum) was amended in order to remove the prohibition for the Seller to sell Receivables to the Issuer during the periods between the end of the last Collection Period and the Interest Payment Date falling immediately after the end of that Collection Period (the Original Agreements, as amended on 1 March 2017, shall be referred to as the "**Agreements**", the Original RSA, as amended on 1 March 2017, shall be referred to as the "**RSA**" and the Original Servicing Agreement, as amended on 1 March 2017, shall be referred to as the "**Servicing Agreement**"). The originator account pledge agreement and the security account pledge agreement shall be referred together as the "**Account Pledge Agreements**".
- (C) The Parties have agreed to enter into this amendment agreement to amend certain provisions included in the RSA and certain definitions included in Schedule 1 of all the Agreements (the "**Amendment Agreement**").

CLAUSES

1. DEFINITIONS

Unless otherwise defined in this Amendment Agreement or the context requires otherwise, capitalised words and expressions used in this Amendment Agreement have the meanings ascribed to them in section 1 (*Definitions*) of the Master Definitions Schedule set out at Schedule 1 of the Incorporated Terms Memorandum (as amended from time to time (in particular on the date hereof)). For the avoidance of doubt, section 1 (*Definitions*) of Schedule 1 only of the Incorporated Terms Memorandum shall apply to this Amendment Agreement.

2. AMENDMENT OF THE SERVICING AGREEMENT

- 2.1 The Parties agree that Clause 9.3 of the Servicing Agreement shall be deleted in its entirety.

2.2 The Parties agree that Clause 10.1.3 of the Servicing Agreement shall be deleted in its entirety.

2.3 The Parties agree that Clause 10.2 of the Servicing Agreement shall read as follows:

"10.2 The Servicer shall deliver the Weekly Datatape and the Monthly Datatape (the "Full Datatapes") to the Cash Manager, the Issuer and the Seller."

2.4 The Parties agree that Clause 10.3 of the Servicing Agreement shall read as follows:

"10.3 The Cash Manager shall make available to current and prospective Noteholders, immediately after the request (via email) of the Noteholders, a weekly data tape, a monthly data tape and a quarterly data tape (the "Noteholders Datatapes")."

The Noteholders Datatapes shall contain the same information than the Full Datatapes, except for names of the Direct Debtors, which in the case of the Noteholders Datatapes shall only contain the information in relation to (i) the fifteen (15) Direct Debtors with the highest aggregate Outstanding Balances and (ii) the Direct Debtors of the Defaulted Receivables."

2.5 The Parties agree that Part 3 (*Form of Quarterly Datatape*) of Schedule 4 of the Servicing Agreement shall be deleted in its entirety.

3. **AMENDMENT OF THE RSA**

3.1 The Parties agree to include a new Clause 7.5 in the RSA which shall read as follows:

"7.5 No payment of DPP Distributable Amount or Additional Remuneration

No Additional Remuneration or DPP Distributable Amount shall be payable during the Ramp-Up Period. Additionally, no Additional Remuneration, DPP Distributable Amount or interest on the Subordinated Loan will be payable for as long as the aggregate Deferred Purchase Price in respect of the Receivables payable by the Issuer is less than EUR 40,000,000 (prior to (but excluding) the Effective Date) and EUR 55,000,000 (from (and including) the Effective Date)."

3.2 The Parties agree that the appointment of Intermoney Titulización, S.G.F.T., S.A. as Due Diligence Agent is terminated with effect from the Effective Date and, accordingly, Clause 8.6 (*Quarterly audit report over the Receivables Portfolio*) and Schedule 15 (*Audited Datatape Fields and Eligibility Criteria*) of the RSA shall be deleted in its entirety with effect from the Effective Date.

3.3. The Parties agree that Clause 21.2 of the RSA shall read as follows:

"21.2 No party shall be entitled to transfer all or any of its rights, benefits or obligations hereunder without the consent of the other parties hereto (save for (i) the Security granted by the Purchaser pursuant to the Trust Documents and (ii) the transfer of and/or creation of security by the Seller over its rights in

respect of the Deferred Purchase Price, the DPP Distributable Amount and the Additional Remuneration)."

3.4 The Parties agree to include a new Clause 24.4 in the RSA which shall read as follows:

"24.4 The Seller shall have the right, in its sole and absolute discretion, to request the Issuer to issue an Issuer Cash Call Notice by serving a written notice (an "Increase Notice") on the Issuer (with a copy to the Cash Manager) on either ICC Cut-off Date falling in each ICC Period, provided that the Seller may only submit one Increase Notice in each ICC Period. Each Increase Notice shall specify the applicable Cash Call Settlement Date and the Cash Call Amount requested."

3.5 The Parties agree that the criteria *"constitutes the legal, valid, binding and enforceable obligations of one or more Eligible Debtors"* included in paragraph (vii) of the definition of "Eligible Receivable" of Schedule 3 (*Eligibility Criteria*) of the RSA shall be replaced by the following criteria: *"constitutes the legal, valid, binding and enforceable obligations of a Direct Debtor which is an Eligible Debtor"*.

3.6 The Parties agree that the criteria *"is payable in full no later than the fifth Business Day preceding the Scheduled Maturity Date"* included in paragraph (xx) of the definition of "Eligible Receivable", paragraph (xviii) of the definition of "Eligible Factoring Claim" and paragraph (xvii) of the definition of "Eligible Special Claim" of Schedule 3 (*Eligibility Criteria*) of the RSA shall be deleted and intentionally left blank.

3.7 The Parties agree that paragraph (a) of the definition of "Portfolio Requirements" included in Schedule 3 (*Eligibility Criteria*) of the RSA shall read as follows:

"(a) the Outstanding Balance of any Qualifying Portfolios does not exceed EUR 9,000,000;

"Qualifying Portfolios" means each of the Direct Group Portfolios with the first, second and third highest aggregate Outstanding Balances"

3.8 The Parties agree that paragraphs (b) and (c) of the definition of "Portfolio Requirements" included in Schedule 3 (*Eligibility Criteria*) of the RSA shall be deleted and replaced by the new paragraph (b) below (and paragraph (c) shall intentionally be left blank):

"(b) the aggregate Outstanding Balance of any Direct Group Portfolio other than a Qualifying Portfolio does not exceed EUR 8,000,000;"

3.9 The Parties agree to include a new paragraph (k) in the definition of "Portfolio Requirements" which shall read as follows:

"(k) the aggregate Outstanding Balance of Receivables with a maturity longer than the Scheduled Maturity Date does not exceed EUR 45,000,000."

3.10 The Parties agree that the definition of Portfolio Maximum Amount included in Schedule 3 (*Eligibility Criteria*) of the RSA shall read as follows:

"Portfolio Maximum Amount" means, on any date of determination, the aggregate of (a) EUR 220,000,000 plus (b) the higher of (x) EUR55,000,000 and (y) the aggregate

outstanding Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio (as determined prior to the relevant Additional Purchase Date).

3.11 The Parties agree to delete the definitions of "Direct Group Unsecured Portfolio" and "Direct Group Secured Portfolio" included in Schedule 3 (*Eligibility Criteria*) of the RSA.

3.12 The Parties agree that the definition of Indirect Unrated Group Portfolio included in Schedule 3 (*Eligibility Criteria*) of the RSA shall read as follows:

"Indirect Unrated Group Portfolio" means any Group Portfolio in relation to an Indirect Debtor which does not have a Minimum Rating."

3.13 The Parties agree that the definition of Minimum Rating included in Schedule 3 (*Eligibility Criteria*) of the RSA shall read as follows:

"Minimum Rating" means with respect to any Indirect Debtor a public rating of its long-term unsecured, unsubordinated and unguaranteed debt obligations by Moody's, Fitch and/or S&P which is at least equal to BB- (or equivalent), provided that where the relevant Indirect Debtor's long-term unsecured, unsubordinated and unguaranteed debt obligations are rated by two or more rating agencies, only the lowest of the ratings shall be taken into account."

3.14 The Parties agree to include a new Clause 4.2 in Part A (*General Covenants of the Seller*) of Schedule 11 (*Seller Covenants*) which shall read as follows:

4.2 *"Information to the Noteholders*

The Seller shall, upon request from the Trustee, promptly provide the Noteholders with (i) reasonably requested additional information about the Seller's strategy (including, but not limited to potential changes to the Seller's strategy) and/or any ongoing or potential process or pending or actual agreement which could result in a change of the ownership of the Seller; and (ii) a copy of the latest published annual accounts of the Seller."

4. AMENDMENT OF SCHEDULE 1 (MASTER DEFINITIONS SCHEDULE) OF THE AGREEMENTS

The Parties agree that Schedule 1 (*Master Definitions Schedule*) of all the Agreements shall, as of this date, read as set forth in Schedule 1 (*Restated Master Definitions Schedule*) to this Amendment Agreement (with express derogation from its previous terms).

5. RATIFICATION OF THE AGREEMENTS

5.1 The Parties ratify the full force and unconditional effectiveness of the Agreements, as from the day of its execution and agree that, subject to the terms provided herein, the terms and conditions of the said Agreements are not amended, modified or affected except for the amendment pursuant to this Amendment Agreement, being such terms and conditions expressly ratified hereby.

5.2 The Agreements and this Amendment Agreement shall be read and construed together and be deemed to constitute one and the same agreement.

5.3 The Parties expressly agree that the *in rem* rights created by the Pledgor by virtue of the Account Pledge Agreements, as security for the fulfillment of the Secured Obligations, includes and is extended to the obligations of the Pledgor under the RSA and the Servicing Agreement, as such obligations have been amended by virtue of this Amendment Agreement.

6. **DESIGNATION OF THIS AMENDMENT AGREEMENT AS TRANSACTION DOCUMENT**

The Parties designate this Amendment Agreement as a Transaction Document.

7. **NOTICES**

All notices and communications to be made in relation to this Amendment Agreement shall be made in accordance with the provisions set forth in the respective Agreements.

8. **RESTRICTION ON ENFORCEMENT OF SECURITY, NON PETITION AND LIMITED RECOURSE**

Each of the parties hereto acknowledge and agree to be bound, *mutatis mutandis*, by the provisions of Clause 7 (*Restriction on Enforcement of Security, Non Petition and Limited Recourse*) in Schedule 2 (*Common Terms*), Part A (*General Legal Terms*) of the Incorporated Terms Memorandum.

If there is any conflict between the provisions of the Common Terms and the provisions of this Amendment Agreement, the provisions of this Amendment Agreement shall prevail save where any provision of this Amendment Agreement conflicts with Paragraph 7 (*Restriction on Enforcement of Transaction Security, Non Petition and Limited Recourse*) of the Common Terms, in which case the Common Terms shall prevail.

9. **GOVERNING LAW AND JURISDICTION**

9.1 This Amendment Agreement, all matters arising from or connected with, and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of Spain.

9.2 Each of the parties hereto irrevocably agrees that the courts of the city of Madrid (Spain) shall have exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of, or in connection with, this Amendment Agreement or any non-contractual obligation arising out of or in connection with it and, for such purposes, irrevocably submits to the jurisdiction of such courts.

CON MI INTERVENCIÓN

EL NOTARIO

The Issuer, Purchaser and Secured Party

SIGNED for and on behalf of

CASTILLA FINANCE DESIGNATED ACTIVITY COMPANY

By: _____

Name: Mr. Manuel González Escudero

The Seller and Pledgor

SIGNED for and on behalf of

TORO FINANCE, S.L.U.

By: _____

Name: Mr. Antonio Aynat Eknés

The Offer Agent and Servicer

SIGNED for and on behalf of

GEDESCO SERVICES SPAIN, S.A.U.

By: _____

Name: Mr. Antonio Aynat Eknés

The Cash Manager

SIGNED for and on behalf of

INTERMONEY TITULIZACIÓN, S.G.F.T., S.A.

By: _____

Name: Mrs. Carmen Barrenechea Fernández

By: _____

Name: Mr. Manuel González Escudero

SCHEDULE 1
RESTATED MASTER DEFINITIONS SCHEDULE

SCHEDULE 1
MASTER DEFINITIONS SCHEDULE

1. **DEFINITIONS**

Except where the context otherwise requires, the following defined terms used in the Transaction Documents have the meanings set out below (as the same may be amended, restated and/or supplemented from time to time):

"Accounting Reference Date" means, in each year, in respect of the Issuer, the date represented and warranted by the Issuer in Paragraph 4 (*Accounting Reference Date*) of Part A of Schedule 3 (*Issuer's Representations and Warranties*) of the Incorporated Terms Memorandum;

"Account Bank" means, as at the Issue Date, Citibank, N.A., London Branch together with any additional or replacement account banks duly appointed from time to time;

"Account Bank Agreement" means the account bank agreement dated the Issue Date among the Issuer, the Cash Manager, the Account Bank and the Trustee;

"Account Bank Fees" means the fees payable by the Issuer to the Account Bank in accordance with the Account Bank Agreement;

"Account Bank Rating" means any of the following ratings:

- (a) short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least P-2 by Moody's; and
- (b) short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least A-2 by S&P,

or, in either case, such lower rating as agreed by the Issuer (acting upon the instructions of the Majority Noteholders);

"Accounts Final Delivery Date" means, in respect of each of the Issuer, the date which is 5 days after its Accounting Reference Date;

"Additional Account" means any account in the name of the Issuer at the Account Bank or any other bank created after the Issue Date established pursuant to and in accordance with the Account Bank Agreement;

"Additional Advance" means an additional advance that may be made by the Subordinated Loan Provider to the Issuer in accordance with the Subordinated Loan Agreement.

"Additional Purchase Date" means (i) the Madrid/Valencia Business Day in the Revolving Period immediately following each Offer Date and (ii) in respect of the Offer Date falling on 19 February 2018, 26 February 2018;

"Additional Purchase Price" means, in respect of an Additional Receivables Portfolio, the amount of the consideration paid or to be paid for the purchase of such

Additional Receivables Portfolio on the related Additional Purchase Date, such amount being equal to:

- (a) the Initial Additional Purchase Price; and
- (b) the Deferred Purchase Price payable on each Interest Payment Date in accordance with the Priorities of Payments; and
- (c) the Additional Remuneration payable on each Interest Payment Date in accordance with the Priorities of Payments;

"Additional Receivables Portfolio" means any Receivables acquired by the Issuer pursuant to the Receivables Sale Agreement on an Additional Purchase Date;

"Additional Receivables Portfolio Identification File" means, in relation to any Additional Receivables Portfolio, an electronic file containing, at least, the information on each Receivable in that Additional Receivables Portfolio set forth in the Receivables Sale Agreement;

"Additional Remuneration" means, in relation to each Interest Payment Date:

- (a) during the Revolving Period, an amount equal to the Available Receipts on such Interest Payment Date remaining (if any) after making payment of the items described in (1) to (7) (inclusive) of the Revolving Period Priority of Payments; and
- (b) after the end of the Revolving Period, an amount equal to the lower of:
 - (i) an amount equal to the Available Receipts on such Interest Payment Date remaining (if any) after making payment of (as applicable): (a) the items described in (1) to (9) (inclusive) of the Amortisation Period Priority of Payments, or (b) the items described in (1) to (7) (inclusive) of the Post-Enforcement Priority of Payments; and
 - (ii) the sum of amounts determined for each relevant Receivable and representing the excess (if any) of the Outstanding Balance of each Receivable (determined by reference to the Purchase Date of such Receivable) which has been paid within the Collection Period preceding such Interest Payment Date over its Funding Base;

"Additional Reserve Fund Advance" has the meaning given to it in Condition 2 (*Definitions*);

"Adverse Claim" means any ownership interest, charge, encumbrance, proprietary or security interest, right of retention, retention of title, lien or other right or claim in, over or on any person's assets or properties in favour of any other person;

"Affiliate" means, with respect to a specified person, any other person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the specified person, and the term "control" (including the terms controlling, controlled by and under common control with)

means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise;

"**Agency Agreement**" means the agency agreement dated the Issue Date among, *inter alios*, the Issuer, the Paying Agents, the Agent Bank and the Trustee;

"**Agent Bank**" means the person duly appointed as agent bank from time to time under the Agency Agreement who, as at the Issue Date, is Citibank, N.A., London Branch;

"**Agents**" means the Agent Bank and the Paying Agent and "**Agent**" means any one of them;

"**Agents' Fees**" means fees payable to the Agents under the Agency Agreement;

"**Amortisation Period**" means the period commencing on the Business Day following the end of the Revolving Period and ending on the earlier of: (i) the date of an Event of Default and (ii) the Scheduled Maturity Date;

"**Amortisation Period Priority of Payments**" means the provisions relating to the order of priority of payments set out in Schedule 3 (*Priorities of Payment*), section 2 (*Amortisation Period Priority of Payments*) of the Cash Management Agreement;

"**Ancillary Rights**" means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including without limitation any security interests, guarantees or indemnities in respect of such Right;

"**Applicable Additional Remuneration**" means (i) in respect of any date of determination falling prior to the first Interest Payment Date; and (ii) in respect of any date of determination falling thereafter, the amount of Additional Remuneration paid (whether in cash or by way of set-off) to the Seller on the Interest Payment Date falling immediately prior to the relevant date of determination;

"**Applicable Law**" means any law or regulation including, but not limited to: (a) any domestic or foreign statute or regulation; (b) any rule or practice of any Governmental Authority, stock exchange or self-regulatory organisation with which each Party is bound or accustomed to comply; and (c) any agreement entered into by the Parties and any Governmental Authority or between any two or more Governmental Authorities;

"**Appointee**" means any attorney, manager, agent, delegate, nominee, custodian, co-trustee or other person appointed by the Trustee under the Trust Deed or the Security Deed;

"**Arranger**" means Nomura International plc;

"**Assigned Rights**" means the Benefit of the Receivables, the Ancillary Rights (including the Claims) and the Funding Document assigned or to be assigned to the Issuer by the Seller in accordance with the terms of the Receivables Sale Agreement;

"Assignment Agreement" means an assignment agreement in, or substantially in, the form of the document so named set out in Schedule 5 of the Receivables Sale Agreement;

"Authorised Recipients" means any Citi Organisation and any agents of the Agents and third parties (including service providers) selected by any of them, wherever situated;

"Authorised Signatory" means, in relation to any Transaction Party, any person who is duly authorised and in respect of whom a certificate has been provided signed by a director or another duly authorised person of such Transaction Party setting out the name and signature of such person and confirming such person's authority to act;

"Available Collections" means, in relation to each Offer Date, an amount calculated by the Cash Manager equal to the balance standing to the credit of the Collection Account at close of business on the Business Day immediately preceding such Offer Date;

"Available Receipts" means, in relation to each Interest Payment Date an amount, calculated by the Cash Manager on or before the immediately preceding Calculation Date, equal to the sum of:

- (a) the balance standing to the credit of the Collection Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period;
- (b) the balance standing to the credit of the Principal Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period; and
- (c) the balance standing to the credit of the Reserve Account at close of business on the last day of the immediately preceding Collection Period or, where any Additional Purchase Date falls after the end of the Collection Period, at close of business on the day immediately before the Offer Date relating to the latest Additional Purchase Date falling after the end of that Collection Period;

"Back-Stop Date" means 2 March 2018;

"Back-Up Servicer" means a back-up Servicer to be appointed by the Issuer under the Servicing Agreement in case of occurrence of the Back-Up Servicer Appointment Event;

"Back-Up Servicer Appointment Event" means the occurrence of any of the following events:

- (a) any Servicer Event;

- (b) any Termination Event;
- (c) a failure by the Servicer to deliver any datatape on its due date (whether or not subsequently cured);
- (d) a failure by the Servicer to make any payment required under the Servicing Agreement (whether or not subsequently cured);
- (e) a breach of the Servicer's other obligations under the Servicing Agreement (whether or not subsequently cured);
- (f) any event which with the passing of time or giving of notice would result in (a) to (e) above; or
- (g) any event or circumstance occurs which has had or is reasonably likely to have a material adverse effect on the condition, assets or business of the Servicer.

"Basic Terms Modification" means each of the following:

- (a) a modification of the date of maturity of any Notes or any other term which would have the effect of postponing any day for payment of interest thereon; or
- (b) reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes; or
- (c) altering the currency of payment of such Notes; or
- (d) altering the quorum or majority required in relation to passing a Basic Terms Modification;

"Benefit" means in respect of any Right held, assigned, conveyed, transferred, charged, sold or disposed of by any person shall be construed so as to include:

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;
- (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made, including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;
- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights;
- (d) the benefit of all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover,

receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and

- (e) all items expressed to be held on trust or, as applicable, custody for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach;

"Block Voting Instruction" means an English language document issued by a Paying Agent in which:

- (a) it is certified that on the date thereof Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:
 - (i) the conclusion of the meeting specified in such Block Voting Instruction; and
 - (ii) the Notes ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph (d) below of the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Notes so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;
- (c) the aggregate principal amount of the Notes so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such Block Voting Instruction (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction;

"Book-Entry Interests" means the beneficial interests in the Global Notes;

"Breach of Duty" means in relation to any person (other than the Trustee, the Agents and the Account Bank), a wilful default, fraud, illegal dealing, negligence or material

breach of any agreement or breach of trust by such person and in relation to the Trustee, the Account Bank, and each Agent means a wilful default, fraud or gross negligence by the Trustee or the relevant Agent or Account Bank (as the case may be);

"Business Day" means a day which is both 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 London, Dublin, Madrid;

"Business Day Convention" means the business day convention under which, where a relevant date falls on a day which is not a Business Day, that date will be adjusted so that it falls on the first following day that is a Business Day;

"Calculation Date" means the day falling three (3) Business Days prior to the Interest Payment Date;

"Cash Call Amount" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"Cash Call Date" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"Cash Call Settlement Date" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"Cash Management Agreement" means the cash management agreement dated the Issue Date between, among others, the Issuer, the Cash Manager, the Servicer and the Trustee;

"Cash Management Fees" means the fees payable by the Issuer to the Cash Manager in accordance with the Cash Management Agreement (other than the fees payable by the Issuer to the Cash Manager on the Issue Date);

"Cash Management Services" means the services provided under the Cash Management Agreement;

"Cash Manager" means the person appointed as cash manager from time to time under the Cash Management Agreement, which on the Issue Date is Intermoney Titulización, S.G.F.T., S.A.;

"Cash Manager Covenants" means the covenants of the Cash Manager set out in Schedule 6 (*Cash Manager Covenants*) of the Incorporated Terms Memorandum;

"Cash Manager Termination Event" has the meaning given to it in the Cash Management Agreement.

"Cash Manager Warranties" means the representations and warranties given by the Cash Manager set out in Schedule 4 (*Cash Manager's Representations and Warranties*) of the Incorporated Terms Memorandum and **"Cash Manager Warranty"** means any of them;

"Central Bank" means the Central Bank of Ireland;

"Change of Control of the Seller" means either:

- (a) JZ Business Services 6 B.V. or any of its affiliates cease directly or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, at least 50% of the maximum number of votes that might be cast at a general meeting of the Seller; or
 - (B) have the right to appoint or remove all, or the majority, of the directors or other equivalent officers of the Seller; or
 - (C) give directions with respect to the operating and financial policies of the Seller with which the directors or other equivalent officers of the Seller are obliged to comply; or
 - (ii) hold beneficially at least 50% of the issued share capital of the Seller; or
- (b) Antonio Aynat ceases directly or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Seller; or
 - (ii) hold beneficially more than 10% of the issued share capital of the Seller; or
 - (iii) be appointed as CEO of the Seller;

"Change of Control of the Servicer" means either:

- (a) JZ Gedhold BV (or any of its affiliates or directly owned funds) cease directly or indirectly to:
 - (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than 35% of the maximum number of votes that might be cast at a general meeting of the Servicer; or
 - (B) have the right to appoint or remove all, or the majority, of the directors or other equivalent officers of the Servicer; or

- (C) give directions with respect to the operating and financial policies of the Servicer with which the directors or other equivalent officers of the Servicer are obliged to comply; or
 - (ii) hold beneficially more than 35% of the issued share capital of the Servicer; or
- (b) Antonio Aynat ceases directly or indirectly to:
- (i) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than 15% of the maximum number of votes that might be cast at a general meeting of the Servicer; or
 - (B) cast, or control the casting of, more than 15% of the maximum number of votes that might be cast at a general meeting of the Servicer; or
 - (ii) be appointed as CEO of the Servicer; or
 - (iii) hold beneficially more than 20% of the issued share capital of the Servicer;

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with the Trust Deed;

"**Charged Accounts**" means the Issuer Accounts and any bank or other account in which the Issuer may at any time acquire a Benefit and over which the Issuer has created an Encumbrance in favour of the Trustee pursuant to the Security Deed;

"**Charged Documents**" means the Transaction Documents to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party (other than the Security Deed and the Trust Deed);

"**Charged Property**" means all assets and property of the Issuer which is subject to the security created by the Issuer in favour of the Trustee for it and the other Secured Creditors pursuant to the Security Deed;

"**Citi Organisation**" means Citigroup, Inc., Citibank, N.A., Citibank International Plc, their branches, subsidiaries and affiliates and anyone who succeeds them or to whom they assign their rights other than Citibank, N.A., London Branch;

"**Claims**" means any Factoring Claims, any Special Claims and any Collateral Claims;

"**Clearing System**" means each of Euroclear and Clearstream, Luxembourg;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Client Debtor**" means the client of the Seller under the Factoring Agreement;

"Closing Cashflows Letter" means the closing cashflows letter dated on or about the Issue Date between, among others, the Issuer, the Seller and the Arranger;

"Closing Purchase Price" means an amount equal to 75% of the Funding Base of the Initial Receivables Portfolio;

"CoC Notice" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Acceptance Notice" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Date" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Noteholders" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Notes" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Option" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Option Notice" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"CoC Put Price" has the meaning given to it in Condition 7.7 (*Change of Control Put Option*);

"Code" means the U.S. Internal Revenue Code of 1986, as amended;

"Collateral Claims" means any present or future receivables (other than Special Claims), assigned to the Seller by the relevant Direct Debtor to secure a Receivable;

"Collateral Claims Eligibility Criteria" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Collateral Claims;

"Collateral Debtor" means each obligor under any Collateral Claims;

"Collateralised Receivable" means any Receivable the payment of which is either guaranteed by means of a Guarantee or secured by means of a notarised assignment by the Direct Debtor to the Seller of Collateral Claims;

"Collection Account" means the account held in the name of the Issuer with the Account Bank for the purposes of holding the Collections;

"Collection Period" means:

- (a) in relation to each Interest Payment Date other than (i) the first Interest Payment Date falling after the Issue Date, (ii) the Extraordinary Interest

Payment Date and (iii) the first Interest Payment Date falling after the Effective Date, the calendar month preceding the month on which that Interest Payment Date falls;

- (b) in respect of the first Interest Payment Date falling after the Issue Date, the period running from the Initial Cut-Off Date until the last day of the calendar month preceding the month on which such first Interest Payment Date falls;
- (c) in respect of the Extraordinary Interest Payment Date, the period from 1 January 2018 until 31 January 2018; and
- (d) in respect of the first Interest Payment Date falling after the Effective Date, the period from 1 February 2018 until 28 February 2018;

"Collection Policy" means the administration and collection criteria and procedures employed by the Servicer from time to time in relation to the servicing of the Receivables in the form attached to the Servicing Agreement;

"Collections" means all payments due in respect of the Receivables;

"Common Safekeeper" means, in relation to the Notes, the common safekeeper, as elected by the Paying Agent pursuant to the Agency Agreement;

"Common Terms" means the provisions set out in Schedule 2 of the Incorporated Terms Memorandum;

"Companies Act" means Companies Act 2014 of Ireland, as amended;

"Conditions" means the terms and conditions of the Notes set out in the Trust Deed and as may be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly and references in the Conditions to paragraphs shall be construed as paragraphs of such Conditions;

"Corporate Services Agreement" means the agreement dated the Issue Date among, *inter alios*, the Issuer, the Share Trustee and the Corporate Services Provider;

"Corporate Services Provider" means, as at the Issue Date, Wilmington Trust SP Services (Dublin) Limited whose registered office is Fourth Floor, 3 Georges Dock, I.F.S.C., Dublin 1, Ireland, in its capacity as such under the Corporate Services Agreement;

"Corporate Services Provider Fee" means the fees payable by the Issuer to the Corporate Services Provider in accordance with the Corporate Services Agreement;

"Credit Policy" means the origination, credit and underwriting criteria and procedures employed by the Seller from time to time in relation to the origination or acquisition of Receivables in the form attached to the Receivables Sale Agreement;

"CRS" means Common Reporting Standard;

"Cut-Off Date" means the Initial Cut-Off Date and each Madrid/Valencia Business Day immediately preceding each Offer Date;

"**DAC2**" means Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU);

"**Day Count Fraction**" means, in respect of an Interest Period or the period in respect of which the Make Whole Amount accrues, the actual number of days in such period divided by 360;

"**Debtor**" means, as required by the context, any Direct Debtor, Indirect Debtor and/or Collateral Debtor;

"**Deemed Collection**" means a Collection which the Issuer shall be deemed to have received if, in relation to any Receivable, any of the following events occurs:

- (a) on any date after its Purchase Date, any Receivable is found not to have met the Eligibility Criteria as at its Purchase Date;
- (b) such Receivable and/or its related Claim(s) fail on any date after its Purchase Date to meet the criteria set forth in paragraphs (ii), (v), (vii), (viii), (xvi), (xvii) and (xxvi) of the Receivables Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiv) and (xv) of the Factoring Claims Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiii) and (xiv) of the Special Claims Eligibility Criteria and in paragraphs (i), (iii), (v), (vi), (xii) and (xiii) of the Collateral Claims Eligibility Criteria by reference to the facts and circumstances existing on such date;
- (c) the Direct Debtor of such Receivable becomes an affiliate of the Seller after its Purchase Date; or
- (d) a Shared Secured Receivable becomes at any time a Defaulted Receivable;

"**Deemed Collection Amount**" means an amount equal to the Deemed Collection;

"**Deemed Collection Date**" means the day on which the Seller becomes aware or is notified by the Issuer that a Deemed Collection has occurred;

"**Default Interest**" means two% per annum payable by the Issuer following the occurrence of the Event of Default and accruing from the date of Event of Default;

"**Defaulted Receivable**" means any Receivable which is due and unpaid for more than 5 calendar days or, in relation to a Receivable arising out of a Loan Agreement having a Receivable which is due and unpaid for more than 5 calendar days, all Receivables arising out of that Loan Agreement and any Receivable in respect of which the Debtor is insolvent or subject to bankruptcy or insolvency proceedings;

"**Defaults Discount**" means the fraction (expressed as a percentage), the numerator of which is the Outstanding Balance of all Defaulted Receivables not repurchased pursuant to the Defaults Repurchase Option or Defaults Repurchase Obligation on that Purchase Date and the denominator of which is the aggregate of the Outstanding Balance of all Receivables in the Receivables Portfolio and the balances then standing to the credit of the Principal Account and the Collection Account (excluding any amounts to be transferred to the Security Account or the Reserve Account on or about

such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination) on that Purchase Date;

"Defaults Obligations Repurchase Price" means an amount equal to the Outstanding Balance of the relevant Defaulted Receivable;

"Defaults Option Repurchase Price" means an amount equal to the Outstanding Balance of the relevant Defaulted Receivables;

"Defaults Repurchase Obligation" means the obligation of the Seller on each Calculation Date to repurchase from the Issuer all outstanding Receivables which became Defaulted Receivables during the immediately preceding Collection Period and, where any Additional Purchase Date falls after the end of a Collection Period, also during the period from the end of that Collection Period and the latest Additional Purchase Date to fall after the end of that Collection Period, in each case, at the Defaults Obligations Repurchase Price;

"Defaults Repurchase Option" means the option of the Seller, on any day, to repurchase from the Issuer any Defaulted Receivable at a Defaults Option Repurchase Price;

"Deferred Purchase Price" or **"DPP"** means, in respect of any Additional Receivables Portfolio to be sold to the Issuer:

- (a) prior to (and excluding) the Effective Date, an amount equal to:
 - (i) 25% of the Funding Base of the Eligible Receivables in the relevant Additional Receivables Portfolio until such time as the aggregate Deferred Purchase Price is equal to EUR40,000,000; and
 - (ii) EUR 0 (zero) afterwards; and
- (b) after (and including) the Effective Date, an amount equal to:
 - (i) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to be sold on the relevant date of determination) is lower than or equal to EUR160,000,000, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to EUR 42,500,000;
 - (ii) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to be sold on the relevant date of determination) is higher than EUR160,000,000.00 and lower than or equal to EUR241,153,846.15, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to the lower of:

- (A) an amount equal to the higher of (X) the aggregate Deferred Purchase Price determined on the previous determination date, and (Y) the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio) multiplied by the Relevant DPP Percentage; and
 - (B) EUR 55,000,000.00; and
- (iii) if, on the relevant date of determination, the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio to be sold on the relevant date of determination) is higher than EUR 241,153,846.15 and lower than or equal to EUR 285,000,000.00, the amount required to result in the aggregate Deferred Purchase Price for all outstanding Receivables (including those included in any Additional Receivables Portfolio) being equal to the lower of:
- (A) the Relevant DPP Threshold; and
 - (B) the Funding Base of the outstanding Receivables (including those included in any Additional Receivables Portfolio) multiplied by the Relevant DPP Percentage,

provided that where the Subordinated Loan Provider exercised its right to provide an additional advance under the Subordinated Loan Agreement for the purposes of paragraph (m) of the definition of Termination Event, the references in this definition to the aggregate Deferred Purchase Price being equal to the Relevant DPP Threshold shall be deemed to refer to the sum of (X) the aggregate Deferred Purchase Price plus (Y) the amount of such advance being equal to the Relevant DPP Threshold;

"Definitive Notes" means any Notes issued in definitive bearer form and serially numbered pursuant to Condition 1.3;

"Direct Debtor" means the client of the Seller who is a party to the relevant Funding Document (*i.e.*, any Client Debtor, any PN Debtor and any Loan Debtor);

"Direct Group Portfolio" means any Group Portfolio in relation to a Direct Debtor;

"Direct Industry Portfolio" means at any the time all of the outstanding Receivables owed by any Direct Debtors within the same Industry Class;

"Dispute" means a dispute arising out of or in connection with any Transaction Document (including a dispute regarding the existence, validity or termination of any Transaction Document) or relating to any non-contractual or other obligation arising out of or in connection with any Transaction Document or the consequences of its nullity;

"DPP Distributable Amount" means, on any date of determination, an amount equal to:

- (a) if the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio on that date is lower than or equal to EUR55,000,000, zero; or
- (b) if the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio on that date is greater than EUR55,000,000, the lower of:
 - (i) any positive difference between (X) minus (Y), where (X) is the amount of the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio on that date and (Y) is the product of the Funding Base of all outstanding Performing Receivables sold to the Issuer multiplied by 22.807017544 per cent.; and
 - (ii) such amount as will result in the aggregate Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio immediately following the distribution of such amount being equal to EUR55,000,000,

provided that where the distribution of the amount calculated in accordance with the provisions above would result in a breach of the Portfolio Requirements, it shall be reduced such that following its payment there is no breach of the Portfolio Requirements;

"Due Diligence Agent" means Issuer Solutions S.L.;

"Due Diligence Agent Letter" means a letter so named between *inter alios* the Issuer and the Due Diligence Agent dated on or about the Effective Date;

"Due Diligence Report" means a report in relation to the then existing Receivables Portfolio prepared by the Due Diligence Agent on a quarterly basis (in each of March, June, September and December, starting from March 2018 and covering the period from November 2017 to February 2018);

"Early Redemption Date" means the Interest Payment Date on which the Seller exercises the Portfolio Repurchase Option pursuant to the Receivables Sale Agreement;

"Effective Date" means 26 February 2018;

"Eligible Claims" means any Eligible Factoring Claim, any Eligible Special Claim and any Eligible Collateral Claims.

"Eligibility Criteria" means the Receivables Eligibility Criteria, the Factoring Claims Eligibility Criteria, the Special Claims Eligibility Criteria and the Collateral Claims Eligibility Criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Collateral Claim" means a Collateral Claim which, as of the Purchase Date of the related Receivable, complies with the Collateral Claims Eligibility Criteria;

"Eligible Debtor" means a Debtor who satisfies the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Factoring Claim" means a Factoring Claim which, as of the Purchase Date of the related Receivable, complies with the Factoring Claims Eligibility Criteria;

"Eligible Funding Document" means a Funding Document which satisfies the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Person" means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a bearer of any Voting Certificate; and
- (b) a proxy specified in any Block Voting Instruction;

"Eligible Receivable" means a Receivable which, as of its Purchase Date, complies with the Receivables Eligibility Criteria;

"Eligible Receivables" means Receivables which satisfy the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement;

"Eligible Special Claim" means a Special Claim which, as of the Purchase Date of the related Receivable, complies with the Special Claims Eligibility Criteria;

"Encumbrance" means:

- (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

"Endorsable Promissory Note" means any Promissory Note which is not a Non-endorsable Promissory Note;

"Enforced Collections" means any collection of any Collateral Claim whose related Collateralised Receivable has become a Defaulted Receivable;

"Enforcement Notice" means a notice delivered by the Trustee to the Issuer and the Cash Manager in accordance with Condition 10 (*Events of Default*) which declares the Notes to be immediately due and payable;

"Estimated Special Claims Amount" means the expected amount of payments of Special Claims Amount (which shall be capped at €1,000,000 per week);

"EU Insolvency Regulation" means Regulation (EU) No. 2015/848 of 26 June 2015 (as amended);

"Euro" or **"EUR"** or **"€"** means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended;

"Euroclear" means Euroclear Bank S.A./N.V.;

"Event of Default" has the meaning given to it in Condition 10 (*Events of Default*);

"Exercise Date" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Expenses" means all amounts due and payable in relation to the Issuer's costs and indemnities payable by the Issuer, such as fees, costs, expenses, indemnities and all other amounts due to the Servicer, Corporate Services Provider, Paying Agent, Agent Bank, Account Bank, Cash Manager, the Due Diligence Agent and any other expenses of the Issuer, including, inter alia, any Tax, audit fees, legal fees and corporate expenses payable by the Issuer;

"Expenses Discount" means, in relation to each Purchase Date, the fraction (expressed as a percentage), the numerator of which is the aggregate of the estimated annualised Expenses and the denominator of which is the Principal Amount Outstanding of the Notes on that Purchase Date, such fraction multiplied by the number of days from that Purchase Date to the weighted average maturity date of the Receivables in the relevant Additional Receivables Portfolio divided by 360;

"Extension Request Notice" has the meaning given to it in Condition 7.6(a) (*Note Extension Option*);

"Extension Test Date" means the last day of the Revolving Period;

"Extraordinary Interest Payment Date" means 26 February 2018;

"Extraordinary Resolution" means (a) a resolution passed at a Meeting duly convened and held in accordance with the Trust Deed by a majority consisting not less than 50% (and in the case of the Basic Terms Modification, by not less than 75%) of the eligible persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting not less than 75% of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of the Noteholders of not less than 75% in aggregate Principal Amount Outstanding of the Notes then outstanding which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders;

"Factoring Agreement" means any agreement entered into by the Seller and a client whereby the Seller purchases from that client receivables owing to such client by third parties;

"Factoring Claims" means the receivables purchased by the Seller under a Factoring Agreement;

"Factoring Claims Eligibility Criteria" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Factoring Claims;

"Factoring Debtors" means each obligor under any Factoring Claims;

"Factoring Receivable" means a Receivable originated under a Factoring Agreement (which Receivable, for the avoidance of doubt, is the obligation of the Direct Debtor to pay the relevant Factoring Claim if this is not paid by the relevant Factoring Debtor);

"FATCA" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; and
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the United States Internal Revenue Service, the government of the United States of America or any governmental or taxation authority in any other jurisdiction;

"FATCA Withholding" means 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;

"Final Discharge Date" means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied (having received confirmation in writing to that effect) that all the Secured Liabilities have been paid or discharged in full;

"Financial Statements" means, in respect of any person, audited financial statements of such person for a specified period (including, a balance sheet, profit and loss account (or other form of income statement) and statement of cash flow);

"First ICC Period" means the period starting on the Initial Increase Payment Date and ending on the First ICC Period End Date;

"First ICC Period End Date" means the Interest Payment Date falling in April 2018;

"First Make Whole Period" means the period between the Effective Date and the third Interest Payment Date falling after the Effective Date (excluding such date);

"**Fitch**" means Fitch Ratings España S.A.U. and/or Fitch Ratings Ltd (as applicable) or any successor to their credit rating businesses;

"**Force Majeure Event**" means an event beyond the reasonable control of the person affected including strike, lock out, labour dispute, act of God, war, riot, civil commotion, epidemics, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, electricity power-cut, fire, flood and/or storm;

"**Foreign Transaction Party**" means a Transaction Party which is incorporated or domiciled in a jurisdiction other than England and Wales;

"**FSMA**" means the Financial Services and Markets Act 2000;

"**Full Datatapes**" means each Weekly Datatape and Monthly Datatape to be delivered by the Servicer to the Cash Manager, the Seller and the Issuer in accordance with the Servicing Agreement;

"**Funding Base**" means, in relation to the Initial Receivables Portfolio and each Additional Receivables Portfolio, an amount equal to the lower of:

- (a) the net amount (after deducting applicable haircuts, fees, commissions and/or other similar amounts) of finance provided by the Seller in respect of the Receivables in the relevant portfolio pursuant to the Funding Documents under which those Receivables arose or were acquired as specified by the Offer Agent in relevant Offer; and
- (b) the aggregate Outstanding Balance of the Receivables in that Portfolio multiplied by a percentage equal to 100% minus the Minimum Discount;

"**Funding Discount**" means (prior to the Effective Date) 5.9% and (from the Effective Date) 4.75% multiplied by the number of days from (and including) the Purchase Date to (and excluding) the weighted average maturity date of the Receivables in the relevant Additional Receivables Portfolio divided by 360;

"**Funding Documents**" means any Factoring Agreement, any Promissory Notes Program and any Loan Agreement;

"**Global Notes**" has the meaning given to that term in Condition 1.1;

"**Governmental Authority**" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or financial regulation and any public legal entity (*entidad de derecho publico*) dependent of any of the foregoing entities (excluding, for the avoidance of doubt, any corporate whose share capital belongs to one or more Governmental Authorities);

"**Group**" means in respect of any Debtor: (a) such debtor; (b) its holding company; (c) its subsidiaries; and (d) any other affiliate of such Debtor;

"**Group Portfolio**" means all of the outstanding Receivables or, as applicable, Security Claims owed by Debtors within the same Group (provided that, for the

purposes of the Portfolio Requirements, the aggregate Outstanding Balance of the Security Claims which are Special Claims will be deemed to be equal to the aggregate Outstanding Balance of the related Receivables);

"**Guarantee**" means any first-demand guarantee (*garantía abstracta a primer requerimiento*) issued by a Guarantor;

"**Guarantor**" means any legal entity duly incorporated and validly existing under the laws of Spain which has issued a first-demand guarantee (*garantía abstracta a primer requerimiento*) for the payment of the full Outstanding Balance of any Receivables;

"**holder**" means the bearer of a Note and the words "**holders**" and related expressions shall (where appropriate) be construed accordingly;

"**ICC Cut-off Date**" means the 8th Business Day prior to each Interest Payment Date falling in each ICC Period;

"**ICC Period**" means each of the First ICC Period, the Second ICC Period and the Third ICC Period;

"**Incorporated Terms Memorandum**" means the memorandum so named dated the Issue Date and signed for the purpose of identification by each of the Transaction Parties;

"**Increase Notice**" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"**Independence Indicator**" means, in respect of the client's classification process by the Seller, the indicator to confirm if the client belongs to a group of companies;

"**Indirect Debtor**" means any Factoring Debtor and any Special Debtor;

"**Indirect Public Portfolio**" means at any time all of the outstanding Security Claims owed by Indirect Debtors which are a Governmental Authority (excluding, for the avoidance of doubt, any corporate whose share capital belongs to one or more Governmental Authorities).

"**Indirect Rated Group Portfolio**" means any Group Portfolio in relation to an Indirect Debtor which has a Minimum Rating (including, for the avoidance of doubt, any corporate whose share capital belongs to one or more Governmental Authorities);

"**Indirect Unrated Group Portfolio**" means any Group Portfolio in relation to an Indirect Debtor which does not have a Minimum Rating;

"**Industry Class**" means the Seller internal code corresponding to the CNAE (*Clasificación Nacional de Actividades Económicas*) code of the Direct Debtor in the Mercantile Registry (*Registro Mercantil*), as set forth in the table attached as Schedule 14 to the Receivables Sale Agreement;

"Ineligible Receivable" means any Receivable which is found not to have met the Eligibility Criteria as at its Purchase Date or which fails on any date after its Purchase Date to meet the Permanent Eligibility Criteria;

"Initial Additional Purchase Price" means, in respect of an Additional Receivables Portfolio, the positive difference between the Funding Base and the Deferred Purchase Price for that Additional Receivables Portfolio;

"Initial Cut-Off Date" means 24 May 2016;

"Initial Increase Date" means 26 February 2018 or such later date as may be agreed between the Issuer and the Lead Manager;

"Initial Purchase Price" means the amount of the consideration paid by the Issuer for the purchase of the Initial Receivables Portfolio, such amount being equal to:

- (a) the Closing Purchase Price payable on the Issue Date; and
- (b) the Deferred Purchase Price payable on each Interest Payment Date in accordance with the Priorities of Payments; and
- (c) the Additional Remuneration payable on each Interest Payment Date in accordance with the Priorities of Payments;

"Initial Reserve Fund Advance" means an amount advanced by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement intended for the establishment of the Reserve Account on the Issue Date;

"Initial Receivables Portfolio" means the portfolio consisting of the Receivables purchased (or to be purchased) by the Issuer from the Seller on the Issue Date;

"Insolvency Event" means in respect of any entity (other than the Issuer, the Servicer, the Seller and the Cash Manager) (each a **"Relevant Entity"**) the occurrence of any of the following events:

- (i) an order is made or an effective resolution passed for the winding up of the Relevant Entity, except a winding up for the purposes of or pursuant to an amalgamation or reconstruction, the terms of which have previously been approved by the Trustee; or
- (ii) proceedings, corporate action or other steps shall be initiated against the Relevant Entity under any applicable liquidation, insolvency, sequestration, diligence, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) and (except in the case of presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) such proceedings are not, in the reasonable opinion

of the Trustee, being disputed in good faith with a reasonable prospect of success or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official shall be appointed in relation to the Relevant Entity or in relation to the whole or any substantial part of the undertaking or assets of the Relevant Entity, or an encumbrancer (other than the Issuer or the Trustee) shall take possession of the whole or any substantial part of the undertaking or assets of the Relevant Entity, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Relevant Entity and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within thirty days of its commencement, or the Relevant Entity (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; and

- (iii) any event occurs which, under Irish law, Spanish law or any applicable law, has an analogous effect to any of the events referred to in paragraphs (a), (b) or (c) above;

"Insolvency Official" means, in respect of any company, a liquidator, provisional liquidator, examiner, administrator (whether appointed by the court or otherwise), bank administrator, bank liquidator, administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction (including, without limitation, any administrator concursal);

"Insolvency Proceedings" means the winding-up, dissolution, examinership sequestration, company voluntary arrangement or administration of a company or corporation and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or of any jurisdiction in which such company or corporation carries on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief from creditors or the appointment of an Insolvency Official;

"Internal Scoring" means, in respect of each Debtor, an internal credit rating assigned by the Seller to such Debtor in accordance with the Credit Policy;

"Interest Amount" means the amount of interest payable in respect of the Notes;

"Interest Determination Date" means (i) in respect of any Interest Period which is not falling during the Ramp-Up Period, the first day of that Interest Period; (ii) in respect of the Interest Periods ending on 15 March 2018, 15 April 2018, 15 May 2018, 15 June 2018, 15 July 2018 and 15 August 2018, two (2) Business Days immediately

preceding the last date of that Interest Period and (iii) in respect of the Interest Period ending on the Extraordinary Interest Payment Date, 2 Business Days immediately preceding the Extraordinary Interest Payment Date;

"Interest Payment Date" means (i) prior to the Effective Date, the date falling on the 15th day of January, April, July and October in each year commencing on the 15 July 2016; (ii) after the Effective Date, the date falling on the 15th day of each month commencing on 15 March 2018, and (iii) the Extraordinary Interest Payment Date, in each case, subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due;

"Interest Period" means each period from (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date provided that:

- (a) the first Interest Period (the "First Interest Period") shall be the period from (and including) the Issue Date and ending on (but excluding) the Interest Payment Date falling in July 2016;
- (b) the Interest Period relating to the Extraordinary Interest Payment Date shall be the period from (and including) 15 January 2018 to (but excluding) 26 February 2018;
- (c) the first Interest Period after the Extraordinary Interest Payment Date shall be the period from (and including) 26 February 2018 to (but excluding) the Interest Payment Date falling in March 2018; and
- (d) the final Interest Period shall be the period from (and including) the Interest Payment Date falling immediately prior to the Maturity Date and ending on (but excluding) the Maturity Date;

"Internal Scoring" means, in respect to each Debtor, the credit rating assigned by the Seller to it in accordance with the Credit Policy;

"Investor Report" means a monthly cash management report prepared by the Cash Manager in accordance with the Cash Management Agreement;

"Investor Report Date" means the day falling no later than five Business Days following each Interest Payment Date;

"Irish Issuer Account" means the bank account of the Issuer holding the proceeds of its issued share capital and the Nominal Issuer Profit;

"Irish Listing Agent" means McCann FitzGerald Listing Services Limited;

"Irish Stock Exchange" means the Irish Stock Exchange p.l.c.;

"Irish VATA" means the Value Added Tax Consolidation Act 2010 of Ireland as amended;

"Issue Date" means 27 May 2016 or such later date as may be agreed between the Issuer, the Seller and the Lead Manager;

"Issuer" or **"Purchaser"** means Castilla Finance DAC (company number 578174), whose registered office is at Fourth Floor, 3 George's Dock, I.F.S.C., Dublin 1, Ireland as Issuer of the Notes;

"Issuer Accounts" means the bank accounts which the Issuer agrees to maintain, pursuant to the terms of the Account Bank Agreement, including the Collection Account, the Reserve Account, the Payments Account, the Principal Account, any Additional Account and any other bank account of the Issuer or in respect of which the Issuer at any time has an interest or, where the context requires, any of them;

"Issuer Bank Mandates" means bank mandates in relation to the Issuer Accounts;

"Issuer Cash Call Notice" has the meaning given to it in Condition 7.9 (*Issuer Cash Call Option*);

"Issuer Cash Call Option" means the process for increasing the Principal Amount Outstanding of the Notes by way of an Issuer Cash Call Notice as set out in Condition 7.9 (*Issuer Cash Call Option*);

"Issuer Covenants" means the covenants of the Issuer set out in Schedule 5 (*Issuer Covenants*) of the Incorporated Terms Memorandum;

"Issuer Insolvency Event" means:

- (a) the Issuer is (or admits it is) unable to pay its debts as they fall due within the meaning of sections 509(3) or 570 of the Companies Act, or suspends making payments on any of its debts as they fall due;
- (b) a moratorium is declared in respect of any indebtedness of the Issuer;
- (c) the initiation of or consent to Insolvency Proceedings by the Issuer or any other person or the presentation of a petition for the making of an administration order or an order for the appointment of an examiner and such proceedings are not being disputed in good faith with a reasonable prospect of success;
- (d) the making of an administration order or the appointment of an examiner in relation to the Issuer;
- (e) an encumbrancer (excluding the Trustee or any receiver) taking possession of the whole or any substantial part of the undertaking or assets of the Issuer;
- (f) any distress, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any substantial part of the undertaking or assets of the Issuer (excluding by the Trustee or any receiver) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;
- (g) the making of an arrangement, composition, scheme of arrangement, reorganisation with or conveyance to or assignment for the creditors of the

Issuer generally or the making of an application to a court of competent jurisdiction for protection from the creditors of the Issuer generally;

- (h) the passing by the Issuer of an effective resolution or the making of an order by a court of competent jurisdiction for the winding up, liquidation, bankruptcy or dissolution of the Issuer or for the appointment of an examiner; or
- (i) the appointment of an Insolvency Official in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer (excluding, in relation to the Issuer, the appointment by the Trustee of a receiver);

"Issuer Jurisdiction" means the Republic of Ireland;

"Issuer Warranties" means the representations and warranties set out in Schedule 5 (*Issuer's Representations and Warranties*) of the Incorporated Terms Memorandum and **"Issuer Warranty"** means any of them;

"Judicial Procedure" means the procedure started by the Servicer on behalf of the Seller against the client who failed to pay or were declared insolvent in order to recovery any unpaid amount;

"Judicial Records" means, in respect of any Judicial Procedure, any step taken in relation to the procedure and any documentation generated with respect to such Judicial Procedure;

"Lead Manager" means Nomura International plc;

"Liabilities" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings (or threats of any actions or proceedings) or other liabilities whatsoever including legal fees and any Taxes and penalties incurred by that person;

"Listing Rules" means the rules for listing on the Irish Stock Exchange and the rules and regulations implementing the Prospectus Directive in Ireland or otherwise applicable;

"Loan" means the Initial Reserve Fund Advance and the Additional Advance to be made available by the Subordinated Loan Provider to the Issuer in accordance with the Subordinated Loan Agreement;

"Loan Agreement" means any fixed-rate interest loan agreement entered into by the Seller and a client;

"Loan Debtor" means the client of the Seller under a Loan Agreement;

"Loan Receivable" means any receivable owing by to the Seller under a Loan Agreement;

"London Business Day" means a day which is both 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 London;

"Madrid/Valencia Business Day" means a day which is both 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 Madrid and Valencia;

"Majority Noteholders" means a Noteholder or Noteholders holding in aggregate:

- (a) in the case of:
 - (i) the Majority Noteholders Matters listed in paragraph (a) of the definition of the Majority Noteholders Matter, or
 - (ii) serving of an Extension Request Notice under Condition 7.6 (*Note Extension Option*) or a CoC Notice under Condition 7.7 (*Change of Control Put Option*);

more than 50% of the Principal Amount Outstanding of the Notes; and

- (b) in all other cases, 66²/₃% or more of the Principal Amount Outstanding of the Notes;

"Majority Noteholders Matters" means each of the matters listed in Condition 12 (*Meetings of Noteholders, Modification and Waiver*);

"Make Whole Amount" has the meaning given to it in Condition 7.8 (*Make Whole Amount*);

"Make Whole Reference Period" has the meaning given to it in Condition 7.8 (*Make Whole Amount*);

"Make Whole Trigger Date" shall mean the date on which an Event of Default referred to in Condition 10.1(f) or any relevant Termination Event occurs;

"Make Whole Trigger Event" shall mean an Event of Default referred to in Condition 10.1(f) or any relevant Termination Event (as applicable);

"Markets in Financial Instruments Directive" means Directive 2014/65/EU, as amended from time to time;

"Master Definitions Schedule" means the master definitions schedule attached as schedule 1 to the Incorporated Terms Memorandum;

"Material Adverse Change" and **"Material Adverse Effect"** mean, as the context specifies:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or

- (b) in respect of a Transaction Party, a material adverse effect on:
 - (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of such Transaction Party; or
 - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or
 - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents; or
- (c) in the context of the Receivables, a material adverse effect on the interests of the Issuer or the Trustee in the Receivables, or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect the Receivables or on the ability of the Trustee to enforce its Transaction Security; or
- (d) a material adverse effect on the validity or enforceability of any of the Notes;

"Maturity Date" means the earlier of:

- (a) the Scheduled Maturity Date;
- (b) the Termination Event Repayment Date; and
- (c) the date of an Event of Default;

"Maximum Call Amount" means (i) in the case of the First ICC Period or the Second ICC Period, EUR20,000,000 and (ii) in the case of the Third ICC Period, EUR30,000,000;

"Maximum Number" means:

- (a) where the aggregate Outstanding Balance of the Defaulted Receivables (including, for the avoidance of doubt, those Defaulted Receivables repurchased by the Seller pursuant to the Defaults Repurchase Option or the Defaults Repurchase Obligation) as at the relevant Purchase Date is equal to or higher than 5% of the Portfolio Maximum Amount and the Outstanding Balance of the relevant Receivable(s) is equal to or higher than 1% of the Portfolio Maximum Amount: two (2) roll-overs; and
- (b) where the aggregate Outstanding Balance of the Defaulted Receivables (including, for the avoidance of doubt, those Defaulted Receivables repurchased by the Seller pursuant to the Defaults Repurchase Option or the Defaults Repurchase Obligation) as at the relevant Purchase Date is higher than 3% but lower than 5% of the Portfolio Maximum Amount and the Outstanding Balance of the relevant Receivable(s) is equal to or higher than 3% of the Portfolio Maximum Amount: two (2) roll-overs,

provided, for the avoidance of doubt, that in any cases other than those specified in sub-paragraphs (a) and (b) above there will be no Maximum Number of rollovers;

"Maximum Principal Amount" means EUR220,000,000;

"Meeting" means a meeting of the Noteholders or of any one or more Noteholders and, except where the context otherwise requires, includes a meeting resumed following an adjournment;

"Member State" means any of the member states of the European Union;

"Minimum Discount" means the percentage being the aggregate of the following percentages:

- (a) Expenses Discount;
- (b) Funding Discount; and
- (c) Defaults Discount;

"Minimum Overcollateralisation Ratio" means 82.2 per cent. for the purposes of determining whether a Termination Event has occurred;

"Minimum Overcollateralisation Test" means, for the purposes of determining whether a Termination Event has occurred, on each Additional Purchase Date and each Interest Payment Date (as applicable) once the aggregate outstanding Deferred Purchase Price is equal to EUR55,000,000, the ratio (expressed as a percentage) between:

- (a) the Principal Amount Outstanding of the Notes; and
- (b) the sum of:
 - (i) the Purchase Price of the outstanding Performing Receivables in the Receivables Portfolio (excluding the amount of the Applicable Additional Remuneration); and
 - (ii) the sum of balances of the Principal Account and the Collection Account as at such Additional Purchase Date (excluding any amounts to be transferred to the Security Account or Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);

"Minimum Rating" means with respect to any Indirect Debtor a public rating of its long-term unsecured, unsubordinated and unguaranteed debt obligations by Moody's, Fitch and/or S&P which is at least equal to BB- (or equivalent), provided that where the relevant Indirect Debtor's long-term unsecured, unsubordinated and unguaranteed debt obligations are rated by two or more rating agencies, only the lowest of the ratings shall be taken into account;

"Modification Certificate" has the meaning given to it in Condition 12.8;

"month" means calendar month;

"Monthly Cash Manager Report" means the report to be prepared by the Cash Manager in accordance with the terms of the Cash Management Agreement;

"Monthly Cash Manager Report Date" means the day falling no later than on the tenth Business Day following the receipt of the Monthly Datatape from the Servicer;

"Monthly Datatape" means the monthly datatape to be prepared by the Servicer under the Servicing Agreement in the form or similar to the form of the datatape attached to the Servicing Agreement and provided to the Cash Manager, the Issuer and the Seller;

"Moody's" means Moody's Investors Service Limited or any successor to its ratings business;

"Nominal Issuer Profit" means EUR1,000 per annum to be credit to the Irish Issuer Account in accordance with the relevant Priority of Payments;

"Non-endorsable Promissory Note" means any Promissory Note whose endorsement is prohibited in the Promissory Note;

"Non-Extending Noteholder" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Non-Extending Put Option" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Non-Extending Put Option Notice" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Notes" means up to EUR220,000,000 fixed rate Notes due 2020 or, where the context requires, any of them and includes the Definitive Notes and the Global Notes;

"Notes Interest Rate" means:

- (a) for the first Interest Period after the Issue Date, 5% per annum and for each subsequent Interest Period after the Issue Date until the Effective Date (following which paragraph (b) below shall apply), 5.9% per annum; and
- (b) for the first Interest Period after the Effective Date (i) 5.9% per annum for each day prior to the occurrence of the Initial Increase Date; and (ii) 4.75% per annum for each date of that Interest Period thereafter; and
- (c) for each subsequent Interest Period, 4.75% per annum (if the Initial Increase Date has occurred) or 5.9% per annum (if the Initial Increase Date has not occurred), as applicable;

"Note Extension Option" means the right of the Majority Noteholders to extend the Scheduled Maturity Date of the Notes to the Note Extension Option Date;

"Note Extension Option Date" means the date falling 42 months after the Initial Increase Date;

"Noteholders" means in relation to any Notes represented by a Global Note, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (other than

Euroclear and/or Clearstream, Luxembourg), in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error (other than for the purpose of payments in respect thereof, the right to which shall be vested as against the Issuer and any Paying Agent, solely in the bearer of a Global Note in accordance with and subject to its terms and for which purpose Noteholder means the bearer of a Global Note);

"Notices Condition" means Condition 15 (*Notice to Noteholders*);

"Notices Details" means the provisions set out in Schedule 7 of the Incorporated Terms Memorandum;

"Noteholders Datatapes" means a weekly data tape and a monthly data tape containing the same information as Full Datatapes, except for the names of the Direct Debtors, which in the case of Noteholders Datatapes shall only contain the information in relation to (i) fifteen (15) Direct Debtors with the highest aggregate Outstanding Balances and (ii) the Direct Debtors of the Defaulted Receivables;

"Notification Event" means:

- (a) the making of an order of a court or regulatory authority requiring notice of the transfer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;
- (b) the priority of the Transaction Security granted by the Issuer or the Seller has changed or has been otherwise affected in a manner which is prejudicial to the interests of the Noteholders but only to the extent that giving notice to the relevant Debtors that the Receivables have been transferred to the Issuer is necessary or advisable to protect the Transaction Security;
- (c) the occurrence of a Servicer Event;
- (d) the occurrence of a Seller Insolvency Event;
- (e) the occurrence of a Termination Event (irrespective of whether it may be subsequently waived or not);
- (f) on any Purchase Date, the cumulative Defaulted Receivables are equal to or higher than 20% of the Principal Amount Outstanding of the Notes as at the Issue Date;
- (g) the occurrence of a Material Adverse Change in relation to business, operations, assets or condition (financial or otherwise) of the Seller; or
- (h) the Tangible Net Worth of the Seller falls below EUR70,000,000;

"Notification Event Notice" means a notification event notice to be delivered pursuant to the Receivables Sale Agreement upon the occurrence of the Notification Event;

"Obligations" means all of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents;

"OC Amount" means, in respect of each Interest Payment Date, the difference (floored at zero) between:

- (a) the sum of (X) the Maximum Principal Amount; *plus* (Y) the aggregate outstanding Deferred Purchase Price as at the last date of the related Interest Period; *minus* the Funding Base of the outstanding Performing Receivables; *less*
- (b) the DPP Distributable Amount;

"OC Test Date" means the last date of the Ramp-Up Period;

"Offer" means delivery by electronic means of the Offer Documents by the Servicer to the Cash Manager pursuant to the Receivables Sale Agreement, which shall constitute an irrevocable offer by the Seller binding upon it to sell to the Purchaser each of the Receivables in the Additional Receivables Portfolio designated thereunder;

"Offer Agent" means Gedesco Services Spain, S.A.U.;

"Offer Date" means (i) any Reconciliation Date (other than a Reconciliation Date falling during the period from the end of a Collection Period and the Interest Payment Date falling immediately after such Collection Period) within the Revolving Period; and (ii) each of the following dates: 3 April 2017, 5 April 2017, 3 July 2017, 7 July 2017, 2 October 2017, 5 October 2017, 2 January 2018, 5 January 2018, 19 February 2018, 5 March 2018, 9 March 2018, 28 March 2018, 9 April 2018, 30 April 2018, 7 May 2018, 16 May 2018, 4 June 2018, 8 June 2018, 2 July 2018, 9 July 2018, 6 August 2018, 3 September 2018, 10 September 2018, 1 October 2018, 5 October 2018, 5 November 2018, 9 November 2018, 3 December 2018, 10 December 2018, 2 January 2019, 8 January 2019, 16 January 2019, 4 February 2019, 8 February 2019, 4 March 2019, 8 March 2019, 1 April 2019, 8 April 2019, 7 May 2019, 16 May 2019, 3 June 2019, 10 June 2019, 1 July 2019, 8 July 2019, 7 August 2019, 2 September 2019, 9 September 2019, 30 September 2019, 7 October 2019, 16 October 2019, 4 November 2019, 8 November 2019, 2 December 2019, 9 December 2019, 2 January 2020, 8 January 2020, 15 January 2020, 31 January 2020 and 6 February 2020, **provided that** none of the dates specified in this paragraph (ii) shall be an Offer Date if it falls fewer than 3 Business Days prior to an Interest Payment Date, and **provided further that** no Offer may be made on a date on which there is no Due Diligence Agent appointed to the Issuer;

"Offer Documents" means the relevant Additional Receivables Portfolio Identification File that the Servicer on behalf of the Seller represents by such delivery as the relevant Additional Receivables Portfolio Identification File;

"Official List" means the official list maintained by the Irish Stock Exchange, to which the Notes are admitted, and which is regulated by the listing rules established by the Irish Stock Exchange;

"Operational Accounts" means the Originator Account and the Security Account;

"Ordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by more than 50% of the eligible persons voting thereat on a show of hands or, if a poll is duly demanded, by a simple majority of the votes cast on such poll;

"Originator Account" means the account opened in the name of the Seller in the books of the Originator Account Bank with IBAN ES4720381560076000215640;

"Originator Account Bank" means Bankia, S.A.;

"Originator Account Pledge Agreement" means the pledge agreement over the Originator Account dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"outstanding" means in relation to the Notes all the Notes issued other than:

- (a) those Notes which have been redeemed in full pursuant to the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Trustee or to the Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes;
- (c) those Notes which have been purchased and cancelled in accordance with the Conditions;
- (d) those Notes which have become void under Condition 9 (*Prescription*);
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Global Notes*);
- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes 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 Global Notes*); and
- (g) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes or for the Notes in definitive form pursuant to its provisions;

provided that for each of the following purposes, namely:

- (a) the right to attend and vote at any meeting of the Noteholders, an Extraordinary Resolution in writing or an Ordinary Resolution in writing and any direction or request by the holders of Notes;

- (b) the determination of how many and which Notes are for the time being outstanding for the purposes of Conditions 10 (*Events of Default*) and 11 (*Enforcement*);
- (c) any right, discretion, power or authority (whether contained in the Conditions, any other Transaction Document 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 Noteholders; and
- (d) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Seller and/or any Affiliate of either of them, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except in the case of any of the Seller or any Affiliate thereof (the "**Relevant Persons**") where all of the Notes are held by or on behalf of or for the benefit of one or more Relevant Persons shall be deemed to remain outstanding;

"**Outstanding Balance**" means, with respect to any Receivable, as at any date of determination the outstanding balance which is scheduled to become due;

"**Paying Agent**" means, as at the Issue Date, Citibank, N.A., London Branch and any additional or replacement paying agents as appointed from time to time;

"**Paying Agents**" means the Paying Agent together with any successor or additional paying agents appointed from time to time in connection with the Notes under the Agency Agreement, and Paying Agent means any one of them;

"**Paying Transaction Party**" means where any Transaction Party is under an obligation created by a Transaction Document to make a payment to a Receiving Transaction Party the Transaction Party who is to make such payment;

"**Payments Account**" means the account opened in the name of the Issuer with the Account Bank for the purposes of holding all amounts to be distributed on each Interest Payment Date according to the applicable Priority of Payments;

"**Permanent Global Note**" means the permanent global notes obtained by exchanging interests in a Temporary Global Note on and after the date which is 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder;

"**Performing Receivable**" means any Receivable which is not a Defaulted Receivable;

"**Permanent Eligibility Criteria**" means criteria set forth in paragraphs (ii), (v), (vii), (viii), (xvi), (xvii) and (xxvi) of the Receivables Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiv) and (xv) of the Factoring Claims Eligibility Criteria, in paragraphs (ii), (iv), (vi), (vii), (xiii) and (xiv) of the Special Claims Eligibility Criteria and in paragraphs (i), (iii), (v), (vi), (xii) and (xiii) of the Collateral Claims Eligibility Criteria;

"Permitted Rollover" means a rollover of a Receivable which in the reasonable opinion of the Seller (acting in good faith), would have not become a Defaulted Receivable should it have not been rolled over, and where the rolled-over Receivable is an Unsecured Receivable, does not exceed the Maximum Number of rollovers;

"Person" means an individual, partnership, company, corporation, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof;

"PN Debtor" means the client of the Seller under a Promissory Notes Program;

"PN Receivable" means any Receivable arising from a Promissory Note issued by a PN Debtor and subscribed by the Seller under a Promissory Note Program;

"Portfolio Maximum Amount" means, on any date of determination, the aggregate of (a) EUR 220,000,000 *plus* (b) the higher of (x) EUR55,000,000 and (y) the aggregate outstanding Deferred Purchase Price payable by the Issuer in respect of the Receivables Portfolio (as determined prior to the relevant Additional Purchase Date);

"Portfolio Repurchase Date" shall have the meaning given to it in Condition 7.5(b);

"Portfolio Repurchase Option" means the option by the Seller, on any Interest Payment Date during the Amortisation Period on at least three months' prior written notice to the Issuer and the Cash Manager to repurchase the Receivables Portfolio from the Issuer at a repurchase price equal to the aggregate Outstanding Balance of all Receivables in the Receivables Portfolio;

"Portfolio Repurchase Option Notice" shall have the meaning given to it in Condition 7.5(b);

"Portfolio Repurchase Date" shall have the meaning given to it in Condition 7.5(b);

"Portfolio Repurchase Price" has the meaning given to it in the Receivables Sale Agreement;

"Portfolio Requirements" has the meaning given to it in the Receivables Sale Agreement;

"Post-Enforcement Priority of Payments" means the priority of payments for the application of amounts received or recovered by the Trustee (or a receiver appointed on its behalf) following the service of an Enforcement Notice as set out in the Security Deed and the Cash Management Agreement;

"Potential Event of Default" means any event which will become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default;

"Preliminary Prospectus" means each of (i) the preliminary prospectus No.1 in relation to the Notes dated 11 March 2016; (ii) the preliminary prospectus No.2 in relation to the Notes dated 21 April 2016; (iii) the preliminary prospectus No. 3 in relation to the Notes dated 9 May 2016; (iv) the preliminary prospectus No. 5 in

relation to the Notes dated 19 May 2016, and (v) the preliminary prospectus No. 6 in relation to the Notes dated 23 May 2016;

"Pre-Increase Cut-Off Date" means 26 January 2018;

"Pre-Selected Candidates" means the following candidates for the role of the Back-Up Servicer (listed in the order of preference) (i) Hipoges and (ii) AIG Europe Limited (Spanish Branch);

"Presentation Date" has the meaning given to it in Condition 6.4 (*Payment only on a Presentation Date*);

"Principal Account" means the account so named opened in the name of the Issuer with the Account Bank on or about the Issue Date;

"Principal Amount Outstanding" has the meaning given to it in Condition 7.10 (*Principal Amount Outstanding*);

"Priority of Payments" means the Revolving Period Priority of Payments, the Amortisation Period Priority of Payments and the Post-Enforcement Priority of Payments, or any of them;

"Proceedings" means any legal proceedings relating to a Dispute;

"Promissory Note" means a promissory note ("*pagaré*");

"Promissory Notes Program" means any agreement entered into by the Seller and a client whereby the Seller may subscribe, at its entire discretion, for Promissory Notes to be issued by such client from time to time;

"Prospectus" means each of (i) the prospectus dated on or about the Issue Date prepared in connection with the issue by the Issuer of the Notes and (ii) the prospectus dated on or about the Initial Increase Date prepared in connection with the amendments to the terms of the Notes to become effective on or about the Initial Increase Date;

"Prospectus Directive" means Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Relevant Member State);

"Purchase Date" means the Issue Date or an Additional Purchase Date;

"Purchase Price" means either the Initial Purchase Price or an Additional Purchase Price, as applicable;

"Purchase Price Payment Date" means the London Business Day immediately following an Additional Purchase Date;

"Put Acceptance Notice" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"Put Notes" has the meaning given to it in Condition 7.6 (*Note Extension Option*);

"**Qualifying Asset**" means a qualifying asset within the meaning of Section 110 of the Taxes Act;

"**Qualifying Cash**" means the sum of balances of the Principal Account and the Collection Account (excluding the Additional Purchase Price and any amounts to be transferred to the Security Account or the Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);

"**Qualifying Company**" means a qualifying company within the meaning of Section 110 of the Taxes Act;

"**Qualifying Portfolios**" means each of the Direct Group Portfolios with the first, second and third highest aggregate Outstanding Balances;

"**Qualifying Subordinated Loan Provider**" means a person that is beneficially entitled to interest received on the Subordinated Loan and is:

- (a)
 - (i) a bank within the meaning of Section 246 of the Taxes Act which is carrying on a *bona fide* banking business in Ireland for the purposes of Section 246(3)(a) of the Taxes Act with which the Subordinated Loan is connected; or
 - (ii)
 - (A) a person that is, under the laws of a Relevant Territory, resident in that Relevant Territory for the purposes of corporation or income tax in that Relevant Territory;
 - (B) a United States of America ("**U.S.**") company, provided the U.S. company is incorporated in the U.S. and subject to U.S. federal tax on its worldwide income; or
 - (C) a U.S. Limited Liability Company ("**LLC**"), provided the ultimate recipients of the interest would, if they were themselves Subordinated Loan Providers, be Qualifying Subordinated Loan Provider within paragraph (ii)(A) or (ii)(B) of this definition and the business conducted through the LLC is so structured for market reasons and not for tax avoidance purposes;

provided in each case at (ii)(A), (ii)(B) or (ii)(C) the Subordinated Loan Provider is not carrying on a trade or business in Ireland through an agency or branch with which the Subordinated Loan is connected; or

- (iii) a qualifying company within the meaning of Section 110 of the Taxes Act; or
- (iv) a Treaty Subordinated Loan Provider; or

- (v) a body corporate:
 - (A) which advances money in the ordinary course of a trade which includes the lending of money;
 - (B) in whose hands any interest payable in respect of monies so advanced is taken into account in computing the trading income of such company; and
 - (C) which has made the appropriate notifications under Section 246(5)(a) of the Taxes Act to the Revenue Commissioners of Ireland and the Issuer; or
- (vi) an investment undertaking within the meaning of Section 739B of the Taxes Act.

and

- (b)
 - (i) a person (not being a Specified Person) who is a pension fund, government body or other person resident in a Relevant Territory who, under the laws of that Relevant Territory, is exempted from tax which generally applies to profits, income or gains in that Relevant Territory; or
 - (ii) in respect of the Subordinated Loan, under the laws of a Relevant Territory, subject, without any reduction computed by reference to the amount of such interest, to a tax which corresponds to Irish income or corporation tax which generally applies to profits, income or gains received in that Relevant Territory, by persons, from sources outside that Relevant Territory; or
 - (iii) resident in Ireland or providing the Subordinated Loan or holding the Notes in connection with a permanent establishment in Ireland;

"Quoted Eurobond" means a quoted Eurobond within the meaning of section 64 of the Taxes Act;

"Ramp-Up Period" means the period starting on the Initial Increase Date (including such date) and ending on the Interest Payment Date falling in August 2018 (excluding such date);

"Rating Trigger" means the long-term unsecured unguaranteed and unsubordinated debt obligations of the Originator Account Bank or the Security Account Bank ceasing to be rated at least B2 by Moody's and B by Fitch and S&P;

"Realisation" has the meaning given to it in Condition 16 (*Limited Recourse*);

"Receivables" means those receivables owing by a Direct Debtor originated by the Seller pursuant to a Funding Document;

"Receivables Eligibility Criteria" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Receivables;

"Receivables Identification File" means the Initial Receivables Portfolio and each Additional Receivables Portfolio Identification File sent by the Offer Agent on behalf of the Seller on the Relevant Offer Date;

"Receivables Portfolio" means the Initial Receivables Portfolio and each Additional Receivables Portfolio;

"Receivables Sale Agreement" means the receivables sale and purchase agreement dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"Receiver" means any person (being a licensed insolvency practitioner) who is appointed by the Trustee to be a receiver or an administrative receiver (as the case may be) of the Charged Property to act jointly, independently, or jointly and severally, as the Trustee shall determine;

"Receiving Transaction Party" means, where any Transaction Party is under an obligation created by a Transaction Document to make payment to another Transaction Party, the Transaction Party which is to receive such payment;

"Reconciliation Date" means any Monday until the Final Discharge Date unless such Monday is not a Madrid/Valencia Business Day in which case it shall be the first following Madrid/Valencia Business Day;

"Reconciliation Payment Date" means the second Business Day immediately following a Reconciliation Date;

"Records" means, with respect to any Receivable or Claim, all Funding Documents and other documents, books, records and other information (including, without limitation, computer programmes, tapes, disks, punch cards, data processing software and related property and rights) relating to such Receivable or Claim, any Ancillary Rights (other than the Records) or the related Debtors which are necessary to service or enforce such Receivable, Claim and Ancillary Rights;

"Redemption Amount" means the Principal Amount Outstanding of the Notes together with any unpaid interest accrued thereon and any default interest;

"Regulated Market" means a regulated market for the purposes of the Markets in Financial Instruments Directive;

"Regulatory Direction" means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person is accustomed to comply;

"Relevant" means:

- (a) when used in relation to the execution of or the entering into of a Transaction Document and in conjunction with a reference to any Transaction Party, a

Transaction Document which such Transaction Party is required to execute or enter into or has executed or entered into;

- (b) when used in respect of the Transaction Documents generally and in conjunction with a reference to any particular Transaction Party, the Transaction Documents to which such Transaction Party is a party;

and references to "**Relevant Transaction Documents**" and cognate expressions shall be construed accordingly;

"**Relevant Citi Entity**" means the Party named as such in the relevant Transaction Document;

"**Relevant Date**" has the meaning given in Condition 9 (*Prescription*);

"**Relevant DPP Percentage**" means (i) 26.5625% for the purposes of paragraph (b)(ii) of the definition of "DPP", and (ii) 22.807017544% for the purposes of paragraph (b)(iii) of the definition of "DPP";

"**Relevant DPP Threshold**" means (i) prior to the Effective Date, EUR40,000,000, and (ii) from the Effective Date, EUR65,000,000;

"**Relevant Information**" means any written information provided by the Issuer, the Seller or the Servicer, as the case may be, to the Arranger in connection with the preparation of the Prospectus or any presentation by the Arranger to potential investors;

"**Relevant Matter**" means any amendment, variation, supplement, modification, consent, waiver, indulgence (including the grant of any grace period), release or failure or omission to exercise any right, composition, compounding or other similar arrangement (other than any such amendment, variation, supplement, modification, consent, waiver, indulgence, release or failure or omission to exercise any right, composition, compounding or other similar arrangement (i) that has been made in accordance with the Issuer's instructions or consent, (ii) that is permitted by the Collection Policy and/or the Servicing Agreement with respect to the Receivables, the Claims, the Ancillary Rights and the Funding Documents or (iii) whose object is exclusively the taking of security or additional security in respect of a Receivable without amending any other features thereof);

"**Relevant Member State**" means each Member State of the European Economic Area which has implemented the Prospectus Directive;

"**Relevant Territory**" means:

- (a) a Member State of the European Union other than Ireland;
- (b) not being such a Member State, a territory with the government of which arrangements having the force of law by virtue of section 826(1) of the Taxes Act have been made; or

- (c) not being a territory referred to in paragraph (a) or (b), a territory with the government of which arrangements have been made which on completion of the procedures set out in section 826(1) of the Taxes Act, will have the force of law;

"Replacement Cash Management Agreement" means an agreement entered into by the Replacement Cash Manager with the Issuer and the Trustee substantially on the terms of the existing Cash Management Agreement;

"Replacement Cash Manager" means the replacement cash manager appointed pursuant to the terms of the Cash Management Agreement;

"Repurchase Agreement" means an agreement in, or substantially in, the form of the document so named set out in the Receivables Sale Agreement;

"Required Consents" means

- (a) filing of the Prospectus with the Central Bank of Ireland and the Irish Companies Registration Office;
- (b) application for the Notes to be listed on the Official List and the granting of such application;
- (c) application for the Notes to be admitted to trading on the Regulated Market of the Irish Stock Exchange and the granting of such application; and
- (d) filing of correctly completed Form C1 and Section 1001 notice in respect of the Security Deed with the Companies Registration Office and Revenue Commissioners, respectively, in Ireland;

each in accordance with any relevant Requirements of Law or any Regulatory Direction;

"Required Rating" means the short-term, unsecured, unguaranteed and unsubordinated debt obligations of at least P-2 by Moody's and A-2 by S&P;

"Requirement of Law" in respect of any person shall mean:

- (a) any law, treaty, rule, requirement or regulation;
- (b) a notice by or an order of any court having jurisdiction;
- (c) a mandatory requirement of any regulatory authority having jurisdiction; or
- (d) a determination of an arbitrator or Governmental Authority,

in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply;

"Reserve Account" means the account opened in the name of the Issuer with the Account Bank for the purposes of holding the Reserve Account Target Amount;

"Reserve Account Minimum Amount" means EUR4,375,000.00;

"Reserve Account Target Amount" has the meaning given to it in Condition 2 (*Definitions*);

"Return Agreement" means a Specified Agreement whereby payments due under the Specified Agreement are dependent on the results of the Issuer's business or any part of the Issuer's business;

"Revenue Commissioners" means the Revenue Commissioners of Ireland;

"Reviewed Datatape Fields" means the list of datatape fields set forth in the Receivables Sale Agreement;

"Reviewed Eligibility Criteria" means the Eligibility Criteria set forth in the Receivables Sale Agreement;

"Revolving Period" means the period commencing on (and including) the Issue Date and ending on the earliest to occur of (a) the Termination Event Date, (b) the date of an Event of Default, (c) the date falling 6 months before the Scheduled Maturity Date, (d) the date on which an Issuer Cash Call Option has not been completed in accordance with Condition 7.9 (*Issuer Cash Call Option*), and (e) the Back-Stop Date if the Initial Increase Date has not occurred by such date;

"Revolving Period Priority of Payments" means the provisions relating to the order of priority of payments set out in Schedule 3 (*Priorities of Payment*), Part 1 (*Revolving Period Priority of Payments*) of the Cash Management Agreement;

"Reverse Charge" means the charge arising as a result of section 8(1) of VATA or section 12 (1) of the Irish VATA or any other equivalent legislation in another jurisdiction;

"Right" means any asset (including any Receivables or Security Claims), agreement, property or right;

"Risk Department" means the department which analyses and classify the risk of any existing or future client of the Seller;

"S&P" means Standard & Poor's Credit Market Services Europe Limited and any successor or replacement to its credit rating business;

"Scheduled Maturity Date" means the later of (i) the Interest Payment Date falling in the thirtieth month after the Effective Date; or (ii) if the Note Extension Option is exercised, the Interest Payment Date falling on or around the Note Extension Option Date;

"Second ICC Period" means the period starting on the First ICC Period End Date (excluding such date) and ending on the Second ICC Period End Date;

"Second ICC Period End Date" means the Interest Payment Date falling in June 2018;

"**Second Make Whole Period**" means the period between the third Interest Payment Date falling after the Effective Date (including such date) and the ninth Interest Payment Date falling after the Effective Date (excluding such date);

"**Second Reserve Increase Date**" has the meaning given to it in Condition 2 (*Definitions*);

"**Section 110**" means Section 110 of the Taxes Consolidation Act 1997 (as amended);

"**Section 246**" means Section 246 of the Taxes Act;

"**Secured Creditors**" means the Seller, the Trustee, the Servicer, the Cash Manager, the Account Bank, the Agents, the Corporate Services Provider, the Noteholders, the Subordinated Loan Provider, the Due Diligence Agent and any Receiver and any other party which becomes a Secured Creditor pursuant to the Security Deed;

"**Secured Liabilities**" means any and all monies, obligations and liabilities and all other amounts due, owing, payable or owed by the Issuer to the Secured Creditors under the Notes and/or the Transaction Documents, and references to Secured Liabilities includes references to any of them;

"**Secured Receivable**" means any Factoring Receivable and any Special Receivable;

"**Securities Act**" means the United States Securities Act of 1933, as amended;

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"**Security Account**" means the account opened in the name of the Seller in the books of the Security Account Bank with IBAN ES7320381560016000215757;

"**Security Account Bank**" means Bankia, S.A.;

"**Security Account Pledge Agreement**" means the pledge agreement over the Security Account dated the Issue Date between the Seller, the Issuer, the Cash Manager and the Servicer;

"**Security Claims**" means any Factoring Claim and any Special Claims;

"**Security Deed**" means the security deed dated the Issue Date between the Issuer and the Trustee;

"**Security Period**" means the period beginning on the date of the Security Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

"**Security Powers of Attorney**" means the security powers of attorney dated the Issue Date granted by the Issuer in favour of the Trustee in, or substantially in, the form set out in the Security Deed;

"Selection Criteria" means a list of pre-agreed criteria to be applied to select Additional Receivables to be purchased on the Additional Purchase Date, to the extent that the Seller offers more Eligible Receivables than the Issuer can purchase with the Available Collections;

"Seller" means Toro Finance S.L.U. in its capacity as seller of the Receivables to the Issuer under the Receivables Sale Agreement;

"Seller Account" means the account opened in the name of the Seller in the books of Bankia, S.A. with IBAN ES16 2038 1560 0260 0018 8507;

"Seller Insolvency Event" or "Servicer Insolvency Event" or "Cash Manager Insolvency Event" means the occurrence of any of the following events:

- (a) the Seller or the Servicer or the Cash Manager (as applicable) is unable or admits its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) a declaration of insolvency (*concurso*), winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Seller or the Servicer or the Cash Manager (as applicable) (including, for the avoidance of doubt and without limitation, any petition under article 5 bis and the Fourth Additional Provision of the Spanish Insolvency Law 22/2003, dated 9 July 2003; or
 - (ii) a composition, compromise, assignment or arrangement with (i) any creditor of the Seller or the Servicer or the Cash Manager (as applicable) being owed more than €2,500,000 or (ii) a number of creditors of the Seller or the Servicer or the Cash Manager (as applicable) being owed in aggregate more than €2,500,000 in either case, by reason of actual or anticipated financial difficulties; or
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Seller or the Servicer or the Cash Manager (as applicable) or any of its assets;

or any analogous procedure or step is taken in any jurisdiction, provided however that no Seller Insolvency Event or Servicer Insolvency Event or Cash Manager Insolvency Event (as applicable) would have occurred if any petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement;

"Seller Security Power of Attorney" means the power of attorney dated the Issue Date in the form set out in the Receivables Sale Agreement;

"**Servicer**" means the person appointed by the Issuer under the Servicing Agreement to service the Receivables being, at the Issue Date, Gedesco Services Spain, S.A.U.;

"**Servicer Standard of Care**" means the standard of care set out in the Servicing Agreement to which the Servicer will perform its obligations and the exercise of its discretions under the Servicing Agreement and its exercise of the rights of the Issuer in respect of contracts and arrangements giving rise to payment obligations in respect of the Receivables;

"**Servicer Event**" means:

- (a) the occurrence of a Servicer Insolvency Event; or
- (b) the Servicer defaults on any payment and/or payments in respect of its financial indebtedness exceeding EUR2,500,000; or
- (c) the Servicer fails to observe or perform in any material respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a Material Adverse Effect on the Issuer's ability to make payments in respect of the Notes and continues unremedied for a period of 30 days after the earlier of an officer of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer; or a non-cured breach of its obligations under the Servicing Agreement; or
- (d) the Servicer breaches its representations and warranties given in the Servicing Agreement; or
- (e) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct any movement of collections as required under the Servicing Agreement and the other Transaction Documents;

"**Servicer Covenant**" means a covenant of the Servicer contained in the Servicing Agreement and "**Servicer Covenants**" means all of those covenants;

"**Services**" means the services to be provided by the Servicer under the Servicing Agreement;

"**Servicing Agreement**" means the servicing agreement dated the Issue Date relating to the Receivables between the Issuer, the Seller, the Servicer and the Cash Manager;

"**Servicing Fees**" means the fees payable by the Issuer to the Servicer in accordance with the Servicing Agreement;

"**Share Trustee**" means, as at the Issue Date, Wilmington Trust SP Services (Dublin) Limited;

"**Shared Secured Receivable**" means a Secured Receivable or a Collateralised Receivable in relation to which the Benefit of the related Security Claim(s) or Collateral Claim(s) is at any time partially held by the Seller as security for the

liabilities of the relevant Direct Debtor under claims other than the Secured Receivables or Collateralised Receivables;

"Signing and Closing Agenda" means the agenda so named and dated on or before the Issue Date to confirm their agreement to its terms;

"Spanish Bank Mandates" means the bank mandates in relation to the Originator Account Pledge Agreement and the Security Account Pledge Agreement;

"Special Claims" means each receivable designated as such in the relevant Receivables Identification File;

"Special Claims Amount" means some collections of Special Claims credited to the Collection Account which will be required to be transferred to the Security Account for payment by the Seller to the Debtor to whom those amounts are owed;

"Special Claims Eligibility Criteria" means the criteria set out in Schedule 3 (*Eligibility Criteria*) of the Receivables Sale Agreement in relation to the Special Claims;

"Special Debtor" means each obligor under any Special Claims;

"Special Receivable" is a Receivable which is secured by means of a notarised assignment by the Direct Debtor to the Seller of a Special Claim;

"Specified Agreement" means any agreement, arrangement or understanding that:

- (a) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and
- (b) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred;

"Specified Office" means, with respect to the Agents, the offices listed at the end of the Conditions or such other offices as may from time to time be duly notified pursuant to Condition 15 (*Notice to Noteholders*);

"Specified Person" means:

- (a) a company which directly or indirectly controls the Issuer; or
- (b) a person or connected persons from whom assets were acquired or to whom the Issuer has made loans or advances or with whom the Issuer has entered into a Specified Agreement, where the aggregate value of such assets, loans,

advances or agreements represents not less than 75% of the aggregate value of the Qualifying Assets of the Issuer;

"Subordinated Loan Agreement" means the loan agreement dated the Issue Date between the Issuer and the Subordinated Loan Provider;

"Subordinated Loan Interest" means interest of 8% to be paid by the Issuer to the Subordinated Loan Provider in accordance with the Subordinated Loan Agreement;

"Subordinated Loan Provider" means, as at the Issue Date, Toro Finance S.L.U.;

"Subordinated Loan" means the loan provided to the Issuer by the Subordinated Loan Provider pursuant to the Subordinated Loan Agreement;

"Subscription Agreement" means the agreement so named dated the Issue Date between the Issuer, the Seller and Arranger;

"Successor Servicer" means an entity appointed as a successor servicer in accordance with the Servicing Agreement to perform the Services following the occurrence of a Servicer Event;

"Tangible Net Worth" means the aggregate of (a) the amounts paid up or credited as paid up on the issued ordinary share capital of the Seller plus (b) the lower of (i) EUR80,000,000 or (ii) the amount outstanding under the shareholder loan of the Seller at the relevant time (excluding any interest); plus (c) the aggregate amount of the reserves of the Seller;

"TARGET 2 System" means the Trans European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single platform and which was launched on 19 November 2007;

"Tax" shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction, withholding or related liability of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed or levied by or on behalf of any Tax Authority in the Issuer Jurisdiction or in Spain as applicable, and **"Taxes"**, **"taxation"**, **"taxable"** and comparable expressions shall be construed accordingly;

"Tax Authority" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including Her Majesty's Revenue and Customs, the Irish Revenue Commissioners and the *Agencia Española de Administración Tributaria*;

"Tax Credit" means any credit received by a Transaction Party from a Tax Authority in respect of any Tax paid by such Transaction Party;

"Tax Deduction" means any deduction or withholding for or on account of Tax;

"Tax Payment" means any payment for or on account of Tax;

"**Taxes Act**" means the Taxes Consolidation Act 1997, of Ireland, as amended;

"**Temporary Global Note**" has the meaning given to such term in the Conditions;

"**Termination Event**" means the occurrence of any of the following events:

- (a) failure by the Seller to timely pay any Deemed Collection Amounts;
- (b) on any Additional Purchase Date, the outstanding Defaulted Receivables being equal to or higher than 5% of the aggregate Outstanding Balance of the Receivables plus the cash credited in the Collection Account and the Principal Account (excluding any amounts to be transferred to the Security Account or the Reserve Account on or about such Additional Purchase Date, irrespective of whether the transfer of such amount has been completed at the time of the determination);
- (c) on any Additional Purchase Date and each Interest Payment Date on which the outstanding Deferred Purchase Price is equal to or higher than EUR55,000,000, the Minimum Overcollateralisation Test is equal to or higher than the Minimum Overcollateralisation Ratio;
- (d) Change of Control of the Servicer or Change of Control of the Seller;
- (e) the occurrence of a Material Adverse Change in relation to business operations, assets or condition (financial or otherwise) of the Seller or the Servicer.
- (f) failure by the Servicer or the Seller to comply with any other of its respective obligations under the Transaction Documents subject to agreed remedy periods if capable of remedy;
- (g) as at any (i) Additional Purchase Date (during the Revolving Period), (ii) Reconciliation Date (after the end of the Revolving Period), or (iii) Interest Payment Date, the aggregate balance of the Reserve Account falls below the Reserve Account Minimum Amount;
- (h) misrepresentation of any party under a Transaction Document (subject always to the agreed remedy periods if capable of remedy);
- (i) the occurrence of a Seller Insolvency Event or a Servicer Insolvency Event;
- (j) the cumulative Defaulted Receivables on the Purchase Date is equal or higher than 30% of the Principal Amount Outstanding of the Notes as of the Issue Date;
- (k) unlawfulness and invalidity of any Transaction Document;
- (l) failure by the Issuer (acting on the instructions of the Majority Noteholders) to appoint a Back-Up Servicer satisfactory to the Majority Noteholders (and/or failure by the Back-Up Servicer to accept such appointment) within 2 months following a Back-Up Servicer Appointment Event (other than that resulting

from the occurrence of a Servicer Insolvency Event in which case the reference to 2 months shall be to 2 weeks);

- (m) on the last date of the Ramp-Up Period (the "**OC Test Date**") or any date thereafter, the aggregate outstanding Deferred Purchase Price in respect of the Receivables purchased by the Issuer during the period from the Issue Date to the OC Test Date, is less than EUR55,000,000.00, provided that where the Minimum Overcollateralisation Test is not satisfied on the OC Test Date, the Subordinated Loan Provider shall be entitled to make to the Issuer an additional advance under the Subordinated Loan Agreement in an amount equal to the difference between EUR55,000,000 and the actual aggregate outstanding Deferred Purchase Price as at the OC Test Date and provided that the Issuer receives such advance not later than on the OC Test Date, the Termination Event under this paragraph (m) shall be deemed not to have occurred; or
- (n) as of the relevant Purchase Date, (i) the cumulative Deemed Collections exceed EUR30,000,000 or relate cumulatively to 15 or more different Direct Debtors; or (ii) the Deemed Collections for a single Collection Period exceed EUR15,000,000 or relate cumulatively to 7 or more different Direct Debtors, provided that for these purposes only, the Deemed Collections shall be determined by reference to the Receivables which have been discovered not to be compliant with one or more Eligibility Criteria as a result of an audit (including the Due Diligence Report) by the Issuer or its agents (including the Due Diligence Agent);

"Termination Event Date" means the date on which a Termination Event occurs;

"Termination Event Repayment Date" means the date on which, following a Termination Event, the Redemption Amount has been paid in full to the Noteholders;

"Third ICC Period" means the period starting on the Second ICC Period End Date (excluding such date) and ending on the Interest Payment Date falling in August 2018;

"Third Make Whole Period" means the period between the ninth Interest Payment Date falling after the Effective Date (including such date) and the twenty-first Interest Payment Date falling after the Effective Date (excluding such date);

"Third Party Expenses" means any amounts due and payable by the Issuer to third parties (not being Secured Creditors) including any Liabilities payable in connection with:

- (a) the purchase by the Issuer of the Receivables Portfolio;
- (b) any filing or registration of any Transaction Documents;
- (c) any provision for and payment of the Issuer's liability to any Tax Authority for any Tax;
- (d) any Requirement of Law or any Regulatory Direction;

- (e) any advertising, publication, communication and printing expenses including postage, telephone and telex charges;
- (f) the admission of the Notes to the Official List or to trading on the Regulated Market of the Irish Stock Exchange; and
- (g) any other amounts then due and payable to third parties and incurred without breach by the Issuer of the provisions of the Transaction Documents;

"Transaction Documents" means the Trust Deed, the Notes (when issued), the Agency Agreement, the Servicing Agreement, the Cash Management Agreement, the Account Bank Agreement, the Security Deed, the Security Powers of Attorney, the Receivables Sale Agreement, the Seller Security Power of Attorney, the Originator Account Pledge Agreement, the Security Account Pledge Agreement, the Incorporated Terms Memorandum, the Corporate Services Agreement, the Subordinated Loan Agreement, the Due Diligence Agent Letter and any other document entered into by one or more Transaction Parties which is designated as a Transaction Document with the consent of the Trustee, the Issuer and the Seller;

"Transaction Documents List" means the list set out in Schedule 1 to the Signing and Closing Agenda;

"Transaction Party" means each of the Issuer, the Seller, the Trustee, the Agents, the Servicer, the Cash Manager, the Account Bank, the Corporate Services Provider, the Subordinated Loan Provider, the Due Diligence Agent and any other party to the Transaction Documents;

"Transaction Security" means security granted by the Issuer under the Security Deed and/or the security granted by the Seller under the Originator Account Pledge Agreement and the Security Account Pledge Agreement (as applicable);

"Treaty" means the Treaty on the Functioning the European Union;

"Treaty Subordinated Loan Provider" means, a Subordinated Loan Provider which is treated as a resident of a Treaty State for the purposes of a double taxation treaty with Ireland and does not carry on a business in Ireland through a permanent establishment with which the Subordinated Loan is effectively connected that, subject to the completion of procedural formalities, is entitled to relief from Irish tax on interest under that double taxation treaty;

"Treaty State" means a jurisdiction having a double taxation treaty with Ireland that is in effect which makes provision for full exemption from tax imposed by Ireland on interest;

"Trust Corporation" means a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation;

"Trust Deed" means the trust deed creating the Notes dated the Issue Date between the Issuer and the Trustee;

"Trust Documents" means the Trust Deed and the Security Deed;

"Trustee" means, as at the Issue Date, Citicorp Trustee Company Limited and any additional or replacement trustee appointed from time to time in accordance with the Trust Deed;

"Trustee Acts" means both the Trustee Act 1925 and the Trustee Act 2000 of England and Wales;

"Trustee Expenses" means all amounts due and payable in relation to the fees, costs, expenses, liabilities, indemnity payments and all other amounts due to the Trustee;

"Trustee Fees" means the fees payable by the Issuer to the Trustee in accordance with the Trust Deed;

"Unsecured Receivable" means any Receivable which is not a Secured Receivable;

"VAT" means value added tax imposed by VATA or Irish VATA and legislation and regulations supplemental thereto and includes any other tax of a similar fiscal nature whether imposed in the United Kingdom (instead of or in addition to value added tax), in Ireland, in Spain or elsewhere from time to time;

"VATA" means the Value Added Tax Act 1994;

"VAT Group" means a group for the purposes of the VAT;

"Voting Certificate" means an English language certificate issued by a Paying Agent in which it is stated:

- (a) that on the date thereof Notes (not being Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:
 - (i) the conclusion of the meeting specified in such Voting Certificate; and
 - (ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
- (b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes represented by such Voting Certificate;

"Weekly Cash Manager Report" means the report to be prepared by the Cash Manager in accordance with the terms of the Cash Management Agreement;

"Weekly Cash Manager Report Date" means (i) the day following Additional Purchase Date during the Revolving Period and (ii) each second Business Day falling after each Reconciliation Date after the end of the Revolving Period;

"Weekly Datatape" means a weekly datatape to be prepared by the Servicer under the Servicing Agreement in the form or similar to the form of the datatape attached as to the Servicing Agreement;

"Wholesale Debt Instrument" means a wholesale debt instrument within the meaning of section 246A of the Taxes Act;

"Written Resolution" means a resolution in writing signed by or on behalf of (i) Noteholders holding in aggregate not less than 75% in aggregate Principal Amount Outstanding of the Notes then outstanding or (ii) in case of a Majority Noteholders Matter, the Majority Noteholders, which resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

"24 hours" means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where any Meeting is to be held and in each of the places where the Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held); and

"48 hours" means 2 consecutive periods of 24 hours.

2. PRINCIPLES OF INTERPRETATION AND CONSTRUCTION

2.1 Knowledge

2.1.1 References in any Transaction Document to the expressions "so far as the Seller is aware" or "to the best of the knowledge, information and belief of the Seller" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Seller located at calle Velázquez, 18, 4º derecha, 28001 Madrid, Spain, together with the knowledge which such persons could have had if the Seller had acted in accordance with the Transaction Documents.

2.1.2 References in any Transaction Document to the expressions "so far as the Servicer is aware" or "to the best of the knowledge, information and belief of the Servicer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Servicer located at Avenida de Aragón, número 2-bis, entresuelo, Valencia, Spain, together with the knowledge which such persons could have had if the Servicer had acted in accordance with the Transaction Documents.

2.1.3 References in any Transaction Document to the expressions "so far as the Issuer is aware" or "to the best of the knowledge, information and belief of the Issuer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of directors of the Issuer located at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland, together with the knowledge which such persons could have had if the Issuer had acted in accordance with the Transaction Documents.

2.1.4 References in any Transaction Document to the expressions "so far as the Trustee is aware" or "to the best of the knowledge, information and belief of

the Trustee" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Trustee.

2.2 Interpretation

Any reference in the Transaction Documents to:

a document being in an "*agreed form*" means that the form of the document in question has been agreed between the proposed parties thereto and that a copy thereof has been signed for the purposes of identification by Clifford Chance LLP;

"**continuing**", in respect of an Termination Event, an Event of Default or a Potential Event of Default, shall be construed as a reference to an Termination Event, an Event of Default or a Potential Event of Default, as the case may be, which has not been waived in accordance with the terms of the Conditions or, as the case may be, the relevant Transaction Document and, in respect of a Potential Event of Default, one which has not been remedied within the relevant grace period to the extent it is capable of remedy or waived in accordance with the terms of the Conditions or, as the case may be, the relevant Transaction Document;

"*Euroclear*" and/or "*Clearstream, Luxembourg*" shall, wherever the context so admits, be deemed to include reference to any additional or alternative clearing system approved by the Issuer in relation to the Notes;

"**holder**" means the registered holder of any Note and the word "**holders**" and related expressions shall (where appropriate) be construed accordingly;

"*including*" shall be construed as a reference to "*including without limitation*", so that any list of items or matters appearing after the word "*including*" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including";

"*indebtedness*" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a "*law*" shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, by-law, order or any other legislative measure (whether primary or subsidiary made pursuant to primary legislation) of any government, supranational, local government, statutory or regulatory body or court;

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 succeeding calendar month except that:

- (a) if any such numerically corresponding day is not a Business Day, such period shall end on the immediately succeeding Business Day to occur in that next succeeding calendar month or, if none, it shall end on the immediately preceding Business Day; and

- (b) if there is no numerically corresponding day in that next succeeding calendar month, that period shall end on the last Business Day in that next succeeding calendar month,

and references to "*months*" shall be construed accordingly;

a "*person*" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

"*principal*" shall, where applicable, include premium;

"*repay*", "*redeem*" and "*pay*" shall each include both of the others and "*repaid*", "*repayable* and *repaid*", "*redeemed*", "*redeemable*" and "*redemption*" and "*paid*", "*payable*" and "*payment*" shall be construed accordingly;

a reference to any person defined as a "*Transaction Party*" in this Agreement or in any Transaction Document or in the Conditions shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests;

a "*subsidiary*" of a company or corporation shall be construed as a reference to any company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a subsidiary of another subsidiary of the first mentioned company or corporation

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

a "*successor*" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred; and

a "*wholly owned subsidiary*" of a company or corporation shall be construed as a reference to any company or corporation which has no other members except that other company or corporation and that other company's or corporation's wholly owned subsidiaries or persons acting on behalf of that other company or corporation or its wholly owned subsidiaries.

2.3 **Currency symbols**

"euro", "EUR" or "€" means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

2.4 **Transaction Documents and other agreements**

Any reference to the Incorporated Terms Memorandum, any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to the Incorporated Terms Memorandum, such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced.

2.5 **Legislation and Treaties**

Any reference to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation), statute or treaty shall be construed as a reference to such legislation, regulations, subsidiary legislation, statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.

2.6 **Time**

Any reference in any Transaction Document to a time of day shall, unless a contrary indication appears, be a reference to Madrid/London time (as applicable).

2.7 **Schedules**

Any Schedule of, or Appendix to a Transaction Document forms part of such Transaction Document and shall have the same force and effect as if the provisions of such Schedule or Appendix were set out in the body of such Transaction Document. Any reference to a Transaction Document shall include any such Schedule or Appendix.

2.8 **Headings**

Section, Part, Schedule, Paragraph and Clause headings are for ease of reference only.

2.9 **Sections**

Except as otherwise specified in a Transaction Document, reference in a Transaction Document to:

2.9.1 a "*Section*" shall be construed as a reference to a section of such Transaction Document;

2.9.2 a "*Part*" shall be construed as a reference to a part of such Transaction Document;

- 2.9.3 a "*Schedule*" shall be construed as a reference to a schedule of such Transaction Document;
- 2.9.4 a "*Clause*" shall be construed as a reference to a clause of a Part or Section (as applicable) of such Transaction Document;
- 2.9.5 a "*Paragraph*" shall be construed as a reference to a paragraph of a Schedule of such Transaction Document; and
- 2.9.6 "*this Agreement*" shall be construed as a reference to such Transaction Document together with any Schedules thereto.

2.10 **Number**

In any Transaction Document, save where the context otherwise requires, words importing the singular number include the plural and *vice versa*.

2.11 **Time of the Essence**

Any date or period specified in any Transaction Document may be postponed or extended by mutual agreement between the parties thereto, but as regards any time or period originally fixed or so postponed or extended, time shall be of the essence.