

D. José Antonio Trujillo del Valle, en su condición de apoderada de la sociedad InterMoney Titulización, Sociedad Gestora de Fondos de Titulización, S.A., con domicilio en Madrid, calle Príncipe de Vergara, 131 planta 3 y C.I.F.: A-83774885, en relación con la constitución de **“COLUMBUS MASTER CREDIT CARDS, FONDO DE TITULIZACIÓN”**, cuyo Folleto Informativo ha sido inscrito en los registros oficiales de la Comisión Nacional del Mercado de Valores el 6 de abril de 2017,

DECLARA

Que el contenido del Folleto Informativo de **“COLUMBUS MASTER CREDIT CARDS, FONDO DE TITULIZACIÓN”** que ha sido registrado por la Comisión Nacional del Mercado de Valores con fecha 6 de abril de 2017, coincide exactamente con el que se presenta adjunto a la presente declaración en soporte informático;

Y AUTORIZA

La difusión del texto del citado Folleto Informativo a través de la página de internet de la Comisión Nacional del Mercado de Valores.

Y para que conste a los efectos oportunos, expido la presente en Madrid, a 6 de abril de 2017.

José Antonio Trujillo del Valle

PRESIDENTE

InterMoney Titulización, S.G.F.T., S.A.

Columbus Master Credit Cards

Fondo de Titulización

BASE PROSPECTUS

NOTES ISSUE PROGRAMME

FOR A MAXIMUM OUTSTANDING BALANCE OF UP TO €2,000,000,000

Backed by credit rights arising from credit cards issued to individuals transferred by

SERVICIOS FINANCIEROS CARREFOUR, E.F.C., S.A.



Arrangers

BANCO SANTANDER, S.A.



NATIXIS



Paying Agent



Management Company



IMPORTANT NOTICE – BASE PROSPECTUS

NOT FOR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED) OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the Base Prospectus following this page and you are therefore advised to read this carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications thereto.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY THE NOTES DESCRIBED IN THE BASE PROSPECTUS IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED.

FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER RELEVANT JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**)), EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THE FOLLOWING BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE SELLER INTENDS TO RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS THAT MEET CERTAIN REQUIREMENTS. CONSEQUENTLY, (A) ON ANY ISSUE DATE, THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY ANY PERSON EXCEPT FOR PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED UNDER THE U.S. RISK RETENTION RULES (**RISK RETENTION U.S. PERSONS**) AND (B) DURING THE DISTRIBUTION COMPLIANCE PERIOD, THE NOTES MAY NOT BE TRANSFERRED TO ANY PERSON EXCEPT FOR PERSONS THAT ARE NOT RISK RETENTION U.S. PERSONS (**U.S. RISK RETENTION TRANSFER RESTRICTIONS**). PURCHASERS AND TRANSFEREES OF THE NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES WILL BE REQUIRED, TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT EACH PURCHASER OR TRANSFEREE (1) IS NOT A RISK RETENTION U.S. PERSON, (2) IS

ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES. PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF U.S. PERSON UNDER REGULATION S. SEE "*CERTAIN REGULATORY AND INDUSTRY DISCLOSURES – U.S. RISK RETENTION REQUIREMENTS*".

The Seller, as the Sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the Fund for purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. See "*Certain Regulatory and Industry Disclosures – U.S. Risk Retention Requirements*".

The Base Prospectus is being sent at your request and by accepting the email and accessing the Base Prospectus, you shall be deemed to have represented to us that you have understood the agreed terms set out herein, that you are not a U.S. person (within the meaning of Regulation S) or acting for the account or benefit of a U.S. person, that the electronic mail address that you have given to us and to which this email has been delivered is not located in the United States or its territories or possessions (including Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the North Mariana Islands), and that you consent to delivery of the Base Prospectus by electronic transmission.

If you are in the United Kingdom of Great Britain and Northern Ireland (the **UK**), you are a qualified investor (i) which is an investment professional within the meaning of article 19(5) of the UK Financial Services and Markets Acts 2000 (Financial Promotion) Order 2005 (the **Order**) or a high net worth entity falling within article 49 of the Order, and (ii) to whom it may otherwise lawfully be communicated (any such person being referred to as a "relevant person"); (iii) if you are in any Member State other than the UK, you are a "qualified investor" within the meaning of article 2(1)(e) of Directive 2003/71/EC as amended (the **Prospectus Directive**); (iv) if you are acting as a financial intermediary (as that term is used in article 3(2) of the Prospectus Directive), the securities acquired by you as a financial intermediary in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any Member State which has implemented the Prospectus Directive to qualified investors; (v) if paragraphs (ii) through (iv) do not apply, you are outside of the UK or EEA (and the electronic mail addresses that you gave us and to which the following Base Prospectus has been delivered are not located in such jurisdictions); and (vi) in all cases, you are a person into whose possession the following Base Prospectus may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to deliver the following Base Prospectus to any other person.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Base Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and Banco Santander, S.A. and Natixis (together, the **Arrangers** and the **Joint Lead Managers** in connection with the first Note Series issued by the Fund) or any affiliate of the Arrangers and the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arrangers and the Joint Lead Managers or such affiliate on behalf of the Fund in such jurisdiction.

The Base Prospectus has been sent to you in electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the securitisation fund management company (the **Management Company**) nor the Arrangers or the Joint Lead Managers nor any person who controls the Arrangers or the Joint Lead Managers nor any director, officer, employee, agent or affiliate of any such person nor the Fund nor the Seller (as defined below) accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format herewith and the hard copy version available to you on request from the Fund and/or the Arrangers and the Joint Lead Managers.

None of the Arrangers or any global coordinators, lead managers (including the Joint Lead Managers), bookrunners or underwriters makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Fund in connection with the Notes and accordingly, none of the Arrangers or any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter accepts any responsibility or liability therefore.

Prospective purchasers of Notes should conduct such independent investigation and analysis, as they deem appropriate to evaluate the merits and risks of an investment in the Notes. If you are in doubt about the contents of this document, you should consult your stockbroker, bank manager, legal adviser, accountant or other financial adviser.

Each person receiving this Prospectus acknowledges that (i) such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein, (ii) such person has not relied on any of the Programme Parties (other than the Management Company) in connection with its investigation of the accuracy of such information or its investment decision (iii) no person has been authorised to give any information or to make any representation regarding the Notes other than as contained herein and if given or made, any such other information or representation should not be relied upon as having been authorised and (iv) neither the delivery of this Base Prospectus nor any sale made hereunder will create any implication that the information herein is correct as of any time since the date hereof.

None of the Arrangers or any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter undertakes to review the financial condition or affairs of the Fund nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers or any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter.

No representation is made by the Management Company, the Arrangers, any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter as to the proper characterisation that the Class A Notes, the Class B Notes or the Class C Notes of any Note Series are or may be given for legal, tax, accounting, capital adequacy treatment or other purposes or as to the ability of particular investors to purchase the Class A Notes, the Class B Notes and the Class C Notes of any Note Series under or in accordance of any applicable legal and regulatory (or other) provisions in any jurisdiction where the Class A Notes, the Class B Notes and the Class C Notes of any Note Series would be subscribed or acquired by any investor and neither the Management Company nor the Arrangers nor any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter has given any undertaking as to the ability of investors established in any jurisdiction to subscribe to, or acquire, the Class A Notes, the Class B Notes and the Class C Notes of any Note Series. Accordingly, all institutions whose investment activities are subject to legal investments laws and regulations, regulatory capital requirements, capital adequacy rules or review by regulatory authorities should make their own judgement in determining whether and to what extent the Class A Notes, the Class B Notes and the Class C Notes of any Note Series constitute legal investments or are subject to investment, capital or other restrictions. Such considerations might restrict, if applicable, the market liquidity of the Class A Notes, the Class B Notes and the Class C Notes of any Note Series.

This document is the prospectus (the **Base Prospectus**) of Columbus Master Credit Cards, Fondo de Titulización (the **Fund**) authorised and registered with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*) (the **CNMV**), in accordance with the provisions of Regulation (EC) no. 809/2004 dated 29 April 2004, as amended (**Regulation 809/2004**), which includes:

- (a) a description of the main risk factors associated with the issue, with the securities and with the assets backing the issue (**Risk Factors**);
- (b) a description of certain regulatory matters applicable to the Fund (**Certain Regulatory and Industry Disclosures**);
- (c) a registration document for the securities, prepared in accordance with Annex VII of Regulation 809/2004 (the **Registration Document**);
- (d) a note on the securities prepared in accordance with Annex XIII of Regulation 809/2004 (the **Securities Note**);
- (e) an additional building block to the Securities Note prepared in accordance with Annex VIII of Regulation 809/2004 (the **Additional Building Block**);
- (f) a glossary of defined terms used in this Base Prospectus (the **Glossary of Terms**); and
- (g) a form of particular terms and conditions of each Notes Series (the **Final Terms**).

PCS LABEL

An application may be made to Prime Collateralised Securities (PCS) UK Limited (the **PCS**) for the Class A Notes of any Notes Series to receive the Prime Collateralised Securities label (the **PCS Label**). A reference to the application (or not) for the PCS Label for the Class A Notes of any Note Series will be included in the corresponding Issuing Document. However, there can be no assurance that the Class A Notes of any Notes Series will be granted the PCS Label (either before issuance or at any time thereafter) and should the Class A Notes of any Notes Series be granted the PCS Label, there can be no assurance that the PCS Label will not be withdrawn at a later date.

The PCS Label is awarded to the most senior tranche of asset backed transactions that fully meet the criteria that are set down by PCS. The relevant criteria seek to capture some of the aspects of asset backed securities that are indicative of simplicity, asset liquidity and transparency and reflect some of the best practices available in Europe.

The PCS Label is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and it is not a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended by the Credit Agency Reform Act of 2006). PCS is not an “expert” as defined in the United States Securities Acts of 1933 (as amended).

By awarding the PCS Label to certain securities, no views are expressed about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities.

Investors should conduct their own research regarding the nature of the PCS Label and must read the information set out in <http://pcsmarket.org>. The website <http://pcsmarket.org> shall not form part of this Base Prospectus.

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RISK FACTORS

1. RISKS DERIVED FROM THE ASSETS BACKING THE ISSUE

1.1. Risk of non-payment by the Borrowers

Neither Servicios Financieros Carrefour, E.F.C., S.A. (**SFC**) as seller of the Receivables to the Fund (the **Seller**), nor the Arrangers and Joint Lead Managers or any global coordinator, lead manager, bookrunner or underwriter assumes any liability for non-payment by the individuals who have entered into such Credit Card Agreements as principal obligors to the Seller (the **Borrowers** and each of them a **Borrower**), whether for principal, interest or any other amount owed by virtue of the Receivables. The Receivables do not benefit from any personal guarantee or security.

Each holder of a securitisation note (the **Notes**) issued by the Fund (a **Noteholder**) will bear the risk of non-payment by the Borrowers always taking into account the protection mechanisms described in section 3.4.3 of the Additional Building Block.

Transfer of title to the Receivables will be complete and unconditional throughout the remaining repayment period until maturity of each Receivable. Pursuant to article 1,529 of the Civil Code and article 348 of the Commercial Code, the Seller will only be held liable vis-à-vis the Fund for the existence and legitimacy of the Receivables, in the terms and conditions declared in this Base Prospectus and the public deed of incorporation of the Fund (the **Deed of Incorporation**) that are set forth in this Base Prospectus, as well as for the legal status with which it carries out the sale.

Likewise, the Seller will not grant collateral or bank guarantees, whether pursuant to the Deed of Incorporation, or to this Base Prospectus, or to any other agreement or contract to secure the payments under the Receivables by the Borrowers (subject to the in rem rights of pledge granted over the accounts opened by SFC in its capacity as servicer of the Purchased Receivables (the **Servicer**) with the Collections Accounts Banks for the purposes set out in section 3.4.3.9 of the Additional Building Block (the **Collections Accounts**) to reduce the commingling risk as described in section 3.4.3.9 of the Additional Building Block (see risk factor 3.4 in this regard)). For these purposes, **Collections Accounts Banks** means each of the Spanish financial institutions where the Collections Accounts held by the Servicer are opened from time to time (as of the date of this Base Prospectus, Banco Santander, S.A. and Bankia, S.A.).

All of this, without prejudice to (i) the Seller's obligation to repurchase the Purchased Receivables that do not comply with the applicable sale representations or, alternatively, indemnify the Fund where such repurchase is not possible, subject to and in accordance with the provisions set forth in section 2.2.9 of the Additional Building Block, (ii) the General Reserve and (iii) the Commingling Reserve described in sections 3.4.3.7 and 3.4.3.8 of the Additional Building Block, respectively.

The Notes of any series (each a **Note Series**) do not represent or constitute an obligation of the Seller, the Arrangers, any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter, the Eligible Hedging Counterparties or of the Management Company.

No guarantees have been granted by any public or private entities, including the Seller, the Management Company, the Arrangers, any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter, the Eligible Hedging Counterparties, the Paying Agent, the Issuer Accounts Bank or any other firm affiliated with or invested by any of the above.

1.2. The Seller may change the terms and conditions of the Credit Card Agreements, the Receivables and its Credit and Servicing Policies

Although the legal title of the Receivables will be transferred by the Seller to the Fund, the Seller will continue to manage the Client Accounts under which the Receivables come into existence and will remain the contractual counterparty of the Borrowers under the Credit Card Agreements. As such, the Seller retains the right to change various terms and conditions of the Client Accounts (as governed by the related Credit Card Agreement), including the interest amounts and other fees it charges and the required minimum monthly payment in accordance with its usual business practices.

The Seller may change the terms of the Credit Card Agreements (and thus the Client Accounts) to, for example, maintain its competitive position in the revolving consumer credit market in Spain. The Seller may change the terms of the Client Accounts in a manner which may reduce the amount of Receivables arising under the Client Accounts, may reduce the amount of the Available Collections on those Receivables or otherwise may adversely alter payment patterns. Additionally, as described in section 1.3 below, the Seller may change the rate of periodic interest amounts.

Additionally, the Seller shall be entitled to amend the Credit Card Agreements or the Standard Forms if such amendment (A) is the mandatory result of a final court resolution, (B) is imposed by any competent administrative or regulatory authority, (C) affects the interest rate or the fees, the instalment due date, the instalment amount, the maximum authorised credit amount and/or implies the application of grace periods for payment of interest, to the extent permitted by the terms of such Credit Card Agreement, the usual Credit Policies and the Servicing Policies or (D) is required by applicable laws or regulations.

Certain mechanism have been introduced in the documentation to minimise the impact of such amendments to the Credit Card Agreement and the Standard Forms.

Additionally, the Servicer shall be entitled to agree amendments or write-offs in relation to the Purchased Receivables in the context and within the limits set out in its servicing and management policies (the **Servicing Policies**), which could also imply a reduction the amount of the Available Collections on those Purchased Receivables or otherwise adversely alter payment patterns.

In order to mitigate this risk, any such amendments are subject to certain limits and in some instances, to the payment of Seller Dilutions by the Seller to the Fund, as set out in sections 3.3.1.10 and 3.7.2.12 of the Additional Building Block.

In addition, the Seller may change its credit policies (the **Credit Policies**) and Servicing Policies, procedures and practices relating to the operation of its general credit business if such change is made applicable to the comparable segment of revolving credit accounts owned and serviced by the Seller.

1.3. The Seller may change the interest payable under the Receivables

The interest rate payable under the Receivables is contractually agreed between the Seller and the Borrower. In accordance with the information provided in section 2.2.2 of the Additional Building Block, the interest rate of the Audited Portfolio is 20.04%. For these purposes, **Audited Portfolio** means the aggregate of the Receivables audited by MAZARS Auditores, S.L.P. (**Mazars** or the **Auditor**) from which the Receivables to be transferred to the Fund on the Fund Incorporation Date (or, as applicable, on any other Purchase Date during the life of the Fund) will be selected.

The Seller may modify the terms and conditions of the Credit Card Agreements (including the interest rate applicable under the Receivables from time to time) after individually notifying the Borrower at least two (2) months in advance to the proposed date of implementation of the amendments.

In case that the Seller modifies the terms and conditions of the Credit Card Agreements reducing the interest rate applicable under the Receivables there would be a reduction of the amounts received by the Fund and consequently its capacity to honour its payments obligations under the Notes.

Consequently, there can be no guarantee that the yield received following such a rate change will remain at the same level relative to the rate of interest payable by the Fund on the Notes.

1.4. Interest Rate risk

The Receivables to be purchased by the Fund bear an adjustable fixed interest rate while the Class A Notes and/or the Class B Notes and/or the Class C Notes of any Note Series may bear a floating rate of interest as specified in the relevant the Issuing Document.

Consequently, the Fund may be exposed to an interest rate risk which may be hedged contractually (through the setting of a Maximum Interest Rate to the relevant Notes) or with any Class A Hedging Agreement on the issue of any Class A Floating Rate Notes, any Class B Hedging Agreement on the issue of any Class B Floating Rate Notes and any Class C Hedging Agreement on the issue of any Class C Floating Rate Notes entered into between the Fund, represented by the Management Company, and any Eligible Hedging Counterparties.

Where interest rate risk is hedged with any Hedging Agreement, during periods in which floating rate payments payable by any Eligible Hedging Counterparty under any Hedging

Agreement are greater than the fixed rate payments payable by the Fund under the same Hedging Agreement, the Fund will be more dependent on receiving net payments from the Eligible Hedging Counterparty in order to make interest payments on the Notes of any Note Series bearing a floating interest rate.

If in such a period the Eligible Hedging Counterparty fails to pay any amounts when due under the Hedging Agreement, the Available Distribution Amount may not be sufficient to make all required payments on the Notes of any Note Series and the holders of such Notes may experience delays and/or reductions in the interest and principal payments on their Notes.

During periods in which floating rate payments payable by any Eligible Hedging Counterparty under any Hedging Agreement are less than the fixed rate payments payable by the Fund under the same Hedging Agreement, the Fund will be obliged under the Hedging Agreement to make a net payment to the Eligible Hedging Counterparty.

The Eligible Hedging Counterparty's claims for payment (including certain termination payments required to be made by the Fund upon a termination of the Hedging Agreement) under the Hedging Agreement will rank higher in priority than all payments on the Class A Notes, the Class B Notes and the Class C Notes.

If a net payment under any of the Hedging Agreement is due to any Eligible Hedging Counterparty on a Payment Date, the then Available Distribution Amount may be insufficient to make such net payment to the Eligible Hedging Counterparty and, in turn, interest and principal payments to the holders of Notes of any Note Series, so that the Noteholders may experience delays and/or reductions in the interest and principal payments on their Notes.

The Fund is exposed to the risk that any Eligible Hedging Counterparty may become insolvent. In the event that any Eligible Hedging Counterparty suffers a rating downgrade below the required ratings, the Fund may terminate the relevant Hedging Agreement if the Eligible Hedging Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade. Such actions may include the Eligible Hedging Counterparty collateralising its obligations under the Hedging Agreement, transferring its obligations to a replacement interest rate swap counterparty having the required ratings or procuring that an entity with the required ratings becomes a co obligor with or guarantor of the Eligible Hedging Counterparty as further described in section 3.4.8.1 of the Additional Building Block.

However in the event any Eligible Hedging Counterparty is downgraded below the required ratings there can be no assurance that a co-obligor, guarantor or replacement interest rate swap counterparty will be found or that the amount of collateral provided will be sufficient to meet the Eligible Hedging Counterparty's obligations.

Additional description of the termination of any Hedging Agreement is included in section 3.4.8.1 of the Additional Building Block.

1.5. Credit Consumer protection laws

There is an increasing tendency in recent years for Spanish borrowers (mostly individuals who qualify as consumers) to file claims against financial institutions alleging that certain provisions included in the agreements signed by them are unfair (*abusivas*) and therefore null and void.

Whilst the Seller has represented that the Credit Card Agreements are legal, valid and binding, it is worth noting that this is an evolving matter of law as the Spanish Courts analyse the unfairness of contractual clauses on a case by case basis and, therefore, there is a risk that a court might declare a clause as unfair despite the fact that no previous challenges existed regarding such clause (provided that the Seller must repurchase any Receivable arising from a Credit Card Agreement failing to comply with such representation).

In addition, the Spanish *Tribunal Supremo* (the **Spanish Supreme Court**) has recently ruled (Judgment 628/2015 of 25 November (the **Judgement**) that an ordinary interest rate of 24.6% TAE (the Spanish “APR” equivalent) in a fixed rate consumer revolving facility granted in 2001 is “usurious”, i.e., “materially higher than the normal interest rate of money”.

The Judgment provided that contractual interest rates which are twice the “normal interest rates” are “usurious”. When determining what is the “normal interest rate” of money, the Judgment resorted to the interest rate statistics published by the Bank of Spain, in accordance with Regulation (EU) No 1072/2013 of the European Central Bank of 24 September 2013 and Bank of Spain Circular 1/2010 of 27 January).

The relevant statistics for 2016 show that the average TEDR interest rate (equivalent to TAE but without including fees) of credit cards for 2016 was 21.03% (the average for January 2017 being 20.93%), whilst the interest rate of the Credit Cards Agreement of the Seller as of the date of this Base Prospectus is set at 20.04% (TAE 21.99%). Therefore, they should not be considered “usurious” in accordance with the test set out in the abovementioned Judgment 628/2015.

Broadly speaking, the consequence of a facility being “usurious” is that the facility is null and void so that the borrower must only repay the creditor an amount equal to that borrowed from it and it is entitled to request the creditor to pay back any amounts paid in the past by it in excess of such amount.

Furthermore, there is a risk that case law evolves in the future and Spanish courts consider the interest charged to the Borrowers under these Credit Card Agreements usurious and consequently the Credit Card Agreements null and void. This may imply that claims are raised against the Fund in respect of amounts received in connection with such Credit Card Agreements which could potentially adversely affect the capacity of the Fund to honour its payment obligations under the Notes.

1.6. Searches, Investigations and Warranties in Relation to the Receivables

The Seller will give certain warranties to the Fund regarding the Receivables sold to the Fund. See section 2.2.8 of the Additional Building Block in this regard.

Neither the Management Company, the Fund, the Arrangers, the Global Coordinators, the Joint Lead Managers nor any Eligible Hedging Counterparties have undertaken, or will undertake, any investigations, searches or other actions of any nature whatsoever in respect of any Receivables in the Audited Portfolio or to establish the creditworthiness of any Borrowers and each relies instead on the warranties given by the Seller which are disclosed in section 2.2.8 of the Additional Building Block.

As such, the Receivables may be subject to matters which would have been revealed by a full investigation or, if incapable of remedy had such matters been revealed. The primary remedy of the Fund against the Seller if any of the warranties made by the Seller is materially breached or proves to be materially untrue as at the Purchase Date which breach is not remedied will be to require the Seller to repurchase any relevant Receivable in accordance with the repurchase provisions in the Master Receivables Sale and Purchase Agreement, as set forth in Section 2.2.9 of the Additional Building Block. The Seller is liable for any repurchase. However, there can be no assurance that the Seller will have the financial resources to honour such obligations.

Furthermore, the Seller has undertaken to notify the Fund upon becoming aware of a material breach of any representation and warranty in relation to the Receivables. The Seller is not obliged to monitor compliance of the Receivables with the representations and warranties following the relevant Purchase Date.

1.7. Limited protection

An investment in the Notes of any Notes Series may be affected, inter alia, by a deterioration of the general economic conditions that have a negative effect on the payments of the Receivables that back the issue of the Notes of any Notes Series by the Fund. In the event that non-payments reach an elevated level, they could reduce, or even eliminate, the protection against losses in the Receivables portfolio which the Notes of any Notes Series benefit from as a result of the credit enhancements described under section 3.4.3 of the Additional Building Block.

Notwithstanding the foregoing considerations, the risk of the Noteholders is mitigated by the different Priorities of Payments described in section 3.4.7.2 of the Additional Building Block.

1.8. Purchase of Receivables

There is no assurance that in the future the origination or the current level of origination of new Receivables satisfying the Eligibility Criteria set out in section 2.2.8.2 of the Additional Building Block (the **Eligible Receivables**) (transferred by the Seller to the Fund in the context of Initial Transfers) or new Receivables deriving from additional Drawings (transferred in the context of Additional Transfers) will be maintained and that, consequently,

during the Programme Revolving Period (only), the Fund's securitised portfolio will be replenished at its required level to prevent the occurrence of a Revolving Termination Event (as defined in section 3.1.3 of the Additional Building Block) which will early terminate the Programme Revolving Period and will start the Programme Amortisation Period. Once the Programme Amortisation Period has started, the Seller shall transfer Eligible Receivables in the context of Additional Transfers and may still be entitled to transfer Eligible Receivables in the context of Initial Transfers but with no guarantee to prevent a breach of the Minimum Portfolio Amount.

It should be noted that the Fund shall not purchase from the Seller Eligible Receivables in the context of Initial Transfers and/or Additional Transfers if any of the Conditions Precedent to the Purchase of Receivables set out in section 3.3.1.2 of the Additional Building Block are not satisfied.

1.9. Changes in the Portfolio

The characteristics of the portfolio of outstanding Purchased Receivables will change from time to time with (i) the additional purchases of Receivables in the context of Initial Transfers and/or Additional Transfers by the Fund during the Programme Revolving Period, the Programme Amortisation Period and the Programme Accelerated Amortisation Period and (ii) the repayment or prepayment, as the case may be, of the Receivables.

The Eligibility Criteria described in section 2.2.8.2 of the Additional Building Block aim at limiting the changes of the overall characteristics the Purchased Receivables.

1.10. No assurance of insurance protection

The Aggregate Outstanding Debt of the insured Credit Cards was EUR 360,541,001.53 as of 15 March 2017, representing 52.43% of the Aggregate Outstanding Debt. In all such Credit Card Agreements, the Seller was designated as beneficiary of the insurance payment and therefore, these payments (the **Insurance Indemnification**) would form part of the rights conferred upon the Fund, as established in section 3.3.3 of the Additional Building Block.

However, there is no assurance and no commitment that in the future the Seller will remain the beneficiary of the Insurance Indemnifications in respect of those Credit Card Agreements or any future Credit Card Agreements.

Moreover, as explained in section 3.7.2.13 of the Additional Building Block, the Seller does not enforce or actively seek payment by the insurance companies of the Insurance Indemnification irrespective of whether it is named as the beneficiary thereunder or not.

1.11. Projections, Forecasts and Estimates. Forward-looking statements

Certain matters contained in this Base Prospectus are forward-looking statements. Such statements appear in a number of places in this Base Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Receivables and reflect significant assumptions and subjective judgments by the Management Company that may or

may not prove to be correct. Consequently, future results may differ from the Fund's expectations due to a variety of factors, including (but not limited to) the economic environment and changes in governmental regulations, fiscal policy, planning or tax laws in Spain or elsewhere. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of any Class A Note and/or any Class B Notes and/or any Class C Notes of any Note Series are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Management Company. Neither the Arrangers nor any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter has attempted or will attempt to verify any such statements, and do not make any representation, express or implied, with respect thereto.

More generally, when issued in this Base Prospectus, the words “expect(s)”, “intend(s)”, “will” “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those projected.

In addition, any projections, forecasts and estimates contained herein are forward-looking statements and are necessarily speculative in nature. It can be expected that some or all of the assumptions underlying such projections will not materialise or will vary significantly from actual results. The historical performance of similar obligations is not necessarily indicative of its future performance.

The financial and other information set out in this Base Prospectus, represents the historical experience of the Seller. None of the Arrangers, any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter, the Management Company, the Paying Agent, the Issuer Accounts Bank or any of the Eligible Hedging Counterparties has undertaken or will undertake any investigation or review of, or search to verify the historical information.

There is no assurance that the future experience and performance of the Purchased Receivables, the Fund or the Servicer will be similar to the historical experience described in this Base Prospectus.

2. RISKS DERIVED FROM THE NOTES

2.1. Subordination of the Class B Notes and the Class C Notes

Credit enhancement for the Class A Notes of each Notes Series will be provided by the subordination of payments on the Class B Notes and the Class C Notes of the corresponding Notes Series during the Programme Revolving Period and the Programme Amortisation Period, and, by the subordination of payments on the Class B Notes and the Class C Notes of all Notes Series during the Programme Accelerated Amortisation Period.

In addition, credit enhancement for the Class B Notes of each Notes Series will be provided by the subordination of payments on the Class C Notes of the corresponding Notes Series during the Programme Revolving Period and the Programme Amortisation Period, and, by the

subordination of payments on the Class C Notes of all Notes Series during the Programme Accelerated Amortisation Period

Nevertheless there is no certainty that these subordination rules shall protect any class of Noteholders from the risk of loss.

According to section 3.1.3 of the Additional Building Block, only the non-payment of the interest due and payable of the then most senior class of Notes between the Class A Notes and the Class B Notes shall be considered an Accelerated Amortisation Event.

2.2. Relationship between Class A, Class B and Class C Notes and the Seller Interest Credit Facility

During the Programme Revolving Period (i) the payments of interest under the Seller Interest Credit Facility will be paid on the same rank with the payments of interest under the then most senior Class of Notes of all outstanding Note Series (whether it be Class A Notes, Class B Notes or Class C Notes) and (ii) the payments of principal under the Seller Interest Credit Facility will be paid on the same rank with the payments of interest and principal under the then most senior Class of Notes of all outstanding Note Series (whether it be Class A Notes, Class B Notes or Class C Notes) (provided that the Residual Principal Deficiency Ledger is not in debit on the preceding Calculation Date).

During the Programme Amortisation Period and the Programme Accelerated Amortisation Period (i) the payments of interest on the Seller Interest Credit Facility are subordinated to the payments of the Notes of any Note Series and (ii) the payments of principal under the Seller Interest Credit Facility will be subordinated to the full redemption of the Class A Notes, the Class B Notes and the Class C Notes of all Note Series.

2.3. Default interest

In the event that on a Monthly Payment Date the Available Distribution Amounts, after going through the Interest Shortfall Priority of Payments, are not sufficient to meet in full interest amount due under the Notes, the unpaid amount of interest will be postponed.

The postponed interest will neither accrue default interest nor imply capitalisation of the debt.

For these purposes, **Monthly Payment Date** means the day falling on the 26th in each month of each year (subject to the Modified Following Business Day Convention).

Interest Shortfall Priority of Payments has the meaning set out in section 3.4.7.2 of the Additional Building Block.

2.4. Yield to Maturity of the Notes of any Note Series and the weighted average life of the Notes of each Note Series

The yields to maturity on the Note Series will be sensitive to and affected by the amount and timing of delinquencies, prepayment and payment pattern, revolving and credit card usage, dilution and default on the Purchased Receivables, the level of the relevant interest reference

rate with respect to the Notes, the occurrence of any Revolving Termination Events or any Accelerated Amortisation Events (as these terms are defined in section 3.1.3 of the Additional Building Block), the issuance of a new Note Series, the redemption of a Note Series, the occurrence of an Optional Early Redemption Event (as defined in section 4.9.5 of the Securities Note), the exercise by the Seller of the optional repurchase of Purchased Receivables and the early liquidation of the Fund. Each of such events may impact the respective weighted average lives and the yield to maturity of the Notes of any Note Series.

The weighted average interest rate of the Client Accounts may decrease from time to time due to various economic, financial or commercial events. This risk is mitigated by the applicable Eligibility Criteria on each Purchase Date.

The weighted average life of the Notes of any Note Series and the relevant assumptions shall be specified (i) with respect to the Notes of the Note Series to be issued on the Fund Incorporation Date, in the relevant Issuing Document and (ii) with respect to the Notes of any Note Series to be issued on any Issue Date (other than the Fund Incorporation Date), in the relevant Issuing Document.

2.5. Rating of the Rated Notes

The credit risk of the Notes of any Notes Series (the **Rated Notes**) may be assessed by the Rating Agencies specified in the applicable Issuing Document of each Note Series (the **Relevant Rating Agencies**) as referred to in section 7.5 of the Securities Note.

The Class A Notes and the Class B Notes (if any) of any Note Series shall always be Rated Notes. It is not obligatory that the Class C Notes are Rated Notes. That said, if the Class C Notes of any Note Series are Rated Notes, the Class C Notes of such Note Series shall be rated at least by two of the Relevant Rating Agencies.

The meaning of the ratings assigned to the Rated Notes can be consulted in the web pages of the Relevant Rating Agencies.

The Relevant Rating Agencies may not confirm any of the preliminary ratings initially assigned to the Rated Notes (or even withdraw such preliminary ratings) before the disbursement of the Notes on the Disbursement Date. In such event, the issue of such Note Series will be terminated by the Management Company (as described in section 2.6 below).

In addition, the Relevant Rating Agencies may revise, suspend or withdraw the final rating assigned to the Rated Notes in each class at any time, based on any information that may come to their attention and/or changes in rating methodologies and practices.

Therefore, these ratings are not and cannot therefore be construed as an invitation, recommendation or encouragement for investors to proceed to carry out any transaction whatsoever on the Rated Notes and, in particular, acquire, keep, charge or sell those Rated Notes.

In general, European regulated investors are restricted under Regulation (EC) No 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies (**Regulation 1060/2009**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under Regulation 1060/2009 (and such registration has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with Regulation 1060/2009 is not conclusive evidence of the status of the relevant rating agency included in such list, as there might be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out in this Base Prospectus.

In addition to the abovementioned, there could be unsolicited ratings published in respect of the Rated Notes. If such unsolicited ratings are lower than the comparable rating assigned to the Rated Notes by the Relevant Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Rated Notes.

2.6. Risk linked to the early termination of a Notes Series issue and the early liquidation of the Fund

2.6.1. Early termination of a Notes Series issue

An issue of a Notes Series will be terminated by the Management Company if:

- (a) any of the preliminary ratings initially assigned to the Rated Notes by the Relevant Rating Agencies have not been confirmed (or if such ratings are withdrawn) before the disbursement of the Notes on the Disbursement Date; or
- (b) an event occurs that could not be foreseen or, even if foreseen, is inevitable rendering it impossible to perform the subscription or disbursement of the Notes of such Notes Series pursuant to article 1,105 of the Civil Code (force majeure); or
- (c) the conditions precedent to the relevant Notes Subscription Agreement are not met before the beginning of the Subscription Period; or
- (d) the bookrunners and/or underwriters appointed for the issue of the relevant Notes Series notify the Fund and the Seller the termination of the corresponding Notes Subscription Agreement before the disbursement of the Notes on the Disbursement Date upon the occurrence of any of the following events:
 - (i) an Insolvency Event has occurred with respect to the Seller before the disbursement of the relevant Notes on the Disbursement Date; or
 - (ii) the General Reserve is not funded up to the General Reserve Required Amount specified in the relevant Issuing Document, (i) with respect to the first Note Series issued on the Fund Incorporation Date, before the

disbursement of the Notes on the Disbursement Date, (ii) with respect to the subsequent Note Series issued by the Fund, on the Issue Date; or

- (iii) the Commingling Reserve is not funded up to the Commingling Reserve Required Amount specified in the relevant Issuing Document, (i) with respect to the first Note Series issued on the Fund Incorporation Date, before the disbursement of the Notes on the Disbursement Date, (ii) with respect to the subsequent Note Series issued by the Fund, on the Issue Date; or
- (iv) the Seller (as Expenses Subordinated Facility Provider) has not made available to the Fund under the Expenses Subordinated Facility an amount equal to (i) with respect to the first Note Series issued on the Fund Incorporation date, the Initial Expenses and the Note Series Issue Expenses before the disbursement of the Notes on the Disbursement Date and (ii) with respect to any other Note Series, the Note Series Issue Expenses on or prior the relevant Issue Date of such Note Series; or
- (v) the Notes of the corresponding Note Series are not fully subscribed for by the relevant subscriber(s) by the expiry of the Subscription Period; or
- (vi) the Notes of the corresponding Note Series are not fully paid up by the relevant subscriber(s) on the relevant Disbursement Date.

The early termination of the issue of a Note Series (other than as described below with respect to the issue of the Note Series to be made on the Fund Incorporation Date) shall not constitute a Fund Liquidation Event nor imply the extinguishment of the Fund in any manner whatsoever and shall not affect nor cause the termination of any of the Note Series previously issued by the Fund.

If the Note Series to be issued on the Fund Incorporation Date is early terminated in accordance with section 4.4.7.1 of the Registration Document for any reason (other than the occurrence of the event foreseen in paragraph (d)(i) of such section 4.4.7.1), the Purchase Price of the initial portfolio of Eligible Receivables shall be funded with a drawing under the Seller Interest Credit Facility.

2.6.2. Early liquidation of the Fund

If the Note Series to be issued on the Fund Incorporation Date is early terminated in accordance with section 4.4.7.2 of the Registration Document upon the occurrence of the event foreseen in paragraph (d)(i) of section 4.4.7.1, the Fund will be terminated by the Management Company.

In the event foreseen in the preceding paragraph, the transfer of the Receivables to the Fund made under the Deed of Incorporation, the issue of the Notes Series issued on the Fund Incorporation Date, as well as the rest of agreements of the Fund will be terminated and the Fund will be extinguished. The Seller shall pay all the Initial Expenses and the Note Series

Issue Expenses incurred as a result of the incorporation of the Fund and the issue of the Notes Series issued on the Fund Incorporation Date.

2.7. The Servicer

Without prejudice that the obligations to manage and service the Receivables correspond initially to the Management Company as master servicer of the Purchased Receivables (in such condition, the **Master Servicer**) in accordance with article 26.1 b) of Law 5/2015, of 27 April, on the Business Financing Promotion (*Ley 5/2015, de 27 de abril, de Fomento de la Financiación Empresarial*) (**Law 5/2015**), the custody and servicing of the Receivables will be carried out by SFC (in such condition, the **Servicer**) as services provider without such appointment implying a limitation of the liability of the Management vis-à-vis the noteholders and any funder of the Fund, in accordance with the terms described in section 3.7.2 of the Additional Building Block and in the Deed of Incorporation.

If a Servicer Termination Event occurs (as this is defined in section 3.7.2.15 of the Additional Building Block), then the Fund will be entitled to terminate the appointment of the Servicer and the Management Company, acting in the name and on behalf of the Fund as Master Servicer and as back-up servicer facilitator in accordance with section 3.7.2.15 of the Additional Building Block, shall use its reasonable endeavours to find, select and appoint a new servicer (also as services provider) in its place.

Any change in the Servicer could delay collection of payments on the Receivables and ultimately could adversely affect the ability of the Fund to make payments in full on the Notes.

If a Servicer Termination Event occurs, there can be no assurance that a replacement servicer with sufficient experience in servicing the Receivables would be found who would be willing and able to service the Receivables on the terms, or substantially similar terms, set out in section 3.7.2.1 of the Additional Building Block. No assurance can be given that such replacement servicer will not charge fees in excess of the fees to be paid to the Servicer.

Furthermore, it may be that the terms on which a replacement servicer may be appointed are substantially different from those set out in section 3.7.2.1 of the Additional Building Block and the terms may be such that the Noteholders may be adversely affected. The ability of a replacement servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Transition from a servicer to a replacement servicer may result in delays in the performance of servicing functions. Any delay or inability to appoint a replacement servicer may affect payments on the Receivables and hence the Fund's ability to make payments when due on the Notes.

The Noteholders have no right to give orders or directions to the Management Company in relation to the duties and/or appointment or removal of the Servicer. Such rights are vested solely in the Management Company.

In addition, Noteholders should be aware that the Servicer has no obligation itself to advance payments that Borrowers fail to make in a timely fashion.

2.8. Liquidity

Class A Notes, Class B Notes and Class C Notes of any Notes Series may be unlisted or listed on the AIAF Fixed Income Market (**AIAF**), the Alternative Fixed-Income Market (**MARF**) or any other regulated or unregulated market. There is no guarantee that a minimum volume or frequency of Notes transactions will be forthcoming in the market. There is no entity required to intervene in the secondary market, providing liquidity to the Notes by offering itself as counterparty. In particular, neither the Arrangers nor any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter nor any of their affiliates are obliged to intervene in the secondary market, providing liquidity to the Notes.

A prolonged reduction in demand for asset-backed or other debt securities, alone or in combination with the continuing increase in prevailing market interest rates, may adversely affect the market value of the Class A Notes, the Class B Notes or the Class C Notes, the ability of the Noteholders to sell the Class A Notes, the Class B Notes or the Class C Notes or acquire credit protection on the Notes and may cause significant fluctuations in the market value of the Class A Notes, the Class B Notes or the Class C Notes. Any of the above may result in significant losses to the Noteholders.

Furthermore, outside the optional redemption as set forth in section 4.9.5 of the Securities Note and in the case of Early Liquidation of the Fund upon the terms set forth in section 4.4.3 of the Registration Document, the Fund may not early redeem the Notes.

2.9. Issue of further Notes Series

In accordance with the open nature of the Fund, the Fund may from time to time during the Programme Revolving Period issue further Notes Series without notice to existing Noteholders and without their consent and which may have different term from outstanding notes. Each issue of further Notes Series will be subject to the fulfilment of the Further Note Series Issuance Conditions Precedent set out in section 4.13.3 of the Securities Note have been satisfied.

The issuance of new Note Series could adversely affect the timing and amount of payments on outstanding Notes of any Note Series. For example, some Note Series issued after any existing Note Series may have a higher interest rate than the existing Note Series. This could result in a reduction in the amounts available pay interest on any existing Note Series.

If further Note Series are issued, the Available Amortisation Amount would be shared amongst all outstanding Notes with potential effects on the amounts payable towards the redemption of each outstanding Class A Note, each outstanding Class B Note and each outstanding Class C Note of any Note Series and making the rate at which they amortise slower than would otherwise be the case. This situation may arise by, for example:

- (a) the occurrence of a Revolving Termination Event (but no Accelerated Amortisation Event has occurred) and the commencement of the Programme Amortisation Period; or
- (b) the occurrence of an Accelerated Amortisation Event and the commencement of the Programme Accelerated Amortisation Period.

In order to mitigate this risk it should be noted that:

- (a) the Scheduled Amortisation Starting Date of any new Note Series shall only fall after the Scheduled Amortisation Starting Date of any previously issued Note Series which remains outstanding on the Issue Date of such new Note Series; and
- (b) a fixed ratio of allocation of principal (i.e. the Note Series 20xx-yy Principal Ratio) between the outstanding Note Series which enable a faster amortisation of any Note Series compared to a *pro rata* allocation and to preserve the economic interests of previously issued Note Series has been set up (subject to an automatic reset in case of further issue of a Note Series or a full redemption).

2.10. Prepayments or payment rate

Faster than expected rates of prepayments or principal payment rate on the Receivables will cause the Fund to make payments of principal on the Notes earlier than expected and will shorten the maturity of the Notes of any Note Series. Prepayments or higher payment rate on the Receivables may occur as a result of (i) prepayments of Receivables by Borrowers in whole or in part; (ii) increase of the instalments by the Borrowers above the minimum contractual instalments; (iii) liquidations and other recoveries due to default and (iv) repurchases by the Seller of any Receivables. A wide variety of economic, social and other factors will influence the rate of prepayments on the Receivables. No prediction can be made as to the actual prepayment rates that will be experienced on the Receivables.

If principal is paid on the Notes of any Notes Series earlier than expected due to prepayments on the Receivables (such prepayments occurring at a time when interest rates are lower than interest rates that would otherwise be applied if such prepayments have not been made or made at a different time), Noteholders may not be able to reinvest the principal in a comparable security with an effective interest rate equivalent to the interest rate on the Notes of any Note Series. Similarly, if principal payments on the Notes of any Note Series are made later than expected due to slower than expected prepayments or payments on the Receivables, Noteholders may lose reinvestment opportunities. Noteholders will bear all reinvestment risk resulting from receiving payments of principal on the Notes of any Note Series earlier or later than expected.

2.11. Early redemption of the Notes

In accordance with section 4.9.5 of the Securities Note, subject to certain conditions, the Seller may be entitled to instruct the Management Company to exercise on behalf of the Fund (i) the optional redemption of the relevant Note Series on the applicable Note Series 20xx-yy

Clean-Up Call Date or (ii) the optional redemption of the relevant Note Series on the Note Series 20xx-yy Call Date specified in the applicable Issuing Document.

If a Notes Series is redeemed earlier than expected due to the exercise by the Fund (following instructions of the Seller) of the early redemption of such Note Series (such early redemption occurring at a time when interest rates are lower than interest rates that would otherwise be applied if such early redemption has not been made or made at a different time), Noteholders may not be able to reinvest the principal in a comparable security with an effective interest rate equivalent to the interest rate on the Notes of any Note Series. Noteholders will bear all reinvestment risk resulting from early redemption of the Notes of any Note Series earlier than expected.

2.12. General Investment Considerations

The Notes Series are addressed solely to qualified investors as defined in article 39 of Royal Decree 1310/2005, of 4 November, partly developing the Law 24/1988, of 28 July, on the Spanish Securities Market Law in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the Base Prospectus required for that purpose (the **Royal Decree 1310/2015**).

The Notes of any Notes Series are limited recourse instruments and there can be no assurance that the Noteholders will receive the full amounts payable at any time by the Fund under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are therefore advised to review this Base Prospectus, any supplement to the Base Prospectus prepared by the Management Company in accordance with article 22 of Royal Decree 1310/2005 (each, a **Prospectus Supplement**) and the Issuing Document of each Note Series carefully and consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes of any Notes Series.

Prospective investors should also ensure they understand the nature of the Notes and the extent of their exposure to risk when they consider the suitability of investing in such Notes in light of their own circumstances and financial conditions. The Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter have not undertaken to review the financial condition or affairs of the Seller or the Fund during the life of the arrangements contemplated by this Base Prospectus, or to advise any investor or potential investor in the Notes or any information that is not included in this Base Prospectus that comes to the attention of the Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter.

2.13. Certain material interests and potential for conflicts

Certain parties to the transaction have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Fund (including the placement and underwriting of the Notes of any Notes Series), the Seller or its affiliates and the Management Company in the ordinary course of business. Other parties to the transaction may also perform multiple roles. Accordingly, conflicts of interest may exist or may arise as a result of parties having previously engaged or in the future engaging in transactions with

other parties, having multiple roles or carrying out other transactions for third parties. The parties to the transaction may be replaced by one or more new parties. It cannot be excluded that such a new party could also have a potential conflicting interest, which might ultimately have a negative impact on the ability of the Fund to perform its obligations in respect of the Notes.

In particular, the Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter and their affiliates may play various roles in relation to the offering of the Notes.

The Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter may assist clients and counterparties in transactions related to the Notes (including assisting clients in future purchases and sales of the Notes and hedging transactions). The Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter expect to earn fees and other revenues from these transactions.

The Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter are part of global investment banking and securities and investment management firms that provide a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the account of customers in the ordinary course of their business. The Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter will act in their own commercial interest in their various capacities without regard to whether their interests conflict with those of the holders of the Notes or any other party.

In the ordinary course of business, the Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter and their employees or customers may actively trade in and/or otherwise hold long or short positions in the Notes, or enter into transactions similar to or referencing the Notes or the other instruments for their own accounts and for the accounts of their customers. The Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter do not disclose specific trading positions except where required in accordance with applicable law. If any of the Arrangers or any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter become owners of any of the Notes, through market-making activity or otherwise, any actions that they take in their capacity as owner, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other owners of the same class or other classes of the Notes of any Notes Series. To the extent the Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter make a market in the Notes of any Notes Series (which they are under no obligation to do), they would expect to receive income from the spreads between their bid and offer prices for the Notes. In connection with any such activity, they will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Notes of the

relevant Notes Series. The price at which the Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter may be willing to purchase Notes, if they make a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which they may be willing to sell the Notes.

Accordingly, conflicts of interest may exist or may arise as a result of parties to this transaction: (a) having previously engaged or in the future engaging in transactions with other parties to the transaction; (b) having multiple roles in this transaction; and/or (c) carrying out other roles or transactions for third parties.

2.14. Change of counterparties

The parties to the Programme Documents who receive and hold monies or provide support to the transaction pursuant to the terms of such documents (such as Issuer Accounts Bank) are required to satisfy certain criteria to continue to be counterparty to the Fund.

These criteria include requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such party by the Relevant Rating Agencies. If the party concerned ceases to satisfy the applicable criteria, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Fund) may be required to be transferred to another entity which does satisfy the applicable ratings criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party and the cost to the Fund may therefore increase. In addition, it may not be possible to find an entity with the required ratings that would be willing to act in such role. This may reduce amounts available to the Fund to make payments of interest and principal on the Notes and/or lead to a downgrade in the ratings of the Rated Notes.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Programme Document may agree to amend or waive certain of the terms of such document, including the applicable criteria (although this will not apply to mandatory provisions of law), in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders may not be required in relation to such amendments and/or waivers.

3. RISKS DERIVING FROM THE LEGAL STATUS AND BUSINESS OF THE FUND

3.1. Nature of the Fund and obligations of the Management Company

The Fund is an isolated pool of assets with not legal personality open both on the assets and liability side such that is entitled to acquire additional Receivables and issue successive Notes Series during the life of the Fund. All the Receivables pooled in the Fund from time to time will serve to secure the payment of all the obligations derived from all the Notes under all Notes Series issued by the Fund and constitute its liabilities at that time.

Pursuant to Law 5/2015 the Fund is managed by a Management Company duly licensed for such purposes. The Fund's liability for its obligations vis-à-vis its creditors (including the holders of the Notes) shall be limited in recourse to its assets and payments are subject to the

applicable Priority of Payments, and none of the Management Company, the Arrangers, any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter, the Eligible Hedging Counterparties or any of the other transaction parties shall be responsible for any of the Fund's liabilities.

The Management Company will perform for the Fund those duties attributed to it in Law 5/2015, as well as safeguarding the best interest of the holders of the Notes and generally the creditors of the Fund. The Noteholders will not be entitled to give directions or instructions to the Management Company in relation to the exercise of their respective rights.

The Noteholders and the other ordinary creditors of the Fund shall not have any right of action either against the Fund or against the Management Company other than that deriving from non-performance of their respective duties or non-compliance with the provisions of the Deed of Incorporation, this Base Prospectus or the applicable laws and regulations. Any such actions will need to be resolved in the (corresponding) judicial proceedings.

Hence, the Noteholders will have no recourse to the Fund or the Management Company based only on delinquency or payment default of the Receivables or breach of agreement by third parties.

3.2. Certain features of the Fund and the Programme have been created in the interest of the Seller

Pursuant to the Deed of Incorporation and as described in the Base Prospectus, the Fund and the Programme have certain features that have been designed in the interest of the Seller.

In this regard, amongst others, the Seller is entitled to:

- (a) direct the Management Company to carry out an issue by the Fund of a new Note Series;
- (b) direct the Management Company to liquidate the Fund where (i) the aggregate Principal Amount Outstanding of all outstanding Notes is equal or less than 10% of the aggregate Initial Principal Amount thereof or (ii) the Notes issued by the Fund are held solely by the Seller or there are no Notes outstanding and the Seller requests the liquidation of the Fund, in accordance with section 4.4.3 of the Registration Document;
- (c) subject to certain conditions, send a Seller's Optional Early Redemption Written Instruction in order for the Management Company to exercise on behalf of the Fund (i) the optional redemption of the relevant Note Series on the applicable Note Series 20xx-yy Clean-Up Call Date or (ii) the optional redemption of the relevant Note Series on the Note Series 20xx-yy Call Date specified in the applicable Issuing Document, in accordance with section 4.9.5 of the Securities Note;
- (d) repurchase certain Purchased Receivables from the Fund (including Purchased Receivables arising from Performing Client Accounts), in accordance with section 3.3.1.12 of the Additional Building Block;

- (e) reserve the right to subscribe for all or part of the Class A Notes, the Class B Notes (if any) or the Class C Notes of a given Note Series. In case where the Seller subscribe all the Class A Notes, Class B Notes or the Class C Notes of such Note Series, such Notes shall not be placed with any investor, in accordance with section 4.13.6 of the Securities Note.

The interests of the Seller may not be at all times aligned with those of the rest of the holders of the Notes and, therefore, this circumstance should be taken into consideration by the investor when acquiring the Notes.

3.3. **Mandatory replacement of the Management Company**

In accordance with article 33 of Law 5/2015, if the Management Company is subject to an insolvency proceeding (*concurso*), without prejudice to the effects of such insolvency proceeding (as described below), it shall find another management company to replace it. Similarly, in case that its authorisation to act as management company of securitisation funds were revoked, a new management company replacing it would need to be found. If four (4) months have elapsed since the occurrence of the event requiring the replacement and a new management company that is prepared to take over the management of the Fund has not been found, a trigger event for the Early Liquidation of the Fund will occur and the Notes, and (i) the Expenses Subordinated Facility, (ii) the General Reserve Subordinated Facility, (iii) the Commingling Reserve Subordinated Facility and (iv) the Seller Interest Credit Facility (as these terms are defined in sections 3.4.4.1, 3.4.3.7, 3.4.3.8 and 3.4.4.4 respectively) (the **Subordinated Facilities**) will be redeemed or repaid, as the case may be, in accordance with the provisions of the Deed of Incorporation and this Base Prospectus in particular in accordance with the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

3.4. **Insolvency**

The insolvency proceeding (*concurso*) of any of the parties involved (whether it be the Seller, the Management Company, the Issuer Accounts Bank, the Servicer or any other counterparty of the Fund) could affect their contractual relations with the Fund as provided in Law 22/2003, of 9 July, on Insolvency (*Ley 22/2003, de 9 de julio, Ley Concursal*) (the **Insolvency Law**) and consequently the ability of the Fund to meet its obligations under the Notes.

Pursuant to the provisions of the Second Additional Provision of the Insolvency Law, the insolvency provisions of Law 5/2015 will apply.

In the event of the insolvency of the Seller, and in accordance with article 16 of Law 5/2015 (by reference to article 15 of Law 2/1981), the transfer of the Receivables to the Fund may only be rescinded or challenged under article 71 of the Insolvency Law by the insolvency administration (*administración concursal*) and in so challenging, the insolvency administration will have to prove the existence of fraud in the transfer.

Furthermore, all Fund's assets held by the Seller, except for cash, due to the fungible nature thereof, will become the property of the Fund and must be made available under the terms of articles 80 and 81 of the Insolvency Law.

According to the interpretation of a majority of legal scholars regarding articles 80 and 81 of the Insolvency Law, if the Seller is declared insolvent, monies received and held thereby on behalf of the Fund in its capacity as counterparty to certain agreements executed before the date of declaration of insolvency may be affected by the results of the insolvency.

If the Management Company is declared under an insolvency proceeding (*concurso*), it must be replaced by another management company in accordance with the provisions of section 3.3 above. In the event of the insolvency proceeding (*concurso*) of the Management Company, any assets of the Fund that are in the possession of the Management Company and in respect of which the Management Company has no right of use, surety or retention - except for money due to its fungible nature- and that form part of the latter's assets will be construed as belonging to the Fund, and the insolvency officials (*administración concursal*) must deliver them to the Fund.

In practice, due to the nature of the securitisation transaction in question, and except in the event of a breach by the parties, no cash amounts will become part of the assets of the Management Company since the amounts that constitute the revenues of the Fund must be deposited, in accordance with the terms set forth in the Deed of Incorporation and this Base Prospectus, in the accounts opened on behalf of the Fund by the Management Company (which will be involved in opening such accounts not only as the agent of the Fund, but as its legal representative). Therefore the Fund will have full separation right over those assets from those of the Management Company, in the terms set forth in articles 80 and 81 of the Insolvency Law.

Additionally, in the event that SFC, as Servicer and the entity that will collect the amounts paid deriving from the Receivables, is declared under an insolvency proceeding (*concurso*), the Fund, acting through its Management Company, will be entitled to receive from SFC the amounts derived from the Receivables from the date that it is declared insolvent, because such amounts will be construed as owned by the Fund, and therefore must be transferred to the Management Company on behalf of the Fund. However, as collections from the Borrowers are initially paid to a number of accounts opened in the Collections Accounts, moneys may cease to be traceable due to their fungible nature during the period in which they are held by SFC as Servicer at the Collections Accounts Banks. For this period of time, the Noteholders will be exposed to the credit quality of the Collections Accounts Banks. In order to mitigate the commingling risk derived from a potential insolvency of the Servicer, SFC as Servicer has agreed to grant in rem rights of pledge over the Collections Accounts in favour of the Fund pursuant to the Collections Accounts Security Document.

The mechanisms available for mitigating such risk are described in section 3.4.3 of the Additional Building Block.

In addition, the Issuer Accounts Bank and the Collections Accounts Banks are subject to Law 11/2015, of 18 June 2015, on the recovery and resolution of credit entities and investment

firms (*Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*), which implements in Spain the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms. Application of those provisions may delay or in certain cases impede the recovery of the amounts deposited in accounts opened in the Issuer Accounts Bank or the Collections Accounts Banks.

The Fund, being incorporated as an isolated pool of assets with not legal personality pursuant to Law 5/2015 is not subject to insolvency proceedings under the Insolvency Law.

With respect to the Collections Accounts Security Document, it should be noted that the European Union Court of Justice (the **EUCJ**) has recently issued a judgment (Judgement on case 156/15 dated 10 November 2016) interpreting certain provisions of Directive 2002/47 of the European Parliament and Council of 6 June 2002 on financial collateral arrangements setting out that financial collateral granted by means of a pledge of monies deposited in a bank account provides the beneficiary the right to enforce the relevant collateral, notwithstanding the commencement of insolvency proceedings in respect of the collateral provider, only if (i) the monies covered by the collateral were deposited in the bank account in question before the commencement of the debtor's insolvency proceedings (or those monies were deposited on the day of commencement provided that the creditor proves that it was not aware, nor should have been aware, that those insolvency proceedings had commenced) and (ii) the account holder was prevented from disposing of those monies after they had been deposited in the relevant bank account.

Since this is a very recent judgment, how Spanish Courts may finally apply the doctrine set out therein to actual cases decided under Spanish law and whether it may result in the Collections Accounts Security Document being regarded as not qualifying for the protections afforded by of Royal Decree Law 5/2005 of 11 March, on urgent reforms to encourage, among others, productivity and improve public procurement (*Real Decreto Ley 5/2005, de 11 de marzo, de reformas urgentes para el impulso a la productividad y para la mejora de la contratación pública*) (**Royal Decree Law 5/2005**) (and which implements in Spain Directive 2002/47) is uncertain.

However, in light of the interpretation given by the EUCJ in the aforementioned Judgment, there is a risk that if cash amounts are not immobilised under the Collections Accounts Security Document, the pledge created thereunder may be regarded by Spanish Courts as not qualifying as financial collateral (*garantías financieras*) for the purposes of Royal Decree Law 5/2005. This could imply an impact on the commingling risk assumed by the Fund derived from a potential insolvency of the Servicer (which could be higher than the Commingling Reserve Amount available on such date) and, ultimately, on the ability of the Fund to meet its payment obligations under the Notes.

3.5. **Breach of agreements by third parties**

The Fund has entered into agreements with third parties for the provision of certain services in relation to the operation of the Fund and in relation to the Notes (as further described in the different sections of the Additional Building Block describing the Programme Documents).

The Noteholders could be prejudiced if any of the referred counterparties fails to fulfil any of the obligations assumed under any of the aforementioned agreements. Nevertheless, certain mechanisms are contemplated in the relevant agreements to mitigate such possible breaches. All the foregoing is without prejudice to the legal consequences of any breach by the corresponding counterparties of the applicable contractual provisions or derived from the Spanish legislation.

3.6. Eurosystem eligibility

The Class A Notes of any Notes Series may be held in a manner which will allow Eurosystem eligibility. Class A Notes of any Notes Series are intended upon issue to be deposited with Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (**IBERCLEAR**), but given that, amongst others, Class A Notes of a Note Series may be unlisted Notes or represented in physical titles, does not necessarily mean that all Class A Notes of any Notes Series will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (**Eurosystem Eligible Collateral**) either upon issue or at any or all times during their life.

Such recognition will, *inter alia*, depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline of the European Central Bank (the **ECB**) of 19 December 2014 on implementation of the Eurosystem monetary policy framework (ECB/2014/60) as amended and applicable from time to time (the **Guideline**). In addition, the Management Company (based on information supplied by the Servicer) will, for as long as the Class A Notes of any Notes Series are intended to be held in a manner which will allow Eurosystem eligibility, make loan-level data available in such manner as required by the ECB to comply with the Eurosystem eligibility criteria, subject to applicable data protection rules.

None of the Fund, the Management Company, the Seller, the Eligible Hedging Counterparties, the Arrangers and any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter gives or will give any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral for any reason whatsoever. Any potential investor in the Class A Notes of any Notes Series should extract its own conclusions and seek its own advice with respect to whether or not the Class A Notes constitute Eurosystem Eligible Collateral.

It is expected that Class B Notes and Class C Notes will not qualify as Eurosystem eligible given that Class B Notes and Class C Notes are subordinated.

3.7. U.S. Foreign Account Tax Compliance withholding may affect payments on the Notes

Sections 1471 through 1474 of the Foreign Account Tax Compliance Act (**FATCA**) impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) “foreign pass through payments” made to certain non-U.S. financial institutions (for the purposes of this section any such non-U.S. financial institution, an **FFI**) that do not comply with this new reporting regime, and (iii)

payments to certain investors that do not provide identification information with respect to interests issued by a participating FFI (for the purposes of this section collectively **Withholdable Payments**).

Whilst the Notes are held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

The Fund's obligations under the Notes are discharged once it has paid the clearing systems, and the Fund has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

The United States and the Government of the Kingdom of Spain have entered into an intergovernmental agreement to facilitate the implementation of FATCA (for the purposes of this section, the **IGA**). An FFI (such as the Fund) that complies with the terms of the IGA, as well as applicable local law requirements will not be subject to withholding under FATCA with respect to Withholdable Payments that it receives. Further, an FFI that complies with the terms of the IGA will not be required to withhold under FATCA on payments it makes to Noteholders of such FFI (unless it has agreed to do so under the U.S. “qualified intermediary,” “withholding foreign partnership,” or “withholding foreign trust” regimes). Pursuant to the IGA, an FFI is required to report certain information in respect of certain of its Noteholders to its home government, whereupon such information will be provided to the U.S. Internal Revenue Service. The Fund will undertake to comply with the IGA and any local implementing legislation, but there is no assurance that it will be able to do so.

An FFI that fails to comply with the terms of the IGA may become subject to the FATCA Withholding described above. Additionally, a failure to comply with future local implementing legislation may result in negative consequences to an FFI. The imposition of the FATCA withholding on payments made to the Fund would reduce the profitability, and thus the cash available to make payments on the Notes. Prospective investors should consult their advisers about the potential application of FATCA.

3.8. Economic conditions in the Euro-zone

Concerns relating to credit risks (including that of sovereigns and those of entities which are exposed to sovereigns) persist, in particular, with respect to current economic, monetary and

political conditions in the Euro-zone. If such concerns further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any changes to, including any break-up of, the Euro-zone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect one or more of the parties to the Programme Documents (including the Seller and/or the Servicer).

In particular, the economic conditions in the Euro-zone are further subject to the risks of slowdown and volatility as a result of the recent election in the United States and the considerable uncertainty surrounding the United Kingdom's 23rd June, 2016 referendum on whether to exit the European Union and, given the United Kingdom public's vote to leave the European Union, the considerable uncertainty as to the political implementation of that mandate, the nature and timing of such an exit, the risk of contagion in other member states and whether and to what extent this could continue to negatively impact the European markets or even the future of Euro-zone. It is also not possible to determine the impact that these matters will have on the business of the Fund (including the performance of the underlying Purchased Receivables), any other party to the Programme Documents and/or any debtor in respect of the underlying Purchased Receivables, or on the regulatory position of any such entity or of the transactions contemplated by the Programme Documents under EU regulation or more generally.

Additionally, political uncertainty in Spain increased due to the recent rise of new political parties and coalitions. The lack of a stable majorities in the Spanish Parliament may result in extended political negotiations to adopt structural reforms and new legislations and could therefore eventually increase the uncertainty in Spain. Therefore, despite the recent improvement in the European financial markets and the recovery of Spain's economy, uncertainty may persist in the coming months.

Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Fund to satisfy its obligations under the Notes.

For these purposes, **Euro-Zone** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

3.9. Volcker Rule. Status of the Fund

Under Section 619 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and the corresponding implementing rules (the **Volcker Rule**), "banking entities" are prohibited from, engaging in proprietary trading or from acquiring or retaining any "ownership interest" in, or acting as "sponsor" of, or having certain relationships with, certain investment vehicles referred to in the Volcker Rule as "covered funds", except as may be permitted by an applicable exclusion or exception from the Volcker Rule. In general, there is

limited interpretive guidance regarding the Volcker Rule and the general effects of the Volcker Rule remain uncertain.

At the time of constitution, the Fund is structured so as to not constitute a “covered fund” based on Section 10(c)(8) of the Volcker Rule, commonly referred to as the Loan Securitization Exclusion. It is possible, however, that U.S. regulators could take a contrary position and determine that the Issuer should not be excluded from the definition of “covered fund” under the Volcker Rule. Any prospective investor in the Note Series, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding the impact of such a determination and other potential effects of the Volcker Rule.

4. CERTAIN REGULATORY CONSIDERATIONS

4.1. Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes. No assurance is given that the transaction will comply with LCR or Solvency II requirements

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory position for certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Fund, the Management Company, the Eligible Hedging Counterparties, the Arrangers, any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter and any other party to the Programme Documents makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Disbursement Date or at any time in the future.

In particular, investors should note that the Basel Committee on Banking Supervision (for the purposes of this section, **BCBS**) has approved significant changes to the Basel regulatory capital and liquidity framework (for the purposes of this section, such changes being commonly referred to as **Basel III**), including certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio “backstop” for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio (for the purposes of this section, **LCR**) and the Net Stable Funding Ratio (for the purposes of this section, **NSFR**)). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-

backed securities (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe (as this is defined in below).

In addition, investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, UCITS funds and institutions for occupational retirement provision. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its Note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or securitised exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the Notes acquired by the relevant investor. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

It should be noted that the European Commission has published legislative proposals for two new regulations related to securitisation. Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by BCBS and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the legislative proposals and the current requirements including with respect to the applicable approach under the retention requirements and the originator entities eligible to retain the required interest. Moreover, further changes may be, and have been, proposed through the political negotiation process. It is not clear whether, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted. In addition, the compliance position under any adopted revised requirements of transactions entered into prior to adoption, and of activities undertaken by a party (including an investor) in respect of such transactions, is currently uncertain.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Fund or another relevant party (or, after the Disbursement Date, by the Management Company on the Fund's behalf), please see the statements set out in the section of this Base Prospectus headed "*Certain Regulatory and Industry Disclosures*". Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Fund, the Arrangers, any global coordinator, lead manager (including the

Joint Lead Managers), bookrunner or underwriter, the Eligible Hedging Counterparties or any other party to the transaction makes any representation that the information described above is sufficient in all circumstances for such purposes.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

In addition, investors must carry out their own legal review and analysis, in order to determine whether:

- (a) the Notes are deemed as high quality liquid assets for the purposes of the liquidity coverage ratio (LCR) established by the Regulation (EU) No. 575/2013 of the European Parliament and of the Council, of June 26th 2013, on prudential requirements for credit institutions and investment firms and amending the Regulation (EU) No. 648/2012 (**CRR**), as implemented by the Commission Delegated Regulation (EU) 2015/61, of October 10th 2014, to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions and the national implementation measures and, if applicable, whether they are deemed Level 2A or Level 2B assets, as described by the Commission Delegated Regulation (EU) 2015/61, of October 10th 2014, to supplement Regulation (EU) No. 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions; and
- (b) the Notes shall be deemed as a Type 1 or Type 2 securitization investment, as described in article 254(2) of the Commission Delegated Regulation (EU) 2015/35, of October 10th 2014, supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (**Solvency II Regulation**).

None of the Management Company, the Arrangers, the any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter, the Seller or the Servicer makes any representation to any prospective investor or purchaser of the Notes as to these matters on the date of this Base Prospectus or at any time in the future.

4.2. Impact of financial transaction taxes

On 14 February 2013, the European Commission published its proposal (for the purposes of this section, the **Commission's Proposal**) for a Council Directive implementing enhanced cooperation in the area of a financial transaction tax (for the purposes of this section, **FTT**), to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia, although Estonia has since stated that it will not participate).

The proposed Directive aims to ensure that the financial sector makes a fair and substantial contribution to covering the costs of the financial crisis and creating a level playing field with other sectors from a taxation point of view. A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives from 1 January 2016, although the FTT proposal has not yet been introduced and still remains subject to negotiation between those states and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate.

Under the Commission's Proposal (as defined above) the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Fund with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities (such as authorised investments)) if it is adopted based on the Commission's Proposal. Any such tax liabilities may reduce amounts available to the Fund to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected.

It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

4.3. No assurance is given that the transaction will be designated as a simple, transparent securitisation

On 30 September 2015, the European Commission published legislative proposals for two new regulations related to securitisation. Amongst others, the proposals include provisions intended to implement the revised securitisation framework developed by BCBS (the **CRR Amendment Regulation**) and provisions intended to harmonise and replace the risk retention and due diligence requirements applicable to certain EU regulated investors (the **STS Regulation**).

The STS Regulation also aims to create common foundation criteria for identifying "STS securitisations". There are still material differences between the legislative proposals and the current requirements (including with respect to application of retention requirements and the

originator entities eligible to retain the required interest). In addition, the compliance position under any adopted revised requirements of transactions entered into, and of activities undertaken by a party (including an investor), prior to adoption is uncertain. No assurance can be given that the transaction will be designated as an “STS securitisation” under the STS Regulation at any point in the future.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules). The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

4.4. Potential reform of Euribor determinations

Financial market reference rates and their calculation and determination procedures have come under close public scrutiny in recent years. Starting in 2009, authorities in jurisdictions such as the European Union, the United States, Japan and others investigated cases of alleged misconduct around the rate-setting of LIBOR, Euribor and other reference rates. A number of initiatives to reform reference rate setting have been launched as a consequence by the regulatory and supervisory communities as well as the financial markets. These include the Final Report of ESMA-EBA on Principles for Benchmark-Setting Processes in the European Union published in June 2013 and the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (for the purposes of this section, the **Benchmark Regulation**), which entered into force on 30 June 2016.

The Benchmark Regulation applies to “contributors”, “administrators” and “users of” benchmarks (such as Euribor and Libor) in the EU, and, among other things, (i) requires benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of “benchmarks” and (ii) ban the use of benchmarks of unauthorised administrators.

Potential impacts of the Benchmark Regulation and other initiatives on the determination of Euribor in the future could be an increase of costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements, changes in the rules or methodologies used in certain benchmarks or the disappearance of certain benchmarks. It is, however, not possible to ascertain as at the date of this Prospectus how such changes may impact the determination of Euribor for the purposes of the Notes and the Hedging Agreements, whether this will result in an increase or decrease in Euribor rates or whether such changes will have an adverse impact on the liquidity or the market value of the Notes.

4.5. Change of law

The structure of the transaction described in this Base Prospectus and, *inter alia*, the issue of the Notes and the ratings which are to be assigned to the Rated Notes are based on the law and administrative practice in effect as at the date of this Base Prospectus as it affects the parties to the transaction and the Audited Portfolio and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this Base Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Fund to make payments under the Notes.

In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be recast or amended and there can be no assurance that any such changes will not adversely affect the compliance position of a transaction described in this Base Prospectus or of any party under any applicable law or regulation.

4.6. CRA3

The Regulation (EU) No 462/2013 of the European Parliament and of the Council of 31 May 2013 amending the CRA Regulation (for the purposes of this section, **CRA3**) became effective on 20 June 2013. CRA3 provides for certain additional disclosure requirements which are applicable in relation to structured finance transactions. Such disclosures will need to be made via a website to be set up by ESMA.

The precise scope and manner of such disclosure are subject to regulatory technical standards (for the purposes of this section, the **CRA3 RTS**) prepared by ESMA. On 30 September 2014, the European Commission adopted three CRA3 RTS to implement provisions of the CRA3. The CRA3 RTS specify (i) the information that the issuer, originator and sponsor of a structured finance instrument established in the European Union must jointly disclose on the ESMA website, (ii) the frequency with which this information is to be updated and (iii) the presentation of this information by means of standardised disclosure templates.

Additionally, CRA3 has introduced a requirement that where an issuer or related third parties (which term includes sponsors and originators) intends to solicit a credit rating of a structured finance instrument it will appoint at least two credit rating agencies and should consider appointing at least one rating agency having not more than a 10 per cent. total market share (as measured in accordance with article 8d(3) of the CRA (as amended by CRA3 RTS)) (for the purposes of this section, a **small CRA**), provided that a small CRA is capable of rating the relevant issuance or entity. Where the issuer or a related third party does not appoint at least one credit rating agency with no more than 10% market share, this must be documented. In order to give effect to those provisions of article 8d of CRA3, ESMA is required to annually publish a list of registered CRAs, their total market share, and the types of credit rating they issue.

Investors should consult their legal advisors as to the applicability of the CRA3 RTS and any consequences of non-compliance in respect of their investment in the Notes of any Note Series.

4.7. **European Market Infrastructure Regulation EU 648/2012 (EMIR)**

EMIR and the regulations made under it impose certain obligations on parties to OTC derivative contracts according to whether they are “financial counterparties” or “non-financial counterparties”.

Financial counterparties (as defined in EMIR) will, depending on the identity of their counterparty, be subject to a general obligation (the “clearing obligation”) to clear all “eligible” OTC derivative contracts through a duly authorised or recognised central counterparty. They must also report the details of all derivative contracts to a trade repository (the “reporting obligation”) and in general undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty, including complying with requirements related to timely confirmation of terms, portfolio reconciliation, dispute resolution, daily valuation and margin posting (together, the “risk mitigation obligations”).

Non-financial counterparties (as defined in EMIR) are not subject to the clearing obligation unless the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial entities in its “group”, excluding eligible hedging transactions, exceed certain thresholds and its counterparty is also subject to the clearing obligation. If the Fund is considered to be a member of such a “group” (as defined in EMIR) and if the aggregate notional value of OTC derivative contracts entered into by the Fund and any non-financial entities within such group exceeds the applicable thresholds, the Fund would be subject to the clearing obligation or if the relevant contract is not a type required to be cleared, to the risk mitigation obligations, including the margin posting requirement based on the principle that counterparties have an obligation to protect themselves against credit exposures to derivatives counterparties by collecting margins where those contracts are not cleared by a central counterparty.

Therefore, if the Fund becomes subject to the clearing obligation or the margin requirement, it is unlikely that it would be able to comply with such requirements, which would adversely affect the Fund's ability to enter into Hedging Agreements or significantly increase the cost thereof, negatively affecting the Fund's ability to hedge its interest rate risk. As a result of such increased costs, additional regulatory requirements and limitations on ability of the Fund to hedge interest rate risk, the amounts payable to Noteholders may be negatively affected.

The Hedging Agreements may contain early termination events which are based on the application of EMIR and which may allow the relevant Hedge Counterparty to terminate a Hedging Agreements upon the occurrence of such an event. The termination of a Hedging Agreement in these circumstances may result in a termination payment being payable by the Fund.

CERTAIN REGULATORY AND INDUSTRY DISCLOSURES

1. COMPLIANCE WITH EU RISK RETENTION REQUIREMENTS

The Seller, as an originator for the purposes of the CRR, the Regulation (EU) No. 231/2013 of the EU Directive 2011/61/EU on Alternative Investment Fund Managers (the **AIFMR**) and the Solvency II Regulation, will retain, on an ongoing basis, a material net economic interest of not less than five per cent. in the securitisation contemplated by the Programme Documents in accordance with article 405 of the CRR (**Article 405**), article 51 of the AIFMR (**Article 51**) and article 254 of the Solvency II Regulation (**Article 254**) (which, in each case, is interpreted and applied on the Disbursement Date and does not take into account any corresponding national measures) (the **Retention**).

The Retention will comprise the Seller holding an interest in the first loss tranche represented in this case by Seller Interest Credit Facility, and any Class of Notes retained by the Seller (if any and as specified in the relevant Issuing Document), as required by the text of each of paragraph (d) of Article 405(1) of the CRR, paragraph (d) of Article 51(1) of the AIFMR and paragraph (d) of Article 254(2) of the Solvency II Regulation. Any change to the manner in which such interest is held will be notified to Noteholders. Such Retention by the Seller is provided by means of the Seller Interest Credit Facility and any Class of Notes retained by the Seller (if any). As at the first Notes Issue Disbursement Date, such Retention will be provided by means of the Seller Interest Credit Facility and the subscription of the Class C2017-01 Notes.

This Retention option and the methodology used to calculate the net economic interest will not change, unless such change is required due to exceptional circumstances, in which case such change will be appropriately disclosed to Noteholders and published on the following website: (www.imtutilizacion.com). In compliance with article 409 of CRR, the Seller must ensure that all investors can easily access all necessary data regarding credit quality and the evolution of underlying positions and treasury flows backing the securitisation exposures, together with any information necessary to carry out detailed and documented stress tests of the cash flows backing the underlying exposures.

As to the information made available to prospective investors by the Fund, reference is made to the information set out herein and forming part of this Base Prospectus and to any other information provided separately (which information shall not form part of this Base Prospectus), including the Seller Interest Credit Facility and, after the first Notes Issue Disbursement Date, to the Investor Reports provided to the Noteholders and published on the following website: (www.imtutilizacion.com).

The Seller will undertake to (i) the Arrangers and the relevant global coordinators, lead managers (including the Banco Santander and Natixis as joint lead managers in connection with the first Note Series issued by the Fund (the **Joint Lead Managers**)) or underwriters and (ii) the Fund, in each case, for so long as any Notes remain outstanding, that it will:

- (a) on the first Notes Issue Disbursement Date hold, and thereafter it will retain, on an ongoing basis, a material net economic interest of not less than five per cent. in the securitisation contemplated by the Programme Documents in accordance with Article 405(1)(d) of the CRR, Article 51(1)(d) of the AIFMR taking into account Article 56 of the AIFMR and Article 254(2)(d) of Solvency II Regulation which, in each case, is interpreted and applied on the first Notes Issue Disbursement Date and does not take into account any corresponding national measures; such retention by the Seller will be provided by means of the Seller Interest Credit Facility and/or any Class C Notes retained by the Seller (if any); this retention option and the methodology used to calculate the net economic interest will not change, unless such change is required due to exceptional circumstances and only to the extent permitted and in compliance with the requirements set out in CRR, the AIFMR and the Solvency II Regulation;
- (b) comply with the disclosure obligations imposed on originator credit institutions under the CRR, the AIFMR and the Solvency II Regulation, including, but not limited to, by disclosing when any breach of the Retention commitment occurs or when the performance of the securitisation or underlying exposures materially change or following a breach of the agreements and documentation related to the Programme subject always to any requirement of law provided that the Seller will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond the Seller's control; and
- (c) not sell, hedge or otherwise mitigate its credit risk under its material net economic interest in the securitisation as provided by means of the Seller Interest Credit Facility and/or any Class of Notes retained by the Seller (if any), except to the extent permitted by the CRR, the AIFMR and the Solvency II Regulation.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in the Base Prospectus generally for the purposes of complying with each of Part Five of the CRR (including Article 405), Section Five of Chapter III of the AIFMR (including Article 51) and Chapter VIII of Title I of the Solvency II Regulation (including Article 254) and any corresponding national measures which may be relevant and none of the Fund, the Management Company, the Seller, any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter, the Arrangers, the Eligible Hedging Counterparties or any other party to the transaction makes any representation that the information described above or in the Base Prospectus is sufficient in all circumstances for such purposes. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

In relation to the retention covenant to be given by the Seller to the Fund in the Seller Interest Credit Facility Agreement, the Master Receivables Sale and Purchase Agreement and the relevant Notes Subscription Agreements in accordance with the CRR, the AIFMR and the Solvency II Regulation regarding the material net economic interest to be retained, on an ongoing basis, by the Seller in the securitisation and (in respect of CRR only) certain requirements as to providing investor information in connection therewith, the Management

Company, the Arrangers, any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter will not be under any obligation to monitor the compliance by the Seller with such covenant and will not be under any obligation to take any action in relation to non-compliance with such covenant.

2. U.S. RISK RETENTION REQUIREMENTS

The final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act, codified by Section 15G of the U.S. Securities Exchange Act of 1934, as in effect at any time or as otherwise amended (the **U.S. Risk Retention Rules**), came into effect with respect to all asset classes on 24 December 2016 and require the "sponsor" of a "securitization transaction" to retain an economic interest in at least 5 per cent. of the "credit risk" of the "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Seller, as the sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the Fund for purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the asset-backed securities are issued) of all classes of asset-backed securities issued in the securitization transaction are sold or transferred to U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Base Prospectus as **Risk Retention U.S. Persons**) or for the account or benefit of Risk Retention U.S. Persons; (3) neither the sponsor nor the issuer of the securitization transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Notes offered and sold by the Issuer may not be purchased by (or during the Distribution Compliance Period, transferred to) Risk Retention U.S. Persons. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S, and that persons who are not "U.S. persons" under Regulation S may be U.S. persons under the U.S. Risk Retention Rules. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" (and "Risk Retention U.S. Person" in this Base Prospectus) means any of the following:

- (a) Any natural person resident in the United States;

- (b) Any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;¹
- (c) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership, corporation, limited liability company, or other organisation or entity if:
 - (i) organised or incorporated under the laws of any foreign jurisdiction; and
 - (ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act;²

Consequently, (a) on any Issue Date, the Notes offered and sold by the Issuer may not be purchased by any person except for persons that are not Risk Retention U.S. Persons and (b) during the Distribution Compliance Period, the Notes may not be transferred to any person except for persons that are not Risk Retention U.S. Persons. Each holder of a Note or a beneficial interest therein acquired on the Issue Date or during the Distribution Compliance Period, by its acquisition of a Note or a beneficial interest in a Note, will be deemed, and, in certain circumstances will be required, to represent to the Fund, the Management Company, the Seller, the Arrangers, any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules

¹ The comparable provision from Regulation S is “(ii) any partnership or corporation organised or incorporated under the laws of the United States.”

² The comparable provision from Regulation S “(vii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts.”

There can be no assurance that the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. No assurance can be given as to whether a failure by the Seller, as sponsor, to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) may give rise to regulatory action which may adversely affect the Notes or their market value. Furthermore, the impact of the U.S. Risk Retention Rules on the securitization market generally is uncertain, and a failure by the Seller, as sponsor, to comply with the U.S. Risk Retention Rules could therefore negatively affect the market value and secondary market liquidity of the Notes.

None of the Fund, the Management Company, the Seller, the Arrangers and lead managers (including the Joint Lead Managers) or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise

REGISTRATION DOCUMENT FOR ASSET-BACKED NOTES (ANNEX VII OF COMMISSION REGULATION 809/2004)

1. PERSONS RESPONSIBLE

1.1. Persons responsible for the information given in the Registration Document

Mr José Antonio Trujillo del Valle, in the name and on behalf of INTERMONEY TITULIZACIÓN, S.G.F.T., S.A., with registered address in Madrid, at calle Príncipe de Vergara 131, planta 3ª, and with Spanish tax identification number (*NIF*) A-83774885, acting as management company (**Intermoney Titulización** or the **Management Company**) of the securitisation fund Columbus Master Credit Cards, Fondo de Titulización, assumes responsibility for the information set out in this Registration Document.

Mr José Antonio Trujillo del Valle acts in his capacity of Chairman of the Board of Directors of the Management Company and exercises the powers that were expressly conferred to him for the incorporation of the Fund by the Board of Directors of the Management Company at its meeting held on the 24th of January 2017.

1.2. Declarations by the persons responsible for the information contained in the Registration Document

Mr José Antonio Trujillo del Valle, on behalf of the Management Company, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its import.

2. STATUTORY AUDITORS

2.1. Issuer Auditors

Pursuant to the provisions of section 4.4.2 of this Registration Document, the Fund will be newly incorporated and lacks any historical financial information.

Throughout the duration of the transaction, the Fund's annual financial statements will be subject to verification and annual review by the auditor. The annual report and the quarterly reports of the Fund set out in article 35 of Law 5/2015 will be filed with the CNMV within the deadlines set in the current regulations.

By virtue of the resolutions adopted by the Board of Directors of the Management Company on 24 January 2017, for and on behalf of the Fund, MAZARS Auditores, S.L.P., whose details are included in section 5.2 of this Registration Document, was appointed as the Auditor of the Fund for an initial period of three (3) years. If subsequently the Management Company passes a resolution to appoint new auditors for the Fund, notice would be given to the CNMV, the Relevant Rating Agencies and the Noteholders, pursuant to the provisions of section 4.1.3 of the Additional Building Block.

2.2. Accounting principles used by the issuer

The Fund's income and expenses will be reported in accordance with the accounting principles in force pursuant to CNMV Circular 2/2016, of 20 April, on accounting standards, annual financial statements, public financial statements and confidential statistical information statements of Securitisation Funds, as amended (*Circular 2/2016, de 20 de abril, de la Comisión Nacional del Mercado de Valores, sobre normas contables, cuentas anuales, estados financieros públicos y estados reservados de información estadística de los Fondos de Titulización*) (**Circular 2/2016**) or in accordance with the regulations applicable at any given time.

The Fund's financial year will coincide with the calendar year, starting on 1 January and ending on 31 December each year. However, as an exception, the first accounting period will start on the Fund Incorporation Date (as defined in section 4.4.1 below) and will end on 31 December 2017, and the last accounting period will end on the date of extinguishment of the Fund.

3. RISK FACTORS ASSOCIATED WITH THE FUND

The risk factors associated with the Fund are those detailed in section 3 (RISKS DERIVING FROM THE LEGAL STATUS AND BUSINESS OF THE FUND) of the Risk Factors.

4. INFORMATION ABOUT THE ISSUER

4.1. Statement that the issuer has been incorporated as a securitisation fund

The Fund is a securitisation fund with open-end assets and liabilities to be incorporated in accordance with Law 5/2015 for the purpose of issuing the Notes and acquiring the Receivables representing the credit rights arising from the Credit Cards Agreements. In particular, the Fund will be incorporated as an isolated pool of assets with not legal personality pursuant to Law 5/2015.

4.2. Legal and commercial name of the issuer

The name of the Fund will be "Columbus Master Credit Cards, Fondo de Titulización". The Fund shall also be referred to as "Columbus Master Credit Cards, FT".

All Class A Notes, all Class B Notes (if any) and all Class C Notes issued on the same Issue Date will constitute a Note Series, which shall be designated by means of:

- (a) a four digit number representing the year on which the Note Series was issued, in the following format: Note Series "20xx"; followed by
- (b) the number of such Note Series in respect of the relevant year, in the following format: "yy".

4.3. Place of registration of the issuer and registration number

The Management Company hereby declares that neither the incorporation of the Fund, nor the Notes to be issued backed by its assets, will be registered in the Spanish Commercial Registry (*Registro Mercantil*), pursuant to the exemption set out in article 22.5 of Law 5/2015, without prejudice to the registration of this Base Prospectus by the CNMV, which took place on 6 April 2017, and to the filing with the CNMV, for incorporation into the public register, of a copy of the Deed of Incorporation, in the terms set out in article 22 of Law 5/2015 and articles 36 and subsequent of Legislative Royal Decree 4/2015, dated 23 October, approving the consolidated text of the Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the **Legislative Royal Decree 4/2015** or the **Securities Market Law**), the contents of which will match the provisions of this Base Prospectus filed with the CNMV. Under no circumstances will the terms of such document contradict, modify, alter or invalidate the contents of this Base Prospectus.

The Deed of Incorporation will be granted on the Fund Incorporation Date and will be drafted in Spanish language. The Deed of Incorporation may be amended in the terms set out in article 24 of Law 5/2015 (being such amendments drafted in Spanish language as well).

Once the CNMV verifies the compliance of the legal requirements for the amendment of the Deed of Incorporation, the Management Company will execute the relevant deed of amendment to the Deed of Incorporation and file an authorised copy with the CNMV for its incorporation into the public register. The amendment of the Deed of Incorporation through the corresponding deed of amendment will be communicated by the Management Company to the Relevant Rating Agencies and published by the Management Company by means of the public periodic information of the Fund and on its website.

The Deed of Incorporation may also be subject to amendment at the request of the CNMV. Additionally, in accordance with article 24 of Law 5/2015, where required, a Prospectus Supplement may need to be prepared and published as relevant information.

Issuing Document

The incorporation of the Notes of the successive Notes Series will be instrumented through the relevant Issuing Document according to the paragraphs below, depending on whether the Notes will be listed or unlisted, the type of market (regulated or unregulated) and the form of the titles (book-entry or physical title):

- (a) provided that the Notes of the Notes Series are intended for listing in AIAF, an original of each Final Terms will be sent to (i) the CNMV and AIAF for its admission to listing on or after the Issue Date of the corresponding Notes Series and (ii) to the CNMV and IBERCLEAR for the purposes of registration as book-entries;
- (b) provided that the Notes of the Notes Series are intended for listing in MARF, an original of each Terms and Conditions (*terminos y condiciones* or *documento privado de emisión*) will be sent to (i) MARF for its admission to listing on or after the Issue

Date of the corresponding Notes Series and (ii) to the CNMV and IBERCLEAR for the purposes of registration as book-entries;

- (c) provided that the Notes of the Notes Series are intended for listing in any other regulated market, an original of each Final Terms will be sent to (i) the CNMV and the respective regulated market, for its admission to listing on or after the Issue Date of the corresponding Notes Series, and (ii) to the CNMV and IBERCLEAR for the purposes of registration as book-entries;
- (d) provided that the Notes of the Notes Series are intended for listing in any other unregulated market, an original of each Terms and Conditions (*terminos y condiciones* or *documento privado de emisión*) as may be required by such market will be sent to (i) such unregulated market's governing body for its admission to listing on or after the Issue Date of the corresponding Notes Series, and (ii) to the CNMV and IBERCLEAR for the purposes of registration as book-entries;
- (e) provided that the Notes of the Notes Series are not intended for listing if represented in book-entries, an original of the Deed of Issue and solely for the purposes of registration as book-entries, to the CNMV and the relevant financial institution appointed by the Management Company to carry out the relevant book-entry registry on or after the Issue Date of the corresponding Notes Series; and
- (f) provided that the Notes of the Notes Series are not intended for listing if represented in physical titles, the relevant Deed of Issue executed by the management Company, for and on behalf of the Fund, will not require of any communication to the CNMV or any third parties.

Under no circumstances will the terms of the Issuing Document contradict, modify, alter or void the contents of this Base Prospectus.

For these purposes:

Issuing Document means each document executed by the Management Company, for and on behalf of the Fund, whereby the issuance of Notes of the successive Notes Series will be instrumented, including, each Final Terms, each Terms and Conditions and each Deed of Issue.

Final Terms means the final terms which will be prepared by the Management Company in relation to the issue of any Class A Notes, Class B Notes and any Class C Notes to be listed in AIAF or in any other regulated market, substantially in the form set out in Schedule 2 "Form of Final Terms".

Terms and Conditions means the terms and conditions (*terminos y condiciones* or *documento privado de emisión*) which will be prepared by the Management Company in relation to the issue of any Class A Notes, Class B Notes and any Class C Notes to be listed in MARF or in any other unregulated market. Each Terms and Conditions shall include, *mutatis mutandi*, the information included in Schedule 2 "Form of Final Terms".

Deed of Issue means the relevant deed of issue (*escritura de emisión*) in relation to the issue of any unlisted Class A Notes, Class B Notes and any Class C Notes. Each Deed of Issue shall include, *mutatis mutandi*, the information included in Schedule 2 “Form of Final Terms”.

4.4. Date of incorporation and length of life of the issuer

4.4.1. Date of incorporation of the issuer

The Management Company, acting in the name and on behalf of the Fund, together with the Seller will proceed, once this Base Prospectus has been registered with the CNMV, to grant the Deed of Incorporation on 7 April 2017 (the **Fund Incorporation Date**), in the terms set out in article 22 of Law 5/2015.

4.4.2. Life of the Fund

The life of the Fund will run from the Fund Incorporation Date provided for in the previous section until the legal maturity date of the Fund, on which the Fund will be extinguished, which is scheduled for the Monthly Payment Date of December 2092 (the **Fund Legal Maturity Date**), unless the Fund is early liquidated or extinguished in accordance with the provisions of section 4.4.3 of this Registration Document.

The Fund Legal Maturity Date may be extended following an amendment to the Deed of Incorporation of the Fund with the prior consent of all the Noteholders and the other creditors of the Fund (excluding non-financial creditors).

4.4.3. Early liquidation of the issuer

The Management Company will proceed to carry out the early liquidation of the Fund (the **Early Liquidation**) on the Monthly Payment Date on which (a) the last outstanding Purchased Receivable is extinguished or written-off; or (b) the Management Company transfers to (x) the Seller (or any other third party entity(ies), which can either belong to the group of the Seller or not, authorized by the Seller for such purposes (the **Authorised Entity(ies)**); or (y) to any other third parties, all outstanding Purchased Receivables in a single transaction following the occurrence of a Fund Liquidation Event (the **Fund Liquidation Date**) in accordance with section 4.4.4 below.

For these purposes, a **Fund Liquidation Event** shall mean the occurrence of any of the following circumstances:

- (a) if so directed by the Seller, where the aggregate Principal Amount Outstanding of all outstanding Notes is equal or less than 10% of the aggregate Initial Principal Amount thereof; or
- (b) where the Notes issued by the Fund are held solely by the Seller or there are no Notes outstanding and the Seller requests the liquidation of the Fund; or

- (c) mandatorily, if four (4) months have elapsed since the occurrence of an event giving rise to the mandatory replacement of the Management Company due to the declaration of an insolvency proceeding (*concurso*) thereof (as provided in article 33 of Law 5/2015) or in case that its authorisation to act as management company were to be revoked without a new management company having been found that is prepared to take over the management of the Fund appointed pursuant to section 3.7.1 of the Additional Building Block; or
- (d) six (6) months prior to the Fund Legal Maturity Date; or
- (e) when the Management Company has the consent and the express acceptance of all the Noteholders and the counterparties to the Fund (including for the avoidance of doubt the Seller), in relation to the payment of the amounts related to the Early Liquidation and the procedure to carry out such Early Liquidation.

The Management Company will proceed to liquidate the Fund following the occurrence of a Fund Liquidation Event (once the CNMV and the Noteholders have been informed in the manner set out in section 4 of the Additional Building Block), such circumstance constituting an Accelerated Amortisation Event.

The liquidation of the Fund shall be made in accordance with the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

4.4.4. Re-transfer and sale of the Purchased Receivables

- (a) In the event of the occurrence of any Fund Liquidation Event, the Management Company, acting for and on behalf of the Fund, shall (i) immediately notify the Seller of the occurrence of any Fund Liquidation Event, and (ii) propose to the Seller to repurchase in a single transaction, under the terms and provisions hereinafter provided (the **Offer to Retransfer**) all the outstanding Purchased Receivables remaining among the assets of the Fund. The Offer to Retransfer shall include the Reference Repurchase Price (as defined below) calculated by the Management Company.

The repurchase price of such Purchased Receivables (the **Reference Repurchase Price**) proposed by the Management Company to the Seller (or to any other Authorised Entity(ies)) shall correspond to the then Outstanding Principal Balances as defined in section 2.2 of the Additional Building Block) of the Purchased Receivables plus any accrued and unpaid outstanding interest.

The Reference Repurchase Price applicable to the retransfer of the Purchased Receivables (together with any Fund Available Cash) shall be sufficient in order to enable the Fund to repay in full all amounts of any nature whatsoever, due and payable in respect of the outstanding Rated Notes, after the payment by the Fund of all liabilities ranking *pari passu* with or in priority to those amounts in the relevant Accelerated Priority of Payments.

- (b) The repurchase of the Purchased Receivables remaining among the assets of the Fund shall take place on a Repurchase Date and, at the earliest, on the first Repurchase Date following the date on which an Offer to Retransfer is sent to the Seller upon the Fund Liquidation Event has been declared by the Management Company. The proceeds of the Reference Repurchase Price shall be credited on the relevant Repurchase Date to the General Account.
- (c) The Seller may acquire on its own or designate any entity to repurchase part or all the Purchased Receivables. Such designated entity shall repurchase the Purchased Receivables under the same terms and conditions applicable to the Seller; in particular, the designated entity shall be entitled to repurchase part or all the Purchased Receivables provided that no Insolvency Event has occurred in relation to such designated entity.
- (d) Other than in the events foreseen in paragraphs (a) and (b) of section 4.4.3 above, the Seller shall be entitled to refuse any Offer to Retransfer made by the Management Company.

By no later than thirty (30) calendar days following receipt of the Offer to Retransfer (or within such other notice period as may be agreed upon by the Management Company, the Seller and/or the relevant Authorised Entity), the Seller and/or the Authorised Entity shall notify in writing their acceptance or refusal of the Offer to Retransfer. If, upon the expiry of that period, the Seller and/or the Authorised Entity have failed to reply, they shall be deemed to have refused the Offer to Retransfer.

- (e) If the Seller and/or the Authorised Entity refuse(s) such offer, the Management Company shall offer the Purchased Receivables to (i) at least three (3) entities among those most active in the purchase and sale of similar assets and (ii) the Seller (provided no Insolvency Event has occurred in respect thereto), which all of them may bid concurrently and without preference amongst themselves.

The Management Company shall set out the terms and conditions of the bidding process (including, without limitation, the information to be provided to the bidders and deadline to submit the bids) in the manner it considers best to maximise the value of the Purchased Receivables.

In such case, the Management shall accept the best offer received for the Purchased Receivables from any of such third entities or the Seller. The Seller shall not enjoy a pre-emption right to match the best offer received by the Management Company.

If no relevant offer is received from any third parties or the Seller, then the Purchased Receivables shall remain as assets to the Fund, without prejudice to the possibility of the Management Company to start a new auction process for the sale of the Purchased Receivables in the terms set out in this paragraph.

- (f) The Management Company may obtain any appraisal reports it deems necessary from third-party entities in order to run the liquidation process, including any valuation

reports from third parties to determine the market value of the outstanding Purchased Receivables.

In case of retransfer of Purchased Receivables under the conditions set out in the preceding paragraphs, the retransfer document shall take the form of a private retransfer document or, upon request from the relevant purchaser, a public deed (*escritura* or *póliza*) of retransfer.

- (g) The Reference Repurchase Price shall be paid by Seller (or the relevant Authorised Entity) or the third party entity winning the auction process to the Fund in the General Account or the Issuer Account so designated by the Management Company.
- (h) Once all the Purchased Receivables have been sold in accordance with the above, the Management Company will apply all the amounts that it obtains through the disposal of the assets of the Fund, together with the rest of the Fund Available Cash that the Fund might have at that time, to the payment of the different items, in the form, amount and in accordance with the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

In any event, the Management Company will not proceed to extinguish the Fund and to cancel its registration in the corresponding administrative registries until it has completed the sale of the remaining assets of the Fund and the distribution of the Fund Available Cash in accordance with the above.

4.4.5. Fund liquidation surplus

Once the Fund has been liquidated and all the payments have been made pursuant to the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block, there is any remaining amount, such remaining amount will be paid to the Seller as Variable Fee in accordance with section 3.4.7.4 of the Additional Building Block.

4.4.6. Extinguishment of the Fund

The Fund will be extinguished, in any event, as a result of the following circumstances:

- (a) upon full repayment of all the obligations of the Fund towards its creditors; or
- (b) when the Fund's Early Liquidation process set out in section 4.4.4 ends; or
- (c) in any event, on the Fund Legal Maturity Date.

In the event that any of the situations described in the preceding paragraphs occurs, the Management Company shall inform the CNMV as set out in Section 4 of the Additional Building Block, and shall initiate the relevant steps for the extinguishment of the Fund.

Within six (6) months after the liquidation of the remaining assets of the Fund and the distribution of the Fund Available Cash and, in any case, not later than the Fund Legal Maturity Date, the Management Company will grant a public deed (*acta*) declaring (i) the

extinguishment of the Fund and the reasons, as set out in this Base Prospectus, for the extinguishment, (ii) the procedure followed in notifying the Noteholders and the CNMV, and (iii) the terms of the distribution of the Fund Available Cash in the Accelerated Priority of Payments. This public deed (*acta*) will be submitted by the Management Company to the CNMV.

4.4.7. Termination of a Note Series issue and Early liquidation of the Fund

4.4.7.1. Termination of a Note Series issue

An issue of a Notes Series will be terminated by the Management Company if:

- (a) any of the preliminary ratings initially assigned to the Rated Notes by the Relevant Rating Agencies have not been confirmed (or if such ratings are withdrawn) before the disbursement of the Notes on the Disbursement Date; or
- (b) an event occurs that could not be foreseen or, even if foreseen, is inevitable rendering it impossible to perform the subscription or disbursement of the Notes of such Notes Series pursuant to article 1,105 of the Civil Code (force majeure); or
- (c) the conditions precedent to the relevant Notes Subscription Agreement are not met before the beginning of the Subscription Period; or
- (d) the bookrunners and/or underwriters appointed for the issue of the relevant Notes Series notify the Fund and the Seller the termination of the corresponding Notes Subscription Agreement before the disbursement of the Notes on the Disbursement Date upon the occurrence of any of the following events:
 - (i) an Insolvency Event has occurred with respect to the Seller before the disbursement of the relevant Notes on the Disbursement Date; or
 - (ii) the General Reserve is not funded up to the General Reserve Required Amount specified in the relevant Issuing Document, (i) with respect to the first Note Series issued on the Fund Incorporation Date, before the disbursement of the Notes on the Disbursement Date, (ii) with respect to the subsequent Note Series issued by the Fund, on the Issue Date; or
 - (iii) the Commingling Reserve is not funded up to the Commingling Reserve Required Amount specified in the relevant Issuing Document, (i) with respect to the first Note Series issued on the Fund Incorporation Date, before the disbursement of the Notes on the Disbursement Date, (ii) with respect to the subsequent Note Series issued by the Fund, on the Issue Date; or
 - (iv) the Seller (as Expenses Subordinated Facility Provider) has not made available to the Fund under the Expenses Subordinated Facility an amount equal to (i) with respect to the first Note Series issued on the Fund Incorporation date, the Initial Expenses and the Note Series Issue Expenses before the disbursement of the Notes on the Disbursement Date and (ii) with

respect to any other Note Series, the Note Series Issue Expenses on or prior the relevant Issue Date of such Note Series; or

- (v) the Notes of the corresponding Note Series are not fully subscribed for by the relevant subscriber(s) by the expiry of the Subscription Period; or
- (vi) the Notes of the corresponding Note Series are not fully paid up by the relevant subscriber(s) on the relevant Disbursement Date.

In such case, the Management Company will also terminate any contracts entered into by the Fund in connection with such Notes Series.

The termination of the issue of a Notes Series will be reported to the CNMV and/or any other applicable body (eg. MARF) as soon as it is confirmed and will be published using the same procedure for the communication of the issue of the Note Series set out in section 4 of the Additional Building Block.

If the issue of a Notes Series is terminated in the terms set out in this section, the relevant expenses will be charged to the Fund as Note Series Issue Expenses.

The early termination of the issue of a Note Series (other than as described below with respect to the issue of the Note Series to be made on the Fund Incorporation Date) shall not constitute a Fund Liquidation Event nor imply the extinguishment of the Fund in any manner whatsoever and shall not affect nor cause the termination of any of the Note Series previously issued by the Fund.

If the Note Series to be issued on the Fund Incorporation Date is early terminated in accordance with this section for any reason (other than the occurrence of the event foreseen in paragraph (d)(i) above), the Purchase Price of the initial portfolio of Eligible Receivables shall be funded with a drawing under the Seller Interest Credit Facility.

4.4.7.2. Early liquidation of the Fund

If the Note Series to be issued on the Fund Incorporation Date is early terminated upon the occurrence of the event foreseen in paragraph (d)(i) of section 4.4.7.1, the Fund will be terminated by the Management Company.

In the event foreseen in the preceding paragraph, the transfer of the Receivables to the Fund made under the Deed of Incorporation, the issue of the Notes Series issued on the Fund Incorporation Date, as well as the rest of agreements of the Fund will be terminated and the Fund will be extinguished. The Seller shall pay all the Initial Expenses and the Note Series Issue Expenses incurred as a result of the incorporation of the Fund and the issue of the Notes Series issued on the Fund Incorporation Date.

The early termination of the Fund as a consequence of the above shall be communicated to the CNMV as soon as it is confirmed. Within one (1) month after the occurrence of the early termination event, the Management Company will grant a public deed (*acta*) declaring the

early termination and liquidations of the obligations of the Fund and the extinguishment of the Fund.

For these purposes, **Note Series Issue Expenses** or **Note Series 20xx-yy Issue Expenses** mean any expenses incurred in connection with the issue of the Notes of any Notes Series (including the execution and filing of any Issuing Document and any fees and costs payable in connection therewith –ie. CNMV, IBERCLEAR, AIAF, Rating Agency fees, legal fees, etc-).

4.5. Domicile and legal form of the issuer, the legislation applicable to the issuer

4.5.1. Domicile of the issuer

The Fund will be incorporated in Spain, pursuant to the provisions of Law 5/2015.

The registered address of the Fund for all administrative purposes will be considered to be that of the Management Company, which is acting for and on behalf of the Fund. Therefore, the registered address of the Fund will be:

Columbus Master Credit Cards, Fondo de Titulización

*Calle Príncipe de Vergara 131, planta 3ª
28002, Madrid (Spain)
Telephone: +34 91 432 64 88*

Additional contact details regarding the Management Company and the Fund are available at the Management Company's website (www.imtitulizacion.com).

4.5.2. Legal status of the issuer

The Fund, in accordance with article 15 of Law 5/2015, will constitute an isolated pool of assets with no legal personality, with open-end assets and liabilities in accordance with article 21 of Law 5/2005 and it will be managed and represented by the Management Company, which is entrusted with the incorporation, management and representation of the Fund under the provisions of Law 5/2015.

The Management Company, as manager of third parties, will be responsible for acting with utmost diligence and transparency in the defence of the best interests of the holders of the Notes and the funders of the Fund.

The Fund will only be liable for its obligations vis-à-vis its creditors with its assets. The Fund will not be subject to the Insolvency Law.

The Fund will have no independent and separate compartments securing any particular Note Series.

4.5.3. Legislation applicable to the issuer

The Fund will be constituted and the Notes will be issued by the Fund in accordance with Spanish law and, specifically, with (i) Law 5/2015; (ii) Legislative Royal Decree 4/2015, where applicable; (iii) Royal Decree 1310/2005; (iv) Order EHA/3537/2005, of 10 November, on the development of article 27.4 of Law 24/1998, of 28 July, on the Spanish Securities Market Law (*Orden EHA/3537/2005, de 10 de noviembre, por la que se desarrolla el artículo 27.4 de la Ley 24/1988, de 28 de julio, del Mercado de Valores*) (the **Order EHA/3537/2005**); (v) Royal Decree 116/1992, of 14 February, on the representation of book-entry securities and the clearing and settlement of stock market transactions (**Royal Decree 116/1992**); (vi) Royal Decree 878/2015, of 2 October, on the clearing, settlement and registration of negotiable securities represented by book entries (**Royal Decree 878/2015**); and (vii) any other legal and statutory provisions in force and applicable from time to time.

This Registration Document has been drawn up in accordance with the provisions of Regulation 809/2004 (as amended).

4.5.4. Tax Regime of the issuer

The general taxation rules described below are based on the current legislation applicable at the date of this Base Prospectus. Such description does not intend to be exhaustive, but simply provides a general description of the tax treatment applicable to the Fund. Therefore the tax regime described above cannot be considered as a replacement of the advice required by the particular situation of the Fund and each prospective investor.

The tax rules applicable to securitisation funds are currently contained in (i) Law 27/2014, of 27 November, on Corporate Income Tax (*Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades*) (the **Law 27/2014**), in particular, articles 7.1.h), 13.1 and 16.6; (ii) Corporate Income Tax Regulations passed by Royal Decree 634/2015, of 10 July (*Reglamento del Impuesto sobre Sociedades, aprobado por el Real Decreto 634/2015, de 10 de julio*) (**CIT Regulations**), in particular, articles 8, 9 and 61.k); (iii) Revised Text of the Transfer Tax and Stamp Duty Law, passed by Legislative Royal Decree 1/1993, on 24 September (*Texto Refundido de la Ley del Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados, aprobado por el Real Decreto Legislativo 1/1993, de 24 de septiembre*), in particular, article 45.I.B.15 and 45.I.B.20.4.; (iv) Law 37/1992, of 28 December, on Value Added Tax (*Ley 37/1992, de 28 de diciembre, del Impuesto sobre el Valor Añadido*), and, in particular, article 20.Uno.18.n); (v) General Regulations regarding tax management and inspection courses of action and procedures and developing the common rules of tax application procedures, passed by Royal Decree 1065/2007, of 27 July (*Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por el Real Decreto 1065/2007, de 27 de julio*) (**General Tax Regulations**), and, in particular, articles 42, 43 and 44; and (vi) Law 10/2014, of 26 June, on regulation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*) (**Law 10/2014**), and in particular, the First Additional Provision of said Law.

In summary, these legal provisions define the following fundamental principles:

- (a) The Fund is exempt from Capital Duty (*Impuesto sobre Operaciones Societarias*).
- (b) According to article 7.1.h) of Law 27/2014, the Fund is a taxpayer of the Corporate Income Tax. The Fund will be subject to the general provisions of said Law 27/2014 to determine the taxable base, as well as to the applicable standard rate (25%), although the following exemptions or specialties shall apply:
- (c) The Fund will not be subject to the general interest deductibility limitation rules which limit the tax deductibility of financial expenses.
- (d) Impairments on the Receivables to be carried out by the Fund in accordance with rule 13 of the Circular 2/2016, will be deductible for tax purposes provided that the conditions set out in article 9 of the CIT Regulations are met.
- (e) The transfer of the Receivables to the Fund under the Purchase Agreement will be subject to but exempt from Spanish Value Added Tax (**VAT**). Said transfer of Receivables will not be subject to Transfer Tax and to Stamp Duty.
- (f) Returns from the Receivables that constitute income of the Fund will not be subject to withholding tax.
- (g) The issuance, subscription, transfer, redemption and repayment of the Notes will either be “not subject to” or “exempt from”, as the case may be, VAT and Transfer Tax/Stamp Duty.
- (h) The Fund will be subject to VAT in accordance with the general VAT rules. However, the management services rendered to the Fund by the Management Company will be exempt from VAT.
- (i) The Management Company, in the name and on behalf of the Fund, must comply with reporting obligations, amongst others, with those set out in the First Additional Provision of Law 10/2014. The procedure for complying with said reporting obligations is developed by articles 42, 43 and 44 of the General Tax Regulations.

4.6. Description of the issuer’s authorised and issued capital and the amount of any capital agreed to be issued, the number and classes of the securities it comprises

Not applicable.

5. BUSINESS OVERVIEW

5.1. Brief description of the issuer’s main activities

The Fund will be set up as a securitisation fund (*fondo de titulización*), pursuing the principal activities summarized below and explained in detail throughout this Base Prospectus.

The purpose of the Fund is to:

- (a) acquire Eligible Receivables from the Seller; and
- (b) finance in full the acquisition of such Eligible Receivables through the issue of the Note Series, the drawings under the Seller Interest Credit Facility, the Deferred Purchase Price and/or by allocating principal collections of Purchased Receivables.

The proceeds from principal and interest (ordinary and accrued) of the Purchased Receivables received by the Fund will be allocated at the frequency set out in each Notes Series, on each Monthly Payment Date, to the payment of any amount that the Fund is obliged to pay, in accordance with the relevant Priority of Payments established in section 3.4.7.2 of the Additional Building Block.

This Base Prospectus refers to the issue programme (the **Programme**) of Notes that are issued by the Fund backed by Receivables.

The Programme will be used to arrange successive issues of Notes, arranged in Note Series up to the Maximum Outstanding Balance of the Programme from time to time (as defined in section 5.1.1 below).

The Notes Series may be issued during the Programme Revolving Period, provided that the conditions established for the issue of Notes Series set out in section 4.13 of the Securities Note are met.

In addition, the Fund, represented by the Management Company, will arrange for the provision of services in order to consolidate the financial structure of the Fund, to increase the security and regularity of the payment of the Notes, and, in general, to enable the financial transformation which takes place in the Fund between the financial characteristics of the Receivables and the financial characteristics of the Notes.

5.1.1. Maximum Outstanding Balance of the Programme

The maximum aggregate nominal amount of all Note Series from time to time outstanding under the Programme will not exceed EUR 2,000,000,000 (the **Maximum Outstanding Balance of the Programme**).

Any increase of the Maximum Outstanding Balance of the Programme by the Management Company and the Seller may require the corresponding amendment to the Deed of Incorporation of the Fund with the prior consent of all the Noteholders and the other creditors of the Fund (excluding non-financial creditors) and a Prospectus Supplement to the Base Prospectus (unless such increase is made simultaneously with an annual renewal of the Base Prospectus). In any case, any increase of the Maximum Outstanding Balance of the Programme should not result in the downgrade of any outstanding Notes by the Relevant Rating Agencies.

5.1.2. Issues of Notes Series

The Management Company may arrange for Notes Series being issued by the Fund provided that the Maximum Outstanding Balance of the Programme is not exceeded.

The Fund shall be entitled to issue Note Series (i) on the Fund Incorporation Date and thereafter (ii) on each Issue Date until the end of the Programme Revolving Period. The Fund shall not issue any Note Series during the Programme Amortisation Period and the Programme Accelerated Amortisation Period.

The issue of any Note Series (i) on the Fund Incorporation Date shall be subject to the satisfaction of the Initial Note Series Issuance Conditions Precedent as described in section 4.13.2 of the Securities Note and (ii) on any Issue Date after the Fund Incorporation Date shall be subject to the satisfaction of the Further Note Series Issuance Conditions Precedent as described in section 4.13.3 of the Securities Note.

Subscription or holding of Notes of one Notes Series does not imply subscription or holding Notes of other Notes Series. In any case, investors who purchase Notes of a given Notes Series will not have a right to object to the issue of Notes of additional Notes Series, and therefore the consent of the Noteholders of the Notes already issued will not be required.

5.1.3. Funding Strategy of the Fund

The funding strategy of the Fund is to issue the Note Series, the net proceeds of such Notes, together with the drawings under the Seller Interest Credit Facility, the Deferred Purchase Price and allocation of principal collections of Purchased Receivables, will be applied to (i) purchase from the Seller during the Programme Revolving Period, the Programme Amortisation Period and, if any, the Programme Accelerated Amortisation Period, portfolios of Eligible Receivables (as described in section 3.3 of the Additional Building Block) and/or (ii) to redeem existing Note Series and/or (iii) to repay the Seller Interest Credit Facility and/or the Aggregate Deferred Purchase Price.

5.1.4. Hedging Strategy of the Fund

If the Notes of any Note Series are Floating Rate Notes and unless such Floating Rate Notes have a Maximum Interest Rate, the Fund will enter into one or several Hedging Agreements with one or several Eligible Hedging Counterparty(ies) in order to hedge its exposure with respect to any Floating Rate Notes of any Note Series against the fixed interest rate of the Purchased Receivables. Additional details on the hedging strategy of the Fund are included in section 3.4.8 of the Additional Building Block.

5.1.5. Cross-collateralisation

Each Note Series will be collateralised by the whole portfolio of outstanding Purchased Receivables (the **Securitised Portfolio**) which have been purchased by the Fund on each Purchase Date pursuant to the terms of the Master Receivables Sale and Purchase Agreement.

Each Note of each Note Series will have recourse and receive payments from the Purchased Receivables as a whole (subject to the then applicable Priority of Payments) irrespective of their respective Issue Dates, Scheduled Amortisation Starting Dates and Notes Final Legal Maturity Dates of the relevant Note Series.

No compartment will be created in the Fund to back any specific Note Series.

5.2. General description of the parties to the securitisation programme

- INTERMONEY TITULIZACIÓN, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A. is the Management Company (*sociedad gestora*) that will incorporate, manage and legally represent the Fund. The Management Company has also participated in the design of the financial terms of the Fund and the Notes. In addition, pursuant to article 26.1 b) of Law 5/2015, the Management Company shall act as master servicer of the Purchased Receivables (in such condition, the **Master Servicer**) in accordance with section 3.7.2 of the Additional Building Block.

INTERMONEY is a Spanish public limited company (*sociedad anónima*), duly authorized to manage securitisation funds, with registered address at Calle Príncipe de Vergara 131, planta 3ª, 28002, Madrid (Spain) and with Spanish Tax Identification Number (*NIF*) A-83774885.

It is registered in the Commercial Registry of Madrid under *tomo* 19.277, *libro* 0, *folio* 127, *sección* 8, *hoja* M-337707, *inscripción* 1ª. It is also registered under number 10 with the Special Register of Securitisation Fund Management Companies (*Registro Especial de Sociedades Gestoras de Fondos de Titulización*) kept by the CNMV.

A brief description of the Management Company is included in section 6 of the Registration Document and in 3.7.1 of the Additional Building Block.

The Management Company holds no credit ratings from any rating agency.

- SERVICIOS FINANCIEROS CARREFOUR, E.F.C., S.A. (**SFC**) intervenes as Seller of the Receivables to be grouped as assets of the Fund. SFC also acts as Servicer, Expenses Subordinated Facility Provider, Commingling Reserve Subordinated Facility Provider, General Reserve Subordinated Facility Provider and Seller Interest Facility Provider.

SFC is a credit financial establishment-hybrid payment entity (*establecimiento financiero de crédito-entidad de pago híbrida*) incorporated as a Spanish public limited company (*sociedad anónima*), with registered address at Juan Esplandiu, 13, 10ª planta, 28007 Madrid (Spain), with Spanish Tax Identification Number (*NIF*) A-79456232 and registered with the Commercial Registry of Madrid under *tomo* 275, *folio* 165, *hoja* M-5555, *inscripción* 1ª. SFC is subject to supervision of the Bank of Spain and registered with the special Registry for Credit Financial Entities (*Registro*

de Entidades Financieras de Crédito) under number 8.795. SFC holds no credit ratings from any rating agency.

- BANCO SANTANDER, S.A. (**Banco Santander**, the **Issuer Accounts Bank** or the **Paying Agent**) intervenes as Issuer Accounts Bank and Paying Agent. Banco Santander also intervenes as Arranger, Global Coordinator, Joint Lead Manager and Billing and Delivery Agent (the **Billing and Delivery Agent**) in connection with the first Note Series issued by the Fund.

Banco Santander, in its condition as (i) Arranger has structured and arranged the Programme on behalf of the Seller, (ii) Global Coordinator has designed and structured the Note Series 2017-01, (iii) Joint Lead Manager is responsible for the placement of the Note Series 2017-01 with investors and (iv) Billing and Delivery Agent is responsible for the delivery of the Note Series 2017-01 to the relevant Notes Purchasers.

Banco Santander is a Spanish credit entity with registered address at Paseo de Pereda 9-12, 39004 Santander (Spain), and whose operating headquarters are in Ciudad Grupo Santander, Avenida de Cantabria sin número, 28660 Boadilla del Monte, Madrid (Spain), with Spanish Tax Identification Number (*NIF*) A-39000013 and CNAE 651.

The ratings of the unsubordinated and unsecured short-and long-term debt of the Issuer Accounts Bank which is assigned by DBRS Ratings Limited (**DBRS**), Fitch Ratings España, S.A.U. (**Fitch**), Moody's Investors Service España, S.A. (**Moody's**) and Standard & Poor's Credit Market Services Europe Limited (**S&P**) are as follows:

Rating Agency	Latest Review Date	Long Term	Short Term	Outlook
DBRS	November 2016	A	R-1 (Low)	Stable
Fitch	July 2016	A-	F2	Stable
Moody's	August 2016	A3	P-2	Stable
Standard & Poor's	February 2017	A-	A-2	Positive

- NATIXIS (**Natixis**) intervenes as Arranger, Global Coordinator and Joint Lead Manager in connection with the first Note Series issued by the Fund.

Natixis, in its condition as (i) Arranger has structured and arranged the Programme on behalf of the Seller (ii) Global Coordinator has designed and structured the Note

Series 2017-01 and (iii) Joint Lead Manager is responsible for the placement of the Note Series 2017-01 with investors.

Natixis is a *société anonyme* incorporated under the laws of France, whose registered office is at 30 avenue Pierre Mendès-France, 75013 Paris, France, registered with the Trade and Companies Register of Paris under number 542 044 524, licensed in France as a credit institution (*établissement de crédit*) by the *Autorité de Contrôle Prudentiel et de Résolution*.

The ratings of the unsubordinated and unsecured short-and long-term debt of Natixis which is assigned by Fitch Ratings, Moody's Investors Service and S&P are as follows:

Rating Agency	Latest Review Date	Long Term	Short Term	Outlook
Fitch	December 14, 2016	A	F1	Stable
Moody's	October 31, 2016	A2	P-1	Stable
Standard & Poor's	September 23, 2016	A	A-1	Stable

- DBRS Ratings Limited intervenes as Rating Agency.

DBRS is a credit rating agency with a registered address at 20 Fenchurch Street 31st Floor, London, EC3M 3BY, United Kingdom.

DBRS was registered and authorised by the ESMA on 16 September 2009 as a credit rating agency in the European Union pursuant to the terms of European Community Regulation no.1060/2009 of the European Parliament and of the Council of 16 September 2009, regarding Credit Ratings Agencies.

- Fitch Ratings España, S.A.U. intervenes as Rating Agency.

Fitch is a credit rating agency with a registered address at Avenida Diagonal, 601, Planta 2, 08028 Barcelona, Spain.

Fitch was registered and authorised by the ESMA on 16 September 2009 as a credit rating agency in the European Union pursuant to the terms of European Community Regulation no.1060/2009 of the European Parliament and of the Council of 16 September 2009, regarding Credit Ratings Agencies.

- Moody's Investors Service España, S.A. intervenes as Rating Agency.

Moody's is a credit rating agency with a registered address at Calle Príncipe de Vergara, 131, Planta 6, 28002 Madrid, Spain.

Moody's was registered and authorised by the ESMA on 16 September 2009 as a credit rating agency in the European Union pursuant to the terms of European Community Regulation no.1060/2009 of the European Parliament and of the Council of 16 September 2009, regarding Credit Ratings Agencies.

- Standard & Poor's Credit Market Services Europe Limited intervenes as Rating Agency.

S&P is a credit rating agency with a registered address at 20 Canada Square, London E14 5LH, United Kingdom.

S&P was registered and authorised by the ESMA on 16 September 2009 as a credit rating agency in the European Union pursuant to the terms of European Community Regulation no.1060/2009 of the European Parliament and of the Council of 16 September 2009, regarding Credit Ratings Agencies.

- CLIFFORD CHANCE, S.L.P. (**Clifford Chance**) intervenes as legal counsel to the Seller and has reviewed the tax rules applicable to the Fund as set out in section 4.5.4 of the Registration Document.

Clifford Chance is a Spanish limited liability company that provides legal advice with registered office at Paseo de la Castellana, 110, Madrid (Spain), with Spanish Tax Identification Number (*NIF*) B-80603319 and registered with the Commercial Registry of Madrid volume 19,751, book 0, section 8, sheet M-347,629, page 99.

- ALLEN & OVERY (**Allen & Overy**) intervenes as legal counsel to the Arrangers and the Joint Lead Managers and has drafted the Base Prospectus and reviewed the structure of the transaction for the benefit of the Arrangers and the Joint Lead Managers and it has reviewed the tax rules applicable to the Fund as set out in section 4.5.4 of the Registration Document.

Allen & Overy has its registered office in Madrid at Calle Pedro de Valdivia, 10, with Spanish Tax Identification Number (*NIF*) N-0067503-C.

- MAZARS intervenes as Auditor for the verification of a series of attributes of a selection of receivables to be owned by the Seller and from which the Receivables will be extracted. Mazars is also acting as Auditor of the Fund.

Mazars is an audit firm with registered office in Barcelona, at Calle Diputació, 260, holder of Spanish Tax Identification Number (*NIF*) B-61622262, and registered with the Official Registry of Certified Public Accountants (*Registro Oficial de Auditores de Cuentas; R.O.A.C.*) under number S1189.

- The global coordinators, lead managers, bookrunners, underwriters or billing and delivery agent of each Notes Series and their corporate details shall be specified in the applicable Issuing Document prepared in relation to such Notes Series.
- The Hedging Counterparty(ies) under the corresponding Hedging Agreements entered into by the Fund in respect of any Note Series and their corporate details shall be specified in the applicable Issuing Document prepared in relation to such Notes Series.

The Management Company is not aware of any direct or indirect ownership or control relationship existing between the legal persons that are involved in the securitisation transaction.

5.3. No guarantees by the issuer securing notes issued by third parties or any third party liabilities

In accordance with article 18.5 of Law 5/2015, the Fund shall not grant any guarantees (whether personal or not) securing the notes issued by third parties nor in respect of any third parties liabilities.

6. ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

6.1. Management, administration and representation of the issuer

As provided by Law 5/2015, the Fund will be legally represented and managed by its Management Company, INTERMONEY TITULIZACIÓN, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A.

The registered name of the Management Company is Intermoney Titulización, Sociedad Gestora de Fondos de Titulización, S.A. with Spanish Tax Identification Number (NIF) A-83774885.

The Management Company is a Spanish public limited company (*sociedad anónima*), incorporated on 16 October 2003 by means of the public deed granted before the notary of Madrid Mr Antonio Huerta Trólez, under number 2572 of his public records, with the prior authorization of the Ministry of Economy and Finance (*Ministerio de Economía y Hacienda*) granted on 6 October 2003 and, with registered address at Calle Príncipe de Vergara 131, planta 3^a, 28002, Madrid (Spain), and registered with the Commercial Registry of Madrid under *tomo* 19.277, *libro* 0, *folio* 127, *sección* 8, *hoja* M-337707, *inscripción* 1^a, and also registered under number 10 with the Special Register of Securitisation Fund Management Companies (*Registro Especial de Sociedades Gestoras de Fondos de Titulización*) kept by the CNMV.

The Management Company has been incorporated for an indefinite period of time, unless any of the events stipulated by law or its by-laws for its winding-up occurs.

6.2. Audit of the financial statements of the Management Company

The Management Company has audited financial statements for 2013, 2014 and 2015, which have been filed with the CNMV and the Commercial Registry. The audit reports on the annual financial statements for 2013, 2014 and 2015 contained no qualifications. The financial statements of the Management Company are audited by PricewaterhouseCoopers Auditores, S.L., registered in the ROAC Register (*Registro Oficial de Auditores de Cuentas*) with number S0242, with registered office at Torre PwC, Paseo de la Castellana 259 B, Madrid, and with Spanish Tax Identification Number (*NIF*) B-79031290 and registered with the Commercial Registry at *folio 75, tomo 9.267, libro 8.054, sección 3ª, hoja 87250-1*.

6.3. Principal activities

The corporate purpose of the Management Company according to article 2 of its Bylaws is the incorporation, management and legal representation of (i) securitisation funds (*fondos de titulización*); (ii) assets securitisation funds (*fondos de titulización de activos*); (iii) mortgage securitisation funds (*fondos de titulización hipotecaria*) and (iv) bank assets funds (*fondos de activos bancarios*).

Furthermore, and in accordance with article 26 of Law 5/2015, it will be responsible for the representation and defence of the interests of the holders of the securities issued by the funds it manages and of all the other ordinary creditors of such funds.

The Management Company will be responsible for the administration and legal representation of the Fund, in accordance with the provisions of Law 5/2015 and the rest of the applicable legal regulations, as well as, the provisions of the Deed of Incorporation.

The Management Company will perform for the Fund those duties attributed to it in Law 5/2015. The Management Company is also responsible for acting with utmost diligence and transparency in defence of the best interest of the holders of the notes issued by the Fund and the funders of the Fund. Consequently, the Management Company must subordinate its actions to safeguarding the interests of such persons, abiding by the applicable provisions in this regard prevailing from time to time. The holders of the Notes issued by the Fund and remaining creditors of the Fund will have no recourse against the Management Company, other than for non-performance of its duties or non-compliance with the provisions of the Deed of Incorporation, this Base Prospectus, any Prospectus Supplement and the applicable laws and regulations.

On 28 February 2017, the Management Company had a total of 95 funds under management, the details of which are given in section 6.9 of this Registration Document.

6.4. Existence or non-existence of holdings in other companies by the Management Company

The Management Company does not hold equity interests in any company.

6.5. Entities from which the Management Company has borrowed more than 10%

The Management Company has not been granted any financing from any person or entity.

6.6. Litigation of the Management Company

At the date of registration of this Base Prospectus, the Management Company is not involved in any situation of insolvency and there is no significant litigation or dispute that may affect its financial-economic situation or hereafter affect its ability to carry out the duties of management and administration of the Fund, as established in this Base Prospectus.

6.7. Administration, management and supervisory bodies of the Management Company

The Management Company is an entity registered with and supervised by CNMV. The governance and management of the Management Company are entrusted by the Bylaws to the shareholders acting at a General Shareholders' Meeting and to the Board of Directors. Their powers of such bodies are those corresponding thereto under the provisions of the Royal Decree Law 1/2010, of 2 July, approving the consolidated text of the Capital Companies Law (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) (the **Capital Companies Law**) and Law 5/2015, as regards the corporate purpose.

The members of the Board of Directors of the Management Company, as at the date of registration of the Base Prospectus, are as follows:

Members of the Board of Directors	
José Antonio Trujillo del Valle	Chairman and CEO
Rafael Bunzl Csonka	Director
Beatriz Senís Gilmartín	Director
Iñigo Trincado Boville	Director
Javier de la Parte Rodríguez	Director

Ms Miriam Blanco Caso is the Secretary (non-Director) of the Board of Directors.

All the directors have their professional address in Madrid, at calle Príncipe de Vergara 131, planta 3^a.

6.8. Principal activities performed by the individuals referred to in section 6.7 por encima de, performed outside the Management Company where these are significant with respect to the issuer

To this effect, the following individuals carry out the following positions outside the Management Company:

NAME	Positions in other companies
Iñigo Trincado Boville	Chief Executive Officer of <i>Corretaje e Información Monetaria y de Divisas, S.A.</i>
Rafael Bunzl Csonka	Managing Director of <i>Corretaje e Información Monetaria y de Divisas, S.A.</i>
Javier de la Parte Rodríguez	<p>Board Member and CEO of <i>Intermoney Valores, S.V., S.A.</i></p> <p>Chairman of the Board of Directors of <i>Wind to Market, S.A.</i></p> <p>Board Member at <i>Intermoney Energía, S.A.</i></p> <p>Board Member at <i>Intermoney Valora Consulting, S.A.</i></p>
Beatriz Senís Gilmartín	Head of Control Department at <i>Corretaje e Información Monetaria y de Divisas, S.A.</i>

The Management Company is subject to supervision by the CNMV, pursuant to the provisions of the Law 5/2015.

6.9. Funds Managed

On 28 February 2017, the Management Company had the following 95 securitisation funds under management:

FONDO DE TITULIZACIÓN	Fund Incorporation Date	Initial Issuance	Outstanding Issuance
		(euros)	as of 28/02/2017 (euros)
Hipotecaria (FTH)		2.000.000.000,00	396.237.821,30
IM Pastor 3, FTH	09/06/2005	1.000.000.000,00	246.225.331,10
IM Pastor 2, FTH	23/06/2004	1.000.000.000,00	150.012.490,20
Activos (FTA y FT)		102.528.133.206,87	22.110.928.795,77
IM GBP Empresas VII, FT	01/12/2016	2.500.000.000,00	2.500.000.000,00
IM Sabadell PYME 10, FT	29/07/2016	1.750.000.000,00	1.413.497.907,31
IM BCC Cajamar PYME 1, FT	22/07/2016	1.000.000.000,00	858.680.726,50
IM Marlan 1, FT	13/04/2016	47.900.000,00	215.400.000,00
IM BCC Cajamar 1, FT	14/01/2016	750.000.000,00	702.911.848,50
IM GBP MBS 3, FT	04/12/2015	900.000.000,00	857.719.663,20
IM FORTIA 1, FT	24/07/2015	400.000.000,00	110.000.000,00
IM EVO RMBS 1, FT	17/07/2015	500.000.000,00	445.904.848,89
IM Lico División, FTA	29/05/2015	58.800.000,00	27.666.268,45
IM GBP Empresas VI, FTA	25/03/2015	3.000.000.000,00	933.960.648,00
IM GEDESCO TRADE FINANCE, FTA	04/02/2015	50.000.000,00	50.000.000,00
IM AURIGA PYMES EUR 1, FTA	26/09/2014	2.000.000,00	68.000.000,00
ALPHA 3-IM, FTA	10/01/2014	7.155.754,37	4.055.998,29
ALPHA 2-IM, FTA	10/01/2014	40.122.044,75	0,00
ALPHA 1-IM, FTA	10/01/2014	76.742.810,52	0,00
FAB 2013 TEIDE, FAB	20/12/2013	86.000.000,00	86.000.000,00
IM Cajamar Empresas 6, FTA	19/12/2013	95.400.000,00	0,00
FAB 2013 BULL, FAB	13/12/2013	50.363.516,00	50.363.516,00
IM BCG RMBS 2, FTA	22/11/2013	1.183.000.000,00	1.068.375.579,70
IM Cajamar Empresas 5, FTA	27/03/2013	675.000.000,00	226.001.012,00
IM Grupo Banco Popular Empresas V, FTA	27/02/2013	2.650.000.000,00	0,00
Tiber Spain, FTA	16/02/2013	428.114.081,23	602.378,20
IM CFS RMBS 1, FTA	14/12/2012	283.500.000,00	0,00
IM Giti Tarjetas 1, FTA	23/11/2012	1.000.000.000,00	1.000.000.000,00
IM Cajamar Empresas 4, FTA	21/02/2012	1.144.500.000,00	272.452.224,45
IM BES Empresas 1, FTA	16/11/2011	485.000.000,00	0,00
IM Banco Popular FTPYME 3, FTA	28/10/2011	1.300.000.000,00	0,00
IM FTPYME Sabadell 9, FTA	27/10/2011	1.500.000.000,00	0,00
IM UNNIM RMBS 1, FTA	29/07/2011	820.000.000,00	0,00
IM Grupo Banco Popular Leasing 2, FTA	17/06/2011	1.500.000.000,00	0,00
IM Caja Laboral Empresas 1, FTA	18/05/2011	294.500.000,00	285.662.562,62
Cédulas Grupo Banco Popular 5, FTA	27/04/2011	2.350.000.000,00	0,00
IM Grupo Banco Popular Empresas 4, FTA	31/03/2011	2.500.000.000,00	0,00
IM Cédulas 15, FTA	17/12/2010	1.600.000.000,00	0,00
IM Cajastur MBS 1, FTA	22/11/2010	615.000.000,00	378.329.107,20
IM Cédulas 14, FTA	24/03/2010	1.200.000.000,00	0,00
IM Banco Popular MBS 2, FTA	10/03/2010	685.000.000,00	416.672.158,00
IM BCG RMBS 1, FTA	30/10/2009	400.000.000,00	0,00
IM Sabadell Empresas 5, FTA	17/07/2009	900.000.000,00	0,00
IM Grupo Banco Popular Empresas 3, FTA	30/06/2009	2.250.000.000,00	0,00
IM Bankoa MBS 1, FTA	25/06/2009	530.000.000,00	0,00
IM Empresas Pastor 7, FTA	24/04/2009	520.000.000,00	0,00
IM Cajamar Empresas 3, FTA	28/01/2009	870.000.000,00	0,00
IM Sabadell Empresas 3, FTA	19/12/2008	1.740.000.000,00	0,00
IM Sabadell RMBS 3, FTA	05/12/2008	1.440.000.000,00	591.330.729,60
IM FTGENCAT Sabadell 4, FTA	14/11/2008	500.000.000,00	0,00
IM Banco Popular MBS 1, FTA	12/11/2008	6.000.000.000,00	0,00
IM Cajamar Empresas 2 FTPYME, FTA	08/10/2008	400.000.000,00	0,00
IM Banco Popular FTPYME 2, FTA	26/09/2008	1.000.000.000,00	0,00
IM FTPYME Sabadell 7, FTA	22/09/2008	1.000.000.000,00	0,00
Cédulas Grupo Banco Popular 4, FTA	20/06/2008	1.000.000.000,00	0,00
IM Sabadell RMBS 2, FTA	18/06/2008	1.400.000.000,00	510.615.031,50
IM Grupo Banco Popular Financiaciones 1, FTA	03/06/2008	1.100.000.000,00	0,00
IM Caja Laboral 2, FTA	23/05/2008	600.000.000,00	375.038.745,24
IM Caixa Girona Empresas 1, FTA	23/04/2008	350.000.000,00	0,00
IM Terrassa RMBS 1, FTA	22/04/2008	500.000.000,00	0,00
IM Grupo Banco Popular Leasing 1, FTA	15/02/2008	1.680.000.000,00	0,00
IM Cajamar 6, FTA	06/02/2008	2.000.000.000,00	954.606.834,49
IM Grupo Banco Popular Empresas 2, FTA	29/11/2007	2.500.000.000,00	0,00
IM FTGENCAT Sabadell 3, FTA	28/11/2007	350.000.000,00	0,00
IM Cédulas 12, FTA	16/11/2007	1.050.000.000,00	0,00
IM Cajamar Empresas 1, FTA	14/11/2007	1.080.000.000,00	0,00
IM Sabadell Empresas 1, FTA	24/10/2007	1.000.000.000,00	0,00
IM Goya Hipotecario 1, FTA	17/10/2007	1.900.000.000,00	0,00
IM Cajamar 5, FTA	12/09/2007	1.015.000.000,00	424.643.563,30
IM Préstamos Fondos Cédulas, FTA	25/07/2007	351.900.000,00	33.483.389,64
IM Grupo Banco Popular FTPYME II, FTA	02/07/2007	2.039.000.000,00	0,00
White Tower Europe 2007-1, FTA	22/05/2007	107.835.000,00	0,00
Cédulas Grupo Banco Popular 3, FTA	23/04/2007	2.000.000.000,00	2.000.000.000,00
IM Cédulas 10, FTA	16/02/2007	1.300.000.000,00	1.300.000.000,00
IM Caja Laboral 1, FTA	04/12/2006	910.800.000,00	285.662.562,62
IM Grupo Banco Popular FTPYME I, FTA	29/11/2006	2.030.000.000,00	0,00
IM Grupo Banco Popular Empresas 1, FTA	18/09/2006	1.832.400.000,00	0,00
IM Cajamar 4, FTA	13/09/2006	1.012.000.000,00	380.615.318,10
IM Terrassa MBS 1, FTA	19/06/2006	525.000.000,00	51.491.134,30
IM FTGENCAT Sabadell 2, FTA	29/06/2006	500.000.000,00	0,00
IM Cédulas 9, FTA	06/06/2006	1.275.000.000,00	0,00
IM Pastor 4, FTA	05/06/2006	920.000.000,00	294.091.236,20
Cédulas Grupo Banco Popular 2, FTA	07/04/2006	3.000.000.000,00	0,00
IM Cédulas 7, FTA	28/03/2006	1.250.000.000,00	1.250.000.000,00
IM Cajamar 3, FTA	08/03/2006	1.215.600.000,00	363.814.257,00
INTERMONEY MASTER CÉDULAS, FTA / IM Cédulas M1	29/11/2005	1.655.000.000,00	0,00
IM Terrassa 1 FTGENCAT, FTA	28/11/2005	320.000.000,00	0,00
IM Ceres 2 Cajamar, FTA	25/11/2005	400.000.000,00	0,00
IM Cédulas 5, FTA	10/06/2005	1.250.000.000,00	1.250.000.000,00
IM Cédulas 4, FTA	08/03/2005	2.075.000.000,00	0,00
IM Banco Popular FTPYME 1, FTA	22/12/2004	2.000.000.000,00	0,00
IM FTPYME Sabadell 3, FTA	18/11/2004	600.000.000,00	0,00
IM Cédulas 3, FTA	16/11/2004	1.060.000.000,00	0,00
IM Cajamar 1, FTA	23/07/2004	370.000.000,00	73.279.546,47
IM Cédulas 2, FTA	07/06/2004	1.475.000.000,00	0,00
IM Ceres 1 Cajamar, FTA	04/06/2004	450.500.000,00	0,00
IM Cédulas 1 Grupo Banco Popular, FTA	05/02/2004	2.000.000.000,00	0,00
TOTAL		104.528.133.206,87	22.507.166.617,07

6.10. Share Capital and Equity

The share capital of the Management Company at the time of registering this Base Prospectus is EUR 1,705,000, fully subscribed and paid up.

All the shares issued by the Management Company until the date of registration of this Base Prospectus (100,000 shares with a nominal value of EUR 17.05 each one) are ordinary shares and offer identical voting, financial and non-financial rights. All the shares are nominative, of the same class and series.

The share capital of the Management Company, as at 31 December 2013, 31 December 2014, 31 December 2015 extracted from its audited financial statements and as at 31 December 2016 extracted from its unaudited financial statements is the following:

EQUITY (thousands of Euros)	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Share Capital	1,705	1,000	1,000	1,000
Other Own Funds Items	1,666	0	0	0
Legal Reserve	200	200	200	200
Voluntary Reserve	1,443	1,274	1,176	1,112
Reserves adapted to NPGC (New General Plan for Accounting, in the Spanish original)	0	0	0	0
Undistributed Results	81	169,39	98	364
TOTAL	5,095	2,643	2,474	2,676

6.11. Principal transactions with related parties and conflicts of interest

There are no dealings with related parties or conflicts of interest.

7. MAIN SHAREHOLDERS OF THE MANAGEMENT COMPANY

The Management Company forms part of the group of companies Corretaje e Información Monetaria y de Divisas, S.A.

The capital distribution of the Management Company is as follows:

	Percentage	No. shares
Corretaje e Información Monetaria y de Divisas, S.A.	70%	70,000
Directors and Employees of the Company	30%	30,000

The total amount of shares held by the members of the Board represents 15% of the capital of the Management Company.

In order to comply with the rules of conduct of the securities market and in order to contribute to the transparency and efficient operation of the markets, Corretaje e Información Monetaria

y de Divisas, S.A., has developed an Internal Code of Conduct that affects all the companies within its group (including the Management Company, thus complying with the requirement set out in article 29.1(j) of Law 5/2015). This Internal Code of Conduct was filed with the CNMV on February 2nd 2006 and updated in May 2010.

8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL SITUATION, AND PROFITS AND LOSSES.

8.1. Declaration on commencement of operations and financial statements of the issuer prior to the date of the Registration Document

The Management Company declares that on the date of verification of this Registration Document, the Fund was not yet incorporated and, therefore, had not commenced operations, nor had any financial statements been made regarding such operations.

8.2. Historical financial information

Not applicable.

8.2 bis Historical financial information on security issues with an individual denomination of EUR 100,000 or more

Not applicable.

8.3. Legal and arbitration proceedings

Not applicable.

8.4. Material adverse change in the Fund's financial situation

Not applicable.

9. THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

9.1. Statements or reports attributed to a person as an expert

No such statements or report is included.

9.2. Information from third parties

No information from third parties is included.

10. DOCUMENTS ON DISPLAY

The following documents (or their copies) can be reviewed and consulted, during the period of validity of this Registration Document:

- (a) The current by-laws, the deed of incorporation, the annual financial statements and the audit report of the Management Company.
- (b) The Deed of Incorporation
- (c) This Base Prospectus.
- (d) Any Prospectus Supplement.
- (e) Any Issuing Document, in respect of each Notes Series.
- (f) Certificates of the corporate resolutions of the Seller and the Management Company in connection with this transaction.
- (g) The initial and periodic Auditor's reports on the attributes of the Audited Portfolio from which the Receivables pooled in the Fund will be drawn.
- (h) Annual and quarterly information required under article 35 of Law 5/2015.
- (i) Preliminary rating letters and definitive/final rating letters granted to each of the Notes of each Notes Series by the Relevant Rating Agencies.
- (j) A copy of each Programme Document (other than the Notes Subscription Agreements).

These documents will be available at the registered office of the Management Company, at Calle Príncipe de Vergara, 131, planta 3ª, 28002, Madrid (Spain).

A copy of the documents mentioned under paragraphs (b), (c), (d), (e) (in this case, exclusively the relevant Final Terms, or the Terms and Conditions or Deeds of Issue with respect to Notes issued in book-entry form), (f), (g) and (h) will be available at the CNMV.

This Base Prospectus, any Prospectus Supplement and any Final Terms of each Notes Series will be available on the website of the CNMV (www.cnmv.es). Additionally, where the relevant Notes Series are listed in AIAF, MARF or any other regulated or unregulated market, this Base Prospectus, any Prospectus Supplement and any Final Terms or Terms and Conditions will be available in the websites of the relevant market provided that it exists.

Additionally, the annual and quarterly information required under article 35 of Law 5/2015 will be available on the website of the CNMV (www.cnmv.es).

The Deed of Incorporation and the Issuing Document of each listed Notes Series represented in book-entries will be available to the public for physical examination at IBERCLEAR.

In addition, this Base Prospectus, any Prospectus Supplement and any Issuing Document in respect to each Notes Series, the Deed of Incorporation and any other public deeds granted subsequently and the annual and quarterly reports referred in article 34 of Law 5/2015 may be consulted on the website of the Management Company (www.imtitulizacion.com).

SECURITIES NOTE

(ANNEX XIII TO REGULATION 809/2004)

1. PERSONS RESPONSIBLE

1.1. Persons responsible for the information contained in the Securities Note

Mr José Antonio Trujillo del Valle, in the name and on behalf of INTERMONEY TITULIZACIÓN, S.G.F.T., S.A., Management Company of COLUMBUS MASTER CREDIT CARDS, FONDO DE TITULIZACIÓN, assumes the responsibility for the content of this Securities Note, including its Additional Building Block.

Mr José Antonio Trujillo del Valle acts in his capacity of Chairman of the Board of Directors of the Management Company and exercises the powers that were expressly conferred to him for the incorporation of the Fund by the Board of Directors of the Management Company at its meeting held on the 24th of January 2017.

1.2. Declarations by the persons responsible for the information contained in the Securities Note

Mr José Antonio Trujillo del Valle, on behalf of the Management Company, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note and its Additional Building Block is, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its import.

2. RISK FACTORS

The risk factors with respects to the Notes are detailed under section 2 of the Risk Factors section, and the risk factors associated with the assets backing the Notes are detailed under section 2 (RISKS DERIVED FROM THE NOTES) of the RISK FACTORS section.

3. KEY INFORMATION

3.1. Interest of natural and legal persons involved in the issue

The persons taking part in the Programme are as listed below:

- INTERMONEY TITULIZACIÓN, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A. is the Management Company (*sociedad gestora*) that will incorporate, manage and legally represent the Fund. The Management Company has also participated in the design of the financial terms of the Fund and the Notes. In addition, pursuant to article 26.1 b) of Law 5/2015, the Management Company shall act as Master Servicer of the Purchased Receivables in accordance with section 3.7.2 of the Additional Building Block.

- SERVICIOS FINANCIEROS CARREFOUR, E.F.C., S.A. intervenes as Seller of the Receivables to be grouped as assets of the Fund. SERVICIOS FINANCIEROS CARREFOUR, E.F.C., S.A. also acts as Servicer, Expenses Subordinated Facility Provider, Commingling Reserve Subordinated Facility Provider, General Reserve Subordinated Facility Provider and Seller Interest Credit Facility Provider.
- BANCO SANTANDER, S.A. intervenes as Paying Agent and Issuer Accounts Bank. BANCO SANTANDER, S.A. is also one of the Arrangers as per article 35.1 of the Royal Decree 1310/2005, Global Coordinator, Joint Lead Manager and Billing and Delivery Agent in connection with the first Note Series issued by the Fund.

BANCO SANTANDER S.A., in its condition as (i) Arranger has structured and arranged the Programme on behalf of the Seller, (ii) Global Coordinator has designed and structured the Note Series 2017-01, (iii) Joint Lead Manager is responsible for the placement of the Note Series 2017-01 with investors and (iv) as Billing and Delivery Agent is responsible for the delivery of the Note Series 2017-01 to the relevant Notes Purchasers.

- NATIXIS is one of the Arrangers as per article 35.1 of the Royal Decree 1310/2005, Global Coordinator and Joint Lead Manager in connection with the first Note Series issued by the Fund.

Natixis, in its condition as (i) Arranger has structured and arranged the Programme on behalf of the Seller (ii) Global Coordinator has designed and structured the Note Series 2017-01 and (iii) Joint Lead Manager is responsible for the placement of the Note Series 2017-01 with investors.

- DBRS Ratings Limited intervenes as Rating Agency.
- Fitch Ratings España, S.A.U. intervenes as Rating Agency.
- Moody's Investors Service España, S.A. intervenes as Rating Agency.
- Standard & Poor's Credit Market Services Europe Limited intervenes as Rating Agency.
- CLIFFORD CHANCE, S.L.P. intervenes as legal counsel of the Seller and has reviewed the tax rules applicable to the Fund as set out in section 4.5.4 of the Registration Document.
- ALLEN & OVERY intervenes as legal counsel to the Arrangers and the Joint Lead Managers and has drafted the Base Prospectus and reviewed the structure of the transaction for the benefit of the Arrangers and the Joint Lead Managers and it has reviewed the tax rules applicable to the Fund as set out in section 4.5.4 of the Registration Document.

- MAZARS intervenes as auditor for the verification of a series of attributes of the Audited Portfolio. MAZARS is also acting as auditor of the Fund.
- The global coordinators, lead managers, bookrunners, underwriters or billing and delivery agent of each Notes Series and their corporate details shall be specified in the applicable Issuing Document prepared in relation to such Notes Series.
- The Hedging Counterparty(ies) under the corresponding Hedging Agreements entered into by the Fund in respect of any Note Series and their corporate details shall be specified in the applicable Issuing Document prepared in relation to such Notes Series.

3.2. Description of any interest, including conflicting interests, that is important for the issue, detailing persons involved and the nature of their interests

The Management Company is not aware of any relationship or economic interests between the experts who have taken part in designing or advising on the incorporation of the Fund, as well as other intervening parties, including the Management Company and the Seller.

4. INFORMATION CONCERNING THE NOTES TO BE OFFERED AND ADMITTED TO TRADING

4.1. Total amount of the securities admitted to trading

The Programme will be used to arrange successive issues of Notes, arranged in Notes Series, each with a face value of EUR one hundred thousand (€100,000), distributed in two (2) or three (3) classes of Notes as described in section 4.2.1 of this Securities Note.

The maximum aggregate outstanding balance of all Note Series from time to time outstanding under the Programme will not exceed the Maximum Outstanding Balance of the Programme.

Any increase of the Maximum Outstanding Balance of the Programme will need to be made in accordance the provisions set out in section 5.1.1 of the Registration Document.

The final maturity dates of each Notes Series (the **Notes Final Legal Maturity Date**) will be stated in the corresponding Issuing Document.

Calculated from their Disbursement Date, the maximum maturity of the Notes will under no circumstances exceed the Fund Legal Maturity Date.

In respect of each Notes Series, an original of each Issuing Document (other than the Deed of Issue with respect to unlisted Notes) will be filed with the CNMV.

A form of Final Terms is attached hereto as Schedule 2 to this Base Prospectus. The Management Company shall ensure that any Issuing Document includes the information set out in the form of Final Terms attached as Schedule 2 to this Base Prospectus

The issues of the Notes Series arranged under the Programme will be subject to the provisions of this Base Prospectus (and, if applicable, any Prospectus Supplements thereto) and the specific terms of that Notes Series stipulated in the Issuing Document of that Notes Series, as well as in the Deed of Incorporation.

The Programme will be in force for an initial period of twelve (12) months from the date of registration of this Base Prospectus (subject to the publication of the relevant Prospectus Supplements to this Base Prospectus) and will be renewed each year during the life of the Fund.

4.2. Description of the type and class of the Notes

4.2.1. Type and class of the Notes

The Notes are asset-backed notes that represent a debt of the Fund, accrue interest and are redeemable on each Payment Date during their applicable Note Series Amortisation Period. The Notes legally qualify as marketable fixed income securities with an explicit yield and are subject to the provisions of the Legislative Royal Decree 4/2015, dated 23 October, approving the consolidated text of the Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the **Legislative Royal Decree 4/2015**) and its development regulations and are issued pursuant to Law 5/2015.

Notes issued by the Fund under the Programme are issued in Notes Series. A Note Series shall be comprised by the following classes of Notes (each a **Class**):

- (a) Class A notes (the **Class A Notes**); and
- (b) Class C notes (the **Class C Notes**).

Additionally, a Note Series may also include Class B notes (the **Class B Notes**).

Upon issue, no Note Series shall be composed by a single Class of Notes or a combination of (i) Class B Notes and Class C Notes or (ii) Class A Notes and Class B Notes, exclusively.

All Notes of a particular Class of Notes of a Notes Series shall have the same interest rate, Scheduled Amortisation Starting Date and Notes Final Legal Maturity Date. Interest calculation may differ between Classes of Notes.

However, a Class of Notes of a specific Note Series will not necessarily be subject to identical terms in all respects as those of the same Class of Notes of a different Note Series.

Please see section 7.5 of the Securities Note with respect to the ratings of the Notes of each Notes Series.

4.2.2. Currency

The Notes of any Note Series will be always denominated in EUR.

4.2.3. Interest (fixed/floating)

Each Class of Notes of any Note Series may bear a fixed interest rate or a floating interest (as specified in the relevant Issuing Document).

In the case of each Class of Notes of any Note Series bearing a floating interest rate as specified in the relevant Issuing Document for that particular Note Series, and unless such floating rate notes have a Maximum Interest Rate (as defined in section 4.8.3 below), a separate hedging transaction will be entered into by the Fund to convert the fixed amounts received by the Fund as applicable floating amounts for payments in respect of that Note Series.

4.2.4. Issue of Note Series

So long as:

- (a) the Initial Note Series Issuance Conditions Precedent set out in section 4.13.2 of the Securities Note have been satisfied, the Fund may issue, upon decision of the Seller, one or several Note Series on the Fund Incorporation Date; and
- (b) the Further Note Series Issuance Conditions Precedent set out in section 4.13.3 of the Securities Note have been satisfied, the Fund may issue, upon decision of the Seller, additional Note Series on each Issue Date until the end of the Programme Revolving Period. The Fund is not required to permit any prior review by or to obtain the consent of any Noteholder of any outstanding Note Series to issue any additional Note Series.

4.2.5. Issuing Document

Each Note Series will be the subject of the corresponding Issuing Document. The terms and conditions applicable to any particular Note Series shall be described in the corresponding Issuing Document.

4.2.6. Representation and denomination of the Notes

The Notes of any Note Series will be issued in book-entry form or registered titles in the denomination of EUR 100,000 each.

The Notes of each Notes Series may be unlisted or listed on AIAF, MARF or any other regulated or unregulated market. Consequently,

- (a) within a Note Series it is possible that certain Classes of Notes are listed in the above mentioned markets whilst other are not;

- (b) within the same Class of Notes (across different Note Series) it is possible to have Notes which may be unlisted or listed in the above mentioned markets; and
- (c) Notes of a given Class within a Notes Series must be either listed or unlisted (but not both simultaneously).

Where applicable, the Management Company, acting for and on behalf of the Fund, will request the inclusion of the listed Class of Notes of a Notes Series issued under the Programme in IBERCLEAR.

The information about the ISIN (International Securities Identification Number) of each of the Notes of the corresponding Notes Series under this Programme will be set out in the Issuing Document of the corresponding Notes Series (if applicable).

4.2.7. Note Series and Notes

All Class A Notes, all Class B Notes (if any) and all Class C Notes issued on the same Issue Date will constitute a Note Series, which shall be designated by means of:

- (a) a four digit number representing the year on which the Note Series was issued, in the following format: Note Series “20xx”; followed by
- (b) the number of such Note Series in respect of the relevant year, in the following format: “yy”.

Consequently, each Note Series will present in the following format: Note Series 20xx-yy.

All Notes of the same Class and Note Series shall have the exact same characteristics and therefore be fungible amongst themselves.

The Class A Notes, Class B Notes and Class C Notes of any Note Series should present in the following format: Class A20xx-yy Notes, Class B20xx-yy Notes and Class C20xx-yy Notes, respectively.

The Class A20xx-yy Notes, the Class B20xx-yy Notes and Class C20xx-yy Notes of a given Note Series shall have:

- (a) the same Interest Period and the same Payment Date (as defined in section 4.8.2 of this Securities Note).
- (b) the same Scheduled Amortisation Starting Date which shall be specified in the applicable Issuing Document. A Note Series 20xx-yy Call Date may be a Scheduled Amortisation Starting Date, provided that:
 - (i) In accordance with section 4.9.5 of the Securities Note, the election by the Fund, represented by the Management Company and following a Seller's Optional Early Redemption Written Instruction to exercise the (i) optional

redemption of the relevant Note Series on the applicable Note Series 20xx-yy Clean-Up Call Date or (ii) the optional redemption of the relevant Note Series on the Note Series 20xx-yy Call Date specified in the applicable Issuing Document shall constitute an Optional Early Redemption Event.

- (ii) If one or several Note Series 20xx-yy Call Date(s) are specified in the relevant Issuing Document, the Class A20xx-yy Notes, the Class B20xx-yy Notes and Class C20xx-yy Notes in respect of such given Note Series shall have the same Note Series 20xx-yy Call Date(s).
 - (iii) The Management Company, on behalf of the Fund, will (if directed to do so by the Seller), on the Payment Date and on any subsequent Payment Date on which the Note Series 20xx-yy Clean-Up Call Condition is satisfied (the **Note Series 20xx-yy Clean-Up Call Date**), redeem any outstanding Note Series in an amount equal to the applicable Note Series 20xx-yy Clean-Up Call Amount.
- (c) the same Notes Final Legal Maturity Date, which shall be specified in the applicable Issuing Document.

4.3. Appointment of global coordinators, lead managers, bookrunners or underwriters in connection with the issue of the Notes

The entities participating as global coordinators, lead managers, bookrunners or underwriters of the Notes in each Notes Series will be designated in the corresponding Issuing Document. In addition, a billing and delivery agent (responsible for the delivery of the Notes to the relevant Notes Purchasers) may be appointed in each Note Series.

In particular, Banco Santander and Natixis will act as Global Coordinators and Joint Lead Managers in connection with the first Note Series issued by the Fund; in addition, Banco Santander shall be appointed as Billing and Delivery Agent in connection with the first Note Series issued by the Fund; the functions carried out by Banco Santander and Natixis as Global Coordinators, Joint Lead Managers and Billing and Delivery Agent (as the case may be) are explained in section 5.2 of the Registration Document. Other entities may be appointed in connection with the issue of subsequent Note Series.

Each selected entity as global coordinator, lead manager, bookrunner, underwriter or billing and delivery agent must have the operational resources necessary to carry out the relevant functions attributed thereto, including disbursing the Notes Series in the relevant Disbursement Date in the terms set out in the corresponding Issuing Document.

The Management Company will enter into a Notes Subscription Agreement with one or several lead managers, bookrunners, underwriters or billing and delivery agent for each Class of the Notes Series.

SFC or any entity designated by SFC shall be entitled to (and may reserve the right to) subscribe in full or in part any Notes of a Note Series issued by the Fund.

The holding or subscription of one of the classes of Notes of a Notes Series does not necessarily imply the holding of subscription of the Notes of the other classes of Notes of such Notes Series.

4.4. Legislation under which the Notes have been created

The Fund is incorporated and the Notes will be issued in accordance with the Spanish laws applicable to them and, in particular, with (i) the Legislative Royal Decree 4/2015; (ii) Law 5/2015; (iii) Royal Decree 1310/2015; (iv) Order EHA/3537/2005; (v) Royal Decree 116/1992; (vi) Royal Decree 878/2015 and (vii) any other legal and regulatory provisions in force that apply from time to time.

In accordance with the Seventh Final Provision of Royal Decree 878/2015, the Royal Decree 878/2015 entered into force on 3 February 2016, thus replacing Royal Decree 116/1992. However, the Second Additional Provision of Royal Decree 878/2015 provides that the amendments introduced therein will not be applicable to fixed-income securities admitted to trading in regulated markets (*mercados secundarios oficiales*) (such as the Notes), until such date and within the terms to be determined by the Ministry of Economy and Competitiveness (such date is expected to be around September 2017).

Until such date and for such fixed-income securities, Royal Decree 116/1992 will remain in force, with the exception of Section 1 of Chapter II of Title I (articles 29 to 35 of Royal Decree 116/1992, both inclusive), which will be repealed and replaced by Section 1 of Chapter II of Title of Royal Decree 878/2015 (articles 30 to 38, both inclusive).

This Securities Note has been prepared in accordance with the models set out in Regulation 809/2004 (as amended).

Any discrepancy or dispute relating to the Fund or the Notes issued against the Fund and arising during the operation or settlement of the Fund, whether between the Noteholders or between these and the Management Company, will be heard before the Courts of the city of Madrid.

4.5. Indication of whether the securities are in certificated or book-entry form

The Notes will be represented (i) by book entries (*anotaciones en cuenta*) and will be created as such by virtue of their corresponding book entry and will be made out to the bearer or (ii) in registered titles (*títulos nominativos*).

The Final Terms and the Terms and Conditions or the Deed of Issue (with respect to the Notes represented in book-entry form) will produce the effects provided for in article 7 of the Legislative Royal Decree 4/2015.

In accordance with the provisions of article 6 of Royal Decree 116/1992, the denomination, number of units, nominal value and other characteristics and conditions of each Notes represented in book-entry form are those included in the relevant Issuing Document.

The Noteholders will be identified as such (for their own account or that of third parties):

- (a) in case of listed Notes, as recorded in the book-entry register maintained by IBERCLEAR (and its participant entities) with registered office at Plaza de la Lealtad, nº 1, Madrid, which will be appointed as the entity in charge of the book-entry registry of the Notes; and
- (b) in the case of unlisted Notes and as described in section 4.5.1 of the Securities Note:
 - (i) where represented in book-entry form (*anotaciones en cuenta*), as recorded in the relevant book-entry registry maintained by the duly licensed financial institution appointed by the Management Company to this effect; and
 - (ii) where represented in registered titles (*títulos nominativos*), as recorded in the Registry-Book of Noteholders kept by the Management Company (as defined in section 4.5.1 of the Securities Note).

4.5.1. Special provisions in connection with unlisted Notes

In the case of unlisted Notes, they will be represented, as specified in the relevant Deed of Issue, either in book-entry form (*anotaciones en cuenta*) or in registered titles (*títulos nominativos*), provided that in case of unlisted Notes, all Notes of a given Class must be issued under the same format (book-entry form or registered titles).

Issuing Document

The incorporation of the unlisted Notes of the successive Notes Series will be instrumented through the relevant Deed of Issue which will be executed by the Management Company, for and on behalf of the Fund.

The Management Company shall ensure that the Deed of Issue includes, *mutatis mutandi*, the information included in Schedule 2 “Form of Final Terms”.

Book-entry form

Where the unlisted Notes are represented in book-entry form (*anotaciones en cuenta*), the relevant book-entry registry shall be maintained by the duly licensed financial institution appointed by the Management Company to this effect (whose identity shall be specified in the relevant Deed of Issue) in accordance with the provisions of Royal Decree 878/2015.

Registered titles

Where the unlisted Notes are represented by means of registered titles (*títulos nominativos*), (each, a **Multiple Certificate**) the Management Company shall keep a registry-book of Noteholders (the **Registry-Book**). The Management Company shall register in the Registry-Book the ownership of such unlisted Notes, as well as any in rem right created over them.

The Management Company shall only regard as Noteholder and/or beneficiary of the in rem rights created over the relevant unlisted Notes to those which are registered as such in the abovementioned Registry-Book; for such purposes, the relevant transfer of the unlisted Notes or the creation of the in rem rights must duly notified to the Management Company in accordance with the below.

In order for the transfer of the Notes to be effective vis-à-vis the Fund the transferor and the transferee shall duly notify (*notificar fehacientemente*) such transfer to the Management Company. The Management Company shall record the transfer of the Notes in the above mentioned Registry-Book as soon as possible upon receipt of the relevant notification.

Furthermore, the holders of unlisted Notes shall duly notify (*notificar fehacientemente*) the Management Company any changes in their address or bank account where payments under the Notes are effected. The Management Company shall not be liable in case in case of changes of address or bank account which are not duly notified to the Management Company in the manner provided in this section.

The holders of the unlisted Notes and the relevant beneficiary of the in rem rights shall duly notify (*notificar fehacientemente*) the Management Company the creation of any such in rem right over the Notes so that the Management Company can register its existence in the Registry-Book.

The holder of the unlisted Notes shall be entitled to request from the Management Company the issue of a new Multiple Certificate representing the Notes owned by it.

In the event of destruction, loss or theft of the Multiple Certificate, the holder of the Notes may obtain a duplicate of the relevant Multiple Certificate from the Management Company. For this purpose it will be necessary that a request is made to the Management Company with a declaration that the Note and the Multiple Certificate have not been transferred.

4.6. Ranking of the Notes according to the subordination rules

4.6.1. Status and Ranking of the Class A Notes

The Class A Notes of any Note Series when issued will constitute direct and unsubordinated obligations of the Fund and all payments of principal and interest (and arrears, if any) on the Class A Notes of any Note Series shall be made in accordance with the applicable Priority of Payments. The Class A Notes of each Note Series rank *pari passu* without preference or priority amongst themselves and with the other Class A Notes of any Note Series (being

specified that payments of principal between the Note Series are subject to the fixed ratio of allocation of principal (ie. the Note Series 20xx-yy Principal Ratio)).

For these purposes, **Priority of Payments** means:

- (a) during the Programme Revolving Period and the Programme Amortisation Period:
 - (i) the Interest Priority of Payments; and
 - (ii) the Interest Shortfall Priority of Payments; and
 - (iii) the Principal Priority of Payments;
- (b) during the Programme Accelerated Amortisation Period, the Accelerated Priority of Payments.

4.6.2. Status and Ranking of the Class B Notes

The Class B Notes of any Note Series when issued will constitute direct and subordinated obligations of the Fund and all payments of principal and interest (and arrears, if any) on the Class B Notes of any Note Series shall be made in accordance with the applicable Priority of Payments. The Class B Notes of each Note Series rank *pari passu* without preference or priority amongst themselves and with the other Class B Notes of any Note Series (being specified that payments of principal between the Note Series are subject to the fixed ratio of allocation of principal (ie. the Note Series 20xx-yy Principal Ratio)).

4.6.3. Status and Ranking of the Class C Notes

The Class C Notes of any Note Series when issued will constitute direct and subordinated obligations of the Fund and all payments of principal and interest (and arrears, if any) on the Class C Notes of any Note Series shall be made in accordance with the applicable Priority of Payments. The Class C Notes of each Note Series rank *pari passu* without preference or priority amongst themselves and with the other Class C Notes of any Note Series (being specified that payments of principal between the Note Series are subject to the fixed ratio of allocation of principal (ie. the Note Series 20xx-yy Principal Ratio)).

4.6.4. Relationship between the Notes of any Note Series and the Seller Interest Credit Facility; priority of Payments

- (a) During the Programme Revolving Period and the Programme Amortisation Period:
 - (i) payments of principal in respect of the Class B Notes of any Note Series are subordinated to payments of principal in respect the Class A Notes of the same Note Series, being specified that payments of principal between the Note Series are subject to the fixed ratio of allocation of principal (i.e. the Note Series 20xx-yy Principal Ratio);

- (ii) payments of principal in respect of the Class C Notes of any Note Series are subordinated to payments of principal in respect the Class A Notes and the Class B Notes of the same Note Series, being specified that payments of principal between the Note Series are subject to the fixed ratio of allocation of principal (i.e. the Note Series 20xx-yy Principal Ratio);
 - (iii) payments of interest in respect of the Class B Notes and the Class C Notes of any Note Series are subordinated to payments of interest in respect of, respectively, the Class A Notes and the Class B Notes of all Note Series.
- (b) During the Programme Revolving Period (only):
 - (i) if the Residual Principal Deficiency Ledger is not in debit on the preceding Calculation Date, repayment of the SICF Amortisation Amount shall rank equally with any payment of principal in respect of the then most senior Class of Notes (whether it be the Class A Notes, the Class B Notes or the Class C Notes) provided, however, that if and for so long as the Residual Principal Deficiency Ledger is in debit on the preceding Calculation Date, no repayment of the SICF Amortisation Amount shall be made (the SICF Amortisation Amount being equal to zero (0)); and
 - (ii) payments of SICF Interest Amount on the Seller Interest Credit Facility will be paid on the same rank with the payments of interest under the then most senior Class of Notes (whether it be Class A Notes, Class B Notes or Class C Notes).
- (c) During the Programme Amortisation Period:
 - (i) no repayment of the SICF Amortisation Amount under the Seller Interest Credit Facility shall be made for so long as the Notes of all Note Series have not been redeemed in full; and
 - (ii) payments of SICF Interest Amount on the Seller Interest Credit Facility are subordinated to the payments of the Notes of any Note Series.
- (d) During the Programme Accelerated Amortisation Period:
 - (i) no payment on the Class B Notes of any Note Series shall be made for so long as the Class A Notes of all Note Series have not been redeemed in full;
 - (ii) no payment on the Class C Notes of any Note Series shall be made for so long as the Class A Notes and the Class B Notes of all Note Series have not been redeemed in full;
 - (iii) payments of SICF Interest Amount on the Seller Interest Credit Facility are subordinated to the payments of the Notes of any Note Series; and

- (iv) no repayment of SICF Principal Amount Outstanding on the Seller Interest Credit Facility shall be made for so long as the Notes of all Note Series have not been redeemed in full.

4.6.5. Summary of the ranking of the interest payments Notes in the Fund order of payments

The ranking of the interest payments of the Notes is in the following Priority of Payments:

(a) Class A Notes

During the Programme Revolving Period and the Programme Amortisation Period the payment of interest accrued by the Class A Notes ranks third (3rd) in the Interest Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

During the Programme Accelerated Amortisation Period the payment of interest accrued by the Class A Notes ranks third (3rd) in the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

(b) Class B Notes

During the Programme Revolving Period and the Programme Amortisation Period the payment of interest accrued by the Class B Notes ranks:

- (i) once all Class A Notes of all Notes Series have been redeemed in full, third (3rd) in the Interest Priority of Payments set out in section 3.4.7.2 of the Additional Building Block or
- (ii) to the extent not paid in third (3rd) place as per (i) por encima de, seventh (7th) in the Interest Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

During the Programme Accelerated Amortisation Period the payment of interest accrued by the Class B Notes ranks seventh (7th) in the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

(c) Class C Notes

During the Programme Revolving Period and the Programme Amortisation Period the payment of interest accrued by the Class C Notes ranks:

- (i) once all Class A Notes and Class B Notes of all Notes Series have been redeemed in full, third (3rd) in the Interest Priority of Payments set out in section 3.4.7.2 of the Additional Building Block or

- (ii) to the extent not paid in third (3rd) place as per (i) por encima de, eleventh (11th) in the Interest Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

During the Programme Accelerated Amortisation Period the payment of interest accrued by the Class C Notes ranks tenth (10th) in the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

4.6.6. Summary of the ranking of the Notes repayments in the Fund order of payments

The ranking of the principal payments of the Notes is in the following Priority of Payments:

(a) Class A Notes

During the Programme Revolving Period and the Programme Amortisation Period the repayment of principal of the Class A Notes ranks second (2nd) in the Principal Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

During the Programme Accelerated Amortisation Period the repayment of principal of the Class A Notes ranks fifth (5th) in the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

(b) Class B Notes

During the Programme Revolving Period and the Programme Amortisation Period the repayment of principal of the Class B Notes ranks:

- (i) once all Class A Notes of all Notes Series have been redeemed in full, second (2nd) in the Principal Priority of Payments set out in section 3.4.7.2 of the Additional Building Block or
- (ii) to the extent not paid in second (2nd) place as per (i) por encima de, third (3rd) in the Principal Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

During the Programme Accelerated Amortisation Period the repayment of principal of the Class B Notes ranks eighth (8th) in the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

(c) Class C Notes

During the Programme Revolving Period and the Programme Amortisation Period the repayment of principal of the Class C Notes ranks:

- (i) once all Class A Notes and Class B Notes of all Notes Series have been redeemed in full, second (2nd) in the Principal Priority of Payments set out in section 3.4.7.2 of the Additional Building Block or

- (ii) to the extent not paid in second (2nd) place as per (i) por encima de, fourth (4th) in the Principal Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

During the Programme Accelerated Amortisation Period the repayment of principal of the Class C Notes ranks eleventh (11th) in the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

4.7. Description of the rights attached to the Notes

Pursuant to current legislation in force, the Notes detailed in this Securities Note will offer no future or present political rights to the investors acquiring them in relation to the Fund or its Management Company. This is consistent with the Fund's nature as a separate estate (*patrimonio separado*) without legal personality.

The investor's economic and financial rights associated with the acquisition and ownership of the Notes will be those derived from the interest rates, yields and redemption prices with which the Notes are issued and which are detailed in sections 4.8 and 4.9 debajo de in this Securities Note and in the applicable Issuing Document.

The Noteholders are subject, with respect to the payment of interest and principal repayment of the Notes, to the relevant Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

The Noteholders will have no recourse against the Management Company, other than from non-performance of its duties or non-compliance with the provisions of this Base Prospectus, of the Deed of Incorporation and the applicable laws and regulations. In this regard, no action of the Noteholders against the Management Company shall be based on (i) delinquency or prepayment of the Receivables; (ii) non-fulfilment by the counterparties of the transactions entered in to the name and on behalf of the Fund; or (iii) the insufficiency of the credit enhancements to cover the payments of the Notes of any Class.

The Noteholders shall have no actions against the Borrowers that have failed to comply with their payments obligations. In this regard, the Management Company, as legal representative of the Fund and acting on its own name, or the Servicer, will be the only persons empowered to address any action. The duties and responsibilities of the Management Company are described in section 3.7.1.1 of the Additional Building Block.

Any issue, discrepancy or dispute regarding the Fund or the Notes that may arise during its life or its liquidation, be it amongst the Noteholders or between the latter and the Management Company, will be submitted to the courts and tribunals of the city of Madrid, with waiver of any other jurisdiction to which the parties may be entitled.

4.8. Nominal interest rate and provisions relating to interest payable

4.8.1. Period of Accrual

Interest on any Class of Notes of any Note Series will be payable by reference to successive interest periods (each an **Interest Period**). Each Class of Note of any Note Series will bear interest on its Principal Amount Outstanding (as defined below) from and including the relevant Notes Series Disbursement Date until the earlier of (x) the date on which its Principal Amount Outstanding is reduced to zero (0), (y) its Notes Final Legal Maturity Date specified in the applicable Issuing Document or (z) the Fund Liquidation Date.

4.8.2. Payment Dates and Interest Periods

The provisions in this section apply to all Class of Notes irrespective of whether they are Fixed Rate Notes or Floating Rate Notes.

(a) Payment Dates

(i) Programme Revolving Period and Programme Amortisation Period

During the Programme Revolving Period and the Programme Amortisation Period, interest and principal will be payable on the Notes of any Note Series on any Monthly Payment Date, Quarterly Payment Date, Semi-Annual Payment Date or Annual Payment Date (as respectively defined below)(each, a **Payment Date**).

The applicable Payment Dates with respect to any Note Series shall be specified in the applicable Issuing Document. Any Payment Date shall be the 26th day in the relevant month (subject to the Modified Following Business Day Convention).

For these purposes:

Monthly Payment Date means the day falling on the 26th in each month of each year (subject to the Modified Following Business Day Convention).

Quarterly Payment Date means, during the Programme Revolving Period and the Programme Amortisation Period, the quarterly day falling on the 26th day which falls on a Monthly Payment Date (subject to the Modified Following Business Day Convention) as specified in the Issuing Document.

Semi-Annual Payment Date means, during the Programme Revolving Period and the Programme Amortisation Period, the semi-annual day falling on the 26th day which falls on a Monthly Payment Date (subject to the Modified Following Business Day Convention) as specified in the Issuing Document.

Annual Payment Date means, during the Programme Revolving Period and the Programme Amortisation Period, the annual date falling on the 26th day which falls on a Monthly Payment Date (subject to the Modified Following Business Day Convention) as specified in the applicable Issuing Document.

(ii) Programme Accelerated Amortisation Period

During the Programme Accelerated Amortisation Period, interest and principal in respect of any Class of Notes of Note Series will be payable on each Monthly Payment Date.

(iii) Business Day Convention

The **Modified Following Business Day Convention** shall apply to all Notes, where if a Payment Date is not a Business Day, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day.

For these purposes, **Business Day** means a day which is a TARGET2 Business Day other than (i) a Saturday, (ii) a Sunday or (iii) a public holiday in Madrid (Spain) or and (iv) as the case may be, any other day specified in the corresponding Issuing Document.

TARGET2 Business Day means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET2) is open.

(b) Interest Periods

For these purposes, an **Interest Period** of a Note means:

(i) with respect to all Classes of Notes of any Note Series during the Programme Revolving Period and the Programme Amortisation Period, any period beginning on (and including) the previous Payment Date and ending on (but excluding) such Payment Date, save for the first Interest Period of any Note Series which shall begin on (and include), as applicable, the Disbursement Date of such Note Series and shall end on (but exclude) the first Payment Date specified in the relevant Issuing Document; and

(ii) with respect to all Classes of Notes of any Note Series during the Programme Accelerated Amortisation Period, any period beginning on (and including) the previous Monthly Payment Date and ending on (but excluding) such Monthly Payment Date, save for the first Interest Period during the Programme Accelerated Amortisation Period of any Note Series which shall

begin on (and include) the previous Payment Date and shall end on (but exclude) the first Monthly Payment Date of such Note Series.

The last Interest Period of such Note Series shall end on (and exclude) at the latest on the Notes Final Legal Maturity Date of such Note Series.

4.8.3. Interest Rate

The annual interest rate (the **Interest Rate**) applicable during the Programme Revolving Period, the Programme Amortisation Period and the Programme Accelerated Amortisation Period to Notes of any Note Series in respect of each Interest Period shall be specified in the applicable Issuing Document.

Notes of any Note Series may bear a fixed rate (the **Fixed Rate Notes**) or a floating rate (the **Floating Rate Notes**) as specified in the applicable Issuing Document.

The Interest Rate accrued by the Notes of any Notes Series during each Interest Period will be (i) for any Fixed Rate Notes, the Interest Rate specified in respect of such Notes in the corresponding Issuing Document (which in any event shall be equal or higher than zero percent (0%)) and (ii) for any Floating Rate Notes the maximum between zero percent (0%) and the result of adding (a) the Reference Rate (rounded in accordance with the provisions below); and (b) the Relevant Margin or the relevant Step-up Margin (as the case may be).

The Floating Rate Notes may be subject to a Maximum Interest Rate or a Minimum Interest Rate as specified in the applicable Issuing Document.

4.8.4. Day Count Fraction

The applicable Day Count Fraction with respect to any Note Series shall be specified in the applicable Issuing Document.

For these purposes, **Day Count Fraction** means, in respect of the calculation of an amount of interest on any Note of any Note Series for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the **Calculation Period**):

- (a) if “**Actual/365**” or “**Actual/Actual-ISDA**” is specified in the relevant Issuing Document, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if “**Actual/Actual-ICMA**” is specified in the relevant Issuing Document:
 - (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by

the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

- (ii) if the Calculation Period is longer than one Determination Period, the sum of:
 - (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

in each case where:

Determination Period means the period from and including an Interest Determination Date in any year to but excluding the next Interest Determination Date; and

Interest Determination Date with respect to any Floating Rate Notes and in relation to an Interest Period, the date specified as such in the relevant Issuing Document or, if none is so specified, two (2) Business Days before the date on which such Interest Period begins;

- (c) if “**Actual/365 (Fixed)**” is specified in the relevant Issuing Document, the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is specified in the relevant Issuing Document, the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Issuing Document, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (f) if “**30E/360 (ISDA)**” is specified in the relevant Issuing Document, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

4.8.5. Fixed Rate Notes

- (a) Calculation of the Class A Notes Monthly Interest Amount, the Class B Notes Monthly Interest Amount and the Class C Notes Monthly Interest Amount for the Fixed Rate Notes

On each Calculation Date the Management Company shall calculate the amount of interest payable in respect of the Fixed Rate Notes of any Note Series (for such purposes, the **Class A20xx-yy Notes Interest Amount**, the **Class B20xx-yy Notes Interest Amount** and the **Class C20xx-yy Notes Interest Amount** for any Note Series and indistinctively, the **Notes Interest Amount**).

The amount of interest payable in respect of any Fixed Rate Note of any Note Series for any period shall be calculated by multiplying the product of the Interest Rate and the Principal Amount Outstanding of such Note by the Day Count Fraction.

- (b) Notification of the Notes Interest Amount

The Management Company shall notify the Notes Interest Amount of any Class of Notes of any Note Series applicable for the relevant Interest Period to the Paying Agent at least one (1) Business Day prior to each Payment Date (or such other date as agreed between the Management Company and the Paying Agent from time to time).

- (c) Notification to be final

All notifications, certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of this section by the Management Company shall (in the absence of willful default (*dolo*), bad faith (*mala fe*) or manifest error (*error manifesto*)) be binding on the Fund, the Paying Agent and all Note Series Noteholders.

- (d) Floor Interest Rate

The Interest Rate accrued by any Fixed Rate Notes of any Notes Series during each Interest Period specified in the relevant Issuing Document shall in any event be equal or higher than zero percent (0%).

4.8.6. Floating Rate Notes

- (a) Determination of Interest Rate and calculation of the Class A20xx-yy Notes Interest Amount, the Class B20xx-yy Notes Interest Amount and the Class C20xx-yy Notes Interest Amount for the Floating Rate Notes

On each Interest Determination Date the Management Company shall determine the Interest Rate applicable to the Notes of any Note Series for the relevant Interest Period.

(b) Interest Rate for Floating Rate Notes

The Interest Rate in respect of Floating Rate Notes of any Note Series for each Interest Period will be the result of adding the Relevant Margin (or the Step-Up Margin) to the Reference Rate and shall be determined in the manner specified in the relevant Issuing Document; the provisions below relating to Reference Rate determination shall apply.

For this purpose **Reference Rate** shall be (i) during the Programme Revolving Period and the Programme Amortisation Period either the EURIBOR for one (1) month, or the EURIBOR for three (3) months, or the EURIBOR for six (6) months or the EURIBOR for twelve (12) months, as specified in the relevant Issuing Document and (ii) during the Programme Accelerated Amortisation Period, EURIBOR for one (1) month.

The Reference Rate for each Interest Period will, subject as provided below, be:

- (i) the Reference Rate which appears on the Relevant Screen Page as at 11.00 a.m. (Brussels time) (or, with respect to the first Interest Period, the rate which represents the linear interpolation of the relevant EURIBOR rates for such period as specified in the relevant Issuing Document) on the Interest Determination Date in question as notified by the Paying Agent to the Management Company;
- (ii) if the Relevant Screen Page is not available as at the time specified above, then the rate for any relevant period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded upwards) of the offered quotations (expressed as a percentage rate per annum) notified to the Paying Agent at its request by each of the principal Euro-zone office of each of the Reference Banks as the rate at which euro deposits in respect of the relevant period in a representative amount are offered by the Reference Bank to leading banks in the euro-zone interbank for the Reference Rate at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question; and
- (iii) if, at the time, the Reference Rate is unavailable and only two of the Reference Banks provide such quoted rate to the Paying Agent, the relevant rate will be determined on the basis of the average quoted rate of such two Reference Banks able to provide such quotations; or
- (iv) if, at the time, the Reference Rate is unavailable and only one or none of the Reference Banks provides the Paying Agent with such quoted rate, the rate in effect for the immediately preceding Interest Period will apply or in the absence of such, the immediately preceding Business Day where such Reference Rate is available.

The Paying Agent shall communicate to the Management Company by email, before 13:00 CET of the Interest Determination Date, the Reference Rate including the supporting documentation for such calculations.

(c) Relevant Margin and Step-up Margin

The Relevant Margin and, as applicable, the Step-up Margin for the Floating Rate Notes shall be specified in the applicable Issuing Document.

(d) Rounding

For the purposes of any calculations required, (x) all percentages resulting from such calculations shall be rounded (if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all EUR amounts that fall due and payable shall be rounded to the nearest lowest amount of EUR that is available as legal tender (with halves being rounded up).

(e) Capped or floored Euribor

If any Notes of any Note Series are Floating Rate Notes, the applicable EURIBOR may be capped or floored at a certain level which shall be specified in the applicable Issuing Document.

(f) Floor Interest Rate

The Interest Rate accrued by the Notes of any Notes Series during each Interest Period will be for any Floating Rate the maximum between zero percent (0%) and the result of adding (a) the Reference Rate (rounded in accordance with the provisions above); and (b) the Relevant Margin or the relevant Step-up Margin (as the case may be).

(g) Calculations

The amount of interest payable in respect of any Floating Rate Note of any Note Series for any period shall be calculated by multiplying the product of the Interest Rate and the Principal Amount Outstanding of such Note by the Day Count Fraction.

(h) Notification of the Notes Interest Amount

The Management Company shall notify the Class A20xx-yy Notes Interest Amount, the Class B20xx-yy Notes Interest Amount and the Class C20xx-yy Notes Interest Amount of any Note Series applicable for the relevant Interest Period to the Paying Agent at least one (1) Business Day prior to each Payment Date (or such other date as agreed between the Management Company and the Paying Agent from time to time).

(i) Notification to be final

All notifications, certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of this section whether by the Reference Banks (or any of them) or the Management Company shall (in the absence of willful default (*dolo*), bad faith (*mala fe*) or manifest error (*error manifesto*)) be binding on the Management Company, the Fund, the Reference Banks, the Paying Agent and all Note Series Noteholders.

(j) Reference Banks

Reference Banks means the three (3) major banks in the euro-zone inter-bank market selected by the Paying Agent from time to time and if any such bank is unable or unwilling to continue to act, such other bank as may be selected by the Paying Agent on behalf of the Fund to act in its place.

4.8.7. Step-up Interest Rate and Step-up Margin

(a) Step-up Interest Rate

Fixed Rate Notes of any Note Series may bear a step-up interest rate (if and as specified in the applicable Issuing Document) if such Fixed Rate Notes are not fully redeemed on the applicable Note Series 20xx-yy Call Date (if a Note Series 20xx-yy Call Date is specified in the applicable Issuing Document) (the **Step-up Interest Rate**).

Such Step-up Interest Rate will be applicable after such date and shall replace the Interest Rate.

The Step-up Interest Rate shall be specified in the applicable Issuing Document.

(b) Step-up Margin

A step-up margin (if and as specified in the applicable Issuing Document) will apply to Floating Rate Notes of any Note Series if such Floating Rate Notes are not fully redeemed on the applicable Note Series 20xx-yy Call Date (if such Note Series 20xx-yy Call Date is specified in the applicable Issuing Document) (the **Step-up Margin**).

The Step-up Margin will be applicable after such date and shall replace the Relevant Margin.

The Step-up Margin shall be specified in the applicable Issuing Document.

4.8.8. Payments under the Notes

4.8.8.1. General

Payments of principal and interest (including, for the avoidance of doubt, any arrears of interest, where applicable) in respect of the Notes of any Note Series in accordance with the Priority of Payments set out in section 3.4.7.2 of the Additional Building Block will be made:

- (a) in case of listed Notes, by transfer to the account of the relevant participants in IBERCLEAR to distribute the corresponding amounts to the relevant Note Series Noteholders. The payment will be made through the Paying Agent, using IBERCLEAR and its participative entities to distribute the corresponding amounts.
- (b) in case of unlisted Notes in book-entry form, by transfer to the account duly notified by the Noteholder to the duly licensed financial institution appointed by the Management Company to manage such registry, for such purposes. The payment will be made through the Paying Agent.
- (c) in case of unlisted Notes in registered form, by transfer to the account duly notified by the Noteholder to the Management Company for such purposes. The payment will be made through the Paying Agent.

The Fund, acting through the Management Company, will not postpone the payment of interest (or principal) of the Notes later than the Fund Legal Maturity Date.

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to any tax or other laws and regulations applicable thereto. No fees or expenses shall be charged to the Note Series Noteholders in respect of such payments. Payments of principal and interest in respect of the Notes shall be made net of any withholding tax (if any) applicable to the Notes of any Note Series in the relevant state or jurisdiction, and neither the Fund, the Management Company, any Eligible Hedging Counterparties or the Paying Agent shall be under any obligation to gross up such amounts as a consequence or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of such withholding or deduction. Any such imposition of withholding taxes will result in the Noteholders receiving a lesser amount in respect of the payments on the Notes. The ratings to be assigned by the Relevant Rating Agencies to the Rated Notes will not address the likelihood of the imposition of withholding taxes.

Any current or future withholdings, rates and taxes to which the capital, interest or yields of the Notes are subject will be exclusively assumed by the Noteholders and, where applicable, their corresponding amount will be deducted by the entity obliged to do so in the legally established manner.

4.8.8.2. Payment Dates

Further to section 4.8.2 por encima de, Note Series may have an Annual Payment Date, a Semi-Annual Payment Date, a Quarterly Payment Date, or a Monthly Payment Date (as specified in the applicable Issuing Document).

If the Payment Date of any amount of principal or interest in respect of any Note is not a Business Day, the Modified Following Business Day Convention shall apply (ie. payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the next following Business Day unless such Business Day falls in the next calendar month in which case such Payment Date shall be brought forward to the immediately preceding Business Day). If any payment is postponed as a result of the foregoing, the Note Series Noteholders shall not be entitled to any interest or other sums in respect of such postponed payment.

4.8.8.3. Interest Distribution Ledger and Principal Distribution Ledger

During the Programme Revolving Period and the Programme Amortisation Period, in order to treat equally Note Series which Payment Date occurs annually, semi-annually and quarterly (the **Relevant Note Series**) with Note Series which Payment Date occurs monthly for the payment of the interest and principal amounts due to the relevant Note Series Noteholders and/or the relevant Hedging Counterparties by the Fund, the Management Company shall establish, with respect to such Relevant Note Series, two (2) ledgers (one ledger with respect to the Principal Account and one ledger with respect to the Interest Account) on which will be recorded on each Monthly Payment Date (which is not a Payment Date for such Relevant Note Series) the monthly share of the interest and principal amounts that will be due and payable by the Fund to the relevant Note Series Noteholders and the relevant Hedging Counterparties on the relevant Payment Date of such Relevant Note Series.

For the avoidance of doubt, no retention shall be made:

- (a) in respect of the Note Series which have a Monthly Payment Date (as specified in the applicable Issuing Document);
- (b) in respect of all Relevant Note Series:
 - (i) during the Programme Revolving Period and the Programme Amortisation Period, on the Monthly Payment Date which is a Payment Date for such Relevant Note Series; and
 - (ii) during the Programme Accelerated Amortisation Period.

Such amounts to be retained on each applicable Monthly Payment Date shall be calculated by the Management Company on a Class by Class basis for each Relevant Note Series and shall be recorded on the relevant ledger in accordance with the applicable Interest Priority of Payments and Principal Priority of Payments. The aggregate amounts retained under a

particular Class of Notes of a Relevant Note Series will be then allocated by the Management Company on the applicable Payment Date (together with the monthly share due on such Payment Date).

(a) *Interest Distribution Ledger*

An interest distribution ledger (the **Interest Distribution Ledger**) shall be associated with the Interest Account and shall be established on the Fund Incorporation Date by the Management Company in order to record any amount which is retained on the Interest Account on any Monthly Payment Date (which is not a Payment Date for the considered Relevant Note Series) in accordance with the applicable Interest Priority of Payments.

On each applicable Monthly Payment Date (which is not a Payment Date for the considered Relevant Note Series), the Interest Distribution Ledger will record the relevant Monthly Interest Amount and/or the Monthly Hedging Net Amounts which are retained in respect of the Relevant Note Series (on a Class by Class basis) on the Interest Account on such Monthly Payment Date.

(b) *Principal Distribution Ledger*

A principal distribution ledger (the **Principal Distribution Ledger**) shall be associated with the Principal Account and shall be established on the Fund Incorporation Date by the Management Company in order to record any amount which is retained on the Principal Account on any Monthly Payment Date (which is not a Payment Date for the considered Relevant Note Series) in accordance with the applicable Principal Priority of Payments.

On each applicable Monthly Payment Date (which is not a Payment Date for the considered Relevant Note Series), the Principal Distribution Ledger will record the relevant Monthly Amortisation Amount which is retained in respect of the Relevant Note Series (on a Class by Class basis) on the Principal Account on such Monthly Payment Date.

(c) *Calculation of amounts to be retained or allocated*

With respect to each Relevant Note Series, the Management Company shall calculate:

(i) in respect of interest amounts:

- (A) on each Monthly Payment Date which is not a Payment Date for the considered Relevant Note Series, the relevant Class A20xx-yy Notes Monthly Interest Amount, the Class B20xx-yy Notes Monthly Interest Amount and the Class C20xx-yy Notes Monthly Interest Amount) and/or the Monthly Hedging Net Amounts (including the Class A20xx-yy Monthly Hedging Net Amount, the Class B20xx-yy

Monthly Hedging Net Amount and the Class C20xx-yy Monthly Hedging Net Amount) to be retained on the Interest Account during the relevant quarterly, semi-annual and annual period, and credited to the Interest Distribution Ledger; and

- (B) on each Monthly Payment Date which is a Payment Date for the considered Relevant Note Series, the relevant Class A20xx-yy Notes Monthly Interest Amount, Class B20xx-yy Notes Monthly Interest Amount, Class C20xx-yy Notes Monthly Interest Amount, Class A20xx-yy Monthly Hedging Net Amount, Class B20xx-yy Monthly Hedging Net Amount and Class C20xx-yy Monthly Hedging Net Amount to be debited from the Interest Account (taking into account for the avoidance of doubt the relevant amounts retained on the Interest Distribution Ledger since the last Payment Date in accordance with paragraph (A) above and which shall be debited from the Interest Distribution Ledger on such Monthly Payment Date);
- (ii) in respect of principal amount:
 - (A) on each Monthly Payment Date which is not a Payment Date for the considered Relevant Note Series, the relevant Class A20xx-yy Notes Monthly Amortisation Amount, Class B20xx-yy Notes Monthly Amortisation Amount and Class C20xx-yy Notes Monthly Amortisation Amount to be retained on the Principal Account and credited to the Principal Distribution Ledger; and
 - (B) on each Monthly Payment Date which is a Payment Date for the considered Relevant Note Series the relevant Class A20xx-yy Notes Monthly Amortisation Amount, Class B20xx-yy Notes Monthly Amortisation Amount and Class C20xx-yy Notes Monthly Amortisation Amount to be debited from the Principal Account (taking into account, for the avoidance of doubt, the relevant amounts retained on Principal Distribution Ledger since the last Payment Date in accordance with paragraph (A) above and which shall debited from the Principal Distribution Ledger).

For these purposes **Calculation Date** means the fifth (5th) Business Day before each Monthly Payment Date. For clarification purposes, the first Calculation Date after the Fund Incorporation Date will be 19 June 2017.

(d) *Retention and allocation*

Any amount credited on the Interest Distribution Ledger and the Principal Distribution Ledger, respectively, with respect to the relevant Class of Notes of any Relevant Note Series shall be retained on the Interest Account and the Principal

Account until the applicable Payment Date of such Relevant Note Series for allocation by the Management Company to the relevant Note Series Noteholders or to the relevant Hedging Counterparty and shall not be allocated for any other Note Series.

If any Accelerated Amortisation Event has occurred, any amounts recorded on the Interest Distribution Ledger and the Principal Distribution Ledger, respectively, with respect to each relevant Class of Notes of the Relevant Note Series on the preceding Monthly Payment Dates since the last Payment Date shall be exclusively allocated on the first Monthly Payment Date following the date on which an Accelerated Amortisation Event has occurred to the payments to be made in respect of such relevant Class of Notes (and to no other Class of Notes and/or Note Series).

During the Programme Accelerated Amortisation Period, no retention shall be made and the Interest Distribution Ledger and the Principal Distribution Ledger shall not be maintained.

(e) *Instructions from the Management Company*

Upon calculation of any amounts to be retained on or, as applicable, to be debited from, the Interest Account (and, as the case may be, the Interest Distribution Ledger) and the Principal Account (and, as the case may be, the Principal Distribution Ledger), respectively, the Management Company shall give the necessary instructions to the Issuer Accounts Bank taking into account any amount to be retained and any amount to be allocated after retention on any applicable Monthly Payment Date.

(f) *Insufficient or excess amounts of interest and/or hedging*

The retention shall be made subject to the funds available on a Monthly Payment Date. If, on any applicable Monthly Payment Date (which is not a Payment Date with respect to the Class of Note of a Relevant Note Series), the interest and/or hedging amounts recorded on the Interest Distribution Ledger and retained until the next applicable Payment Dates with respect to the Class of Note of a Relevant Note Series are less than amounts calculated by the Management Company with respect to such Monthly Payment Date for retention purposes, the Management Company shall calculate the relevant interest and/or hedging retention shortfall on a Class by Class basis (ie, the Class A20xx-yy Notes Monthly Interest Shortfall, the Class B20xx-yy Notes Monthly Interest Shortfall, the Class C20xx-yy Notes Monthly Interest Shortfall, the Class A20xx-yy Monthly Hedging Net Shortfall, the Class B20xx-yy Monthly Hedging Net Shortfall and the Class C20xx-yy Monthly Hedging Net Shortfall).

Any Class A20xx-yy Note Monthly Interest Shortfall, Class B20xx-yy Note Monthly Interest Shortfall, Class C20xx-yy Note Monthly Interest Shortfall, Class A20xx-yy Monthly Hedging Net Shortfall, Class B20xx-yy Monthly Hedging Net Shortfall or Class C20xx-yy Monthly Hedging Net Shortfall shall be added to the amounts to be

(i) retained on the Interest Account on the next Monthly Payment Date(s) up to the next Payment Date (excluded) or (ii) allocated on the next Monthly Payment Date which is a Payment Date for such Note Series.

For the avoidance of doubt, failure to cure any interest and/or hedging retention shortfall on the next Monthly Payment Date(s) (up to the applicable Payment Date (excluded)) shall not trigger, as such, any acceleration or event of default under the Notes. Any interest and/or hedging retention shortfall which has not been cured on the applicable Payment Date shall, on such Payment Date, constitute an arrear and, if such arrear affects the Class A Notes of any Note Series or, if the Class A Notes of all Note Series have been redeemed in full, the Class B Notes of any Note Series, it shall be an Accelerated Amortisation Event pursuant to paragraph (b)(i) of section 3.1.3 of the Additional Building Block (subject to any applicable remedy period).

If, on any Payment Date, the Management Company determines that there is an excess of interest and/or hedging amounts recorded to the Interest Distribution Ledger in respect of a specific Class of Notes of a Relevant Note Series, the Management Company shall debit the Interest Distribution Ledger in the amount of such excess on such Payment Date and such excess shall constitute Available Interest Amount that can be used by the Fund for payment of interest and/or hedging amounts due under other Note Series.

4.8.8.4. Distributions

On each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the Available Interest Amount and the Available Principal Amount, together with the General Reserve under certain conditions, shall be applied in making the payments referred to in the Interest Priority of Payments and Principal Priority of Payments.

Prior to each Monthly Payment Date, the Management Company shall make the relevant calculations and determinations in connection with each Priority of Payments.

On each Monthly Payment Date during the Programme Accelerated Amortisation Period, the Available Distribution Amount shall be applied in making the payments referred to in the Accelerated Priority of Payments.

4.8.9. Calculation Agent

The calculation agent in respect of the Notes shall be the Management Company.

4.9. Maturity Date and redemption of the securities

4.9.1. Notes Final Legal Maturity Date

Unless previously redeemed or cancelled as provided for below, the Notes of any Note Series will be redeemed at their Principal Amount Outstanding on a Payment Date being the Notes

Final Legal Maturity Date of such Notes Series (as specified in the applicable Issuing Document and subject to the relevant Modified Following Business Day Convention) in accordance with the applicable Priority of Payments (the **Notes Final Legal Maturity Date**).

Any part of the nominal value of any Class of Notes of any Note Series or of the interest due on thereon which may remain unpaid shall be automatically cancelled after the applicable Notes Final Legal Maturity Date, so that the Note Series Noteholders, after such date, shall have no right to assert a claim in this respect against the Fund, regardless of the amounts which may remain unpaid after their Notes Final Legal Maturity Date.

4.9.2. Redemption of the Notes

4.9.2.1. Note Series Revolving Period

During any Note Series Revolving Period with respect to any given Note Series, the holders of the Notes of such Note Series will only receive payments of interest on their Notes on each Payment Date in accordance with the Interest Priority of Payments and will not receive any principal payment.

The Note Series Revolving Period of a given Note Series shall start on the applicable Issue Date (included) and shall terminate on the Amortisation Starting Date (excluded) of such Note Series.

For these purposes, **Amortisation Starting Date** or **Note Series 20xx-yy Amortisation Starting Date** means, with respect to any outstanding Note Series, the earlier of the following dates:

- (a) the applicable Scheduled Amortisation Starting Date; and
- (b) the Monthly Payment Date immediately following the occurrence of a Revolving Termination Event or an Accelerated Amortisation Event.

4.9.2.2. Note Series Amortisation Period

On each Payment Date within the Note Series Amortisation Period, the holders of the Notes of such Note Series shall receive interest and principal payments on each Payment Date in accordance with the applicable Priority of Payments.

During the Programme Amortisation Period or the Programme Accelerated Amortisation Period of the Fund all outstanding Note Series shall be in their Note Series Amortisation Period irrespective of their respective Scheduled Amortisation Starting Date and their Note Series 20xx-yy Call Date(s).

The Note Series Amortisation Period of a given Note Series shall start on the applicable Amortisation Starting Date (included) and shall end on the earlier of (included) of (i) the Payment Date on which the Principal Amount Outstanding of the Notes of such Note Series will be reduced to zero (0) (including following the exercise of the optional early redemption

by the Seller), (ii) the Notes Final Legal Maturity Date of such Note Series and (iii) the Fund Liquidation Date.

4.9.3. Programme Amortisation Period

The **Programme Amortisation Period** means the period which will:

- (a) start on the Monthly Payment Date (inclusive) immediately following the occurrence of a Revolving Termination Event;
- (b) end on the Monthly Payment Date immediately following the occurrence of an Accelerated Amortisation Event.

During the Programme Amortisation Period, the Class A Notes, Class B Notes and Class C Notes of all Note Series shall be subject to a mandatory redemption on each Payment Date in an amount equal to the applicable Class A Notes Monthly Amortisation Amount, the applicable Class B Notes Monthly Amortisation Amount and the applicable Class C Notes Monthly Amortisation Amount, respectively, in accordance with the applicable Priority of Payments.

4.9.4. Programme Accelerated Amortisation Period

The **Programme Accelerated Amortisation Period** means the period which will start on the Monthly Payment Date (inclusive) following the date on which an Accelerated Amortisation Event occurs and end on the earlier of:

- (a) the Monthly Payment Date on which all Notes are redeemed in full; or
- (b) the Fund Liquidation Date.

During the Programme Accelerated Amortisation Period, all Class A Notes, Class B Notes and Class C Notes of all Note Series shall be subject to mandatory amortisation in an amount equal to the applicable Class A Notes Monthly Amortisation Amount, the applicable Class B Notes Monthly Amortisation Amount and the applicable Class C Notes Monthly Amortisation Amount.

In any case, during the Programme Accelerated Amortisation Period (i) no payment on the Class B Notes of any Note Series shall be made for so long as the Class A Notes of all Note Series have not been redeemed in full and (ii) no payment on the Class C Notes of any Note Series shall be made for so long as the Class A Notes and the Class B Notes of all Note Series have not been redeemed in full.

Once the Principal Amount Outstanding of all Class A Notes and all Class A Notes Monthly Interest Amount of all Note Series have been repaid in full:

- (a) the Class B Notes Monthly Interest Amount shall be paid to the extent of the Available Distribution Amount on each Monthly Payment Date in accordance with the applicable Priority of Payments; and
- (b) the Class B Notes of any Note Series shall be redeemed on a *pari passu* basis and *pro rata* to the then Principal Amount Outstanding of such Class B Notes irrespective of their respective Issue Dates and Note Series.

Furthermore, once the Principal Amount Outstanding of all Class A Notes, all Class A Notes Monthly Interest Amount of all Note Series and the Principal Amount Outstanding of all Class B Notes and all Class B Notes Monthly Interest Amount of all Note Series have been repaid in full:

- (a) the Class C Notes Interest Amount shall be repaid to the extent of the Available Distribution Amount on each Monthly Payment Date in accordance with the applicable Priority of Payments; and
- (b) the Class C Notes of any Note Series shall be redeemed on a *pari passu* and *pro rata* to the then Principal Amount Outstanding of such Class C Notes irrespective of their respective Issue Dates and Note Series.

4.9.5. Optional Early Redemption

The exercise of an optional redemption by the Seller in accordance with provisions in subsections *Note Series 20xx-yy Call Date(s)* and *Note Series 20xx-yy Clean-Up Call Date* below shall constitute an Optional Early Redemption Event (each an **Optional Early Redemption Event**).

Note Series 20xx-yy Call Date(s)

If one or several Note Series 20xx-yy Call Date(s) is/are specified in the relevant Issuing Document, at least ninety (90) calendar days prior to any scheduled Note Series 20xx-yy Call Date (as respectively specified in the relevant Issuing Document) in relation to a Note Series, the Management Company (acting in the name of the Fund) will deliver to the Seller a written notification in relation to the optional early redemption of such Note Series.

If the Seller does not give any written instruction to the Management Company thirty (30) calendar days after receiving from the Management Company a written notification, the Management Company shall reiterate such written notification no later than sixty (60) calendar days prior to any scheduled Note Series 20xx-yy Call Date.

If the Seller has elected to have an early redemption of such Note Series and gives its written instruction to the Management Company within at least thirty (30) calendar days before any applicable Note Series 20xx-yy Call Date (each, a **Seller's Optional Early Redemption Written Instruction**), subject to the fulfilment of the Note Series 20xx-yy Call Date Conditions, the Fund shall redeem the corresponding Note Series (including, for the

avoidance of doubt, all Class A Notes and/or Class B Notes and/or Class C Notes of such Note Series which remain outstanding at such date) in an amount equal to the applicable Note Series 20xx-yy Call Amount on any of such applicable Note Series 20xx-yy Call Date.

For these purposes **Note Series 20xx-yy Call Amount** means, on a Monthly Payment Date and with respect to any Note Series 20xx-yy, an amount equal to the positive difference between:

- (a) the Principal Amount Outstanding of such Note Series 20xx-yy on such Monthly Payment Date;
- (b) the aggregate of:
 - (i) the Note Series 20xx-yy Available Amortisation Amount with respect to such Monthly Payment Date (subject it is a Payment Date for the Note Series); and
 - (ii) any principal amounts recorded on the Principal Distribution Ledger with respect to the Class of Notes of such Note Series 20xx-yy until the next Payment Date (if any).

In addition, not less than fifteen (15) calendar days prior to the applicable Note Series 20xx-yy Call Date, the Management Company shall:

- (a) provided that the Notes of the Notes Series to be redeemed are listed in AIAF, publish a relevant notice (*hecho relevante*) with the CNMV and a notice on its website (www.imtitulizacion.com) and in the AIAF Daily Bulletin;
- (b) provided that the Notes of the Notes Series to be redeemed are listed in MARF, publish a notice on its website (www.imtitulizacion.com) and in the MARF Daily Bulletin;
- (c) provided that the Notes of the Notes Series to be redeemed are listed in any other regulated or unregulated, publish a notice on its website (www.imtitulizacion.com) and in any other relevant mean as required by such regulated or unregulated market;
- (d) provided that the Notes of the Notes Series to be redeemed are not listed, publish a notice on its website (www.imtitulizacion.com);

whereby the holders of the Notes of a Note Series which is subject to a Note Series 20xx-yy Call Date shall be informed on the intended exercise of the optional redemption of any Note Series by the Fund subject to the fulfilment of the Note Series 20xx-yy Call Date Conditions.

In addition, provided that any other above markets are substituted or replaced in the future or the rules applicable to the communication of the intended exercise of the optional redemption of any Note Series by the Fund vary during the life of the Fund, the Management Company shall comply with any such requirements so as to ensure that the relevant holders of the Notes

of a Note Series which is subject to a Note Series 20xx-yy Call Date are duly informed of the intended exercise of such optional redemption.

Any such notice shall also be referred to in the Investor Report which shall be published on the website of the Management Company before the applicable Note Series 20xx-yy Call Date.

Furthermore, the Management Company shall immediately notify the relevant Hedging Counterparties of the same and of the applicable Note Series 20xx-yy Call Date.

For the avoidance of doubt, if the Seller has not elected to exercise its option on any scheduled Note Series 20xx-yy Call Date, the Seller shall remain entitled to exercise such option on any next following Note Series 20xx-yy Call Dates (if and as respectively set out in the applicable Issuing Document).

The exercise of the optional redemption of any Note Series by the Fund, represented by the Management Company, shall only take place during the Programme Revolving Period and the Programme Amortisation Period if the following conditions are met (the **Note Series 20xx-yy Call Date Conditions**):

- (a) the Residual Principal Deficiency Ledger is not in debit on the Calculation Date preceding the Note Series 20xx-yy Call Date after the application of the Interest Priority of Payments;
- (b) the prior Seller's Optional Early Redemption Written Instruction has been given by the Seller to the Management Company within at least thirty (30) calendar days before any applicable Note Series 20xx-yy Call Date indicating
 - (i) its intention to exercise its option; and
 - (ii) the means by which such redemption has to be instrumented (according to the various options described in point (c) below; and
- (c) the Fund is able to pay the relevant early redemption amounts (as well as any amount ranking prior thereto or *pari passu* therewith) by means of:
 - (i) during the Programme Revolving Period, the issuance of a new Note Series to be subscribed for by any Class A Notes Subscribers, any Class B Notes Subscribers and any Class C Notes Subscribers provided that such new Notes Series are not terminated in accordance with section 4.4.7.1 of the Registration Document; and/or
 - (ii) during the Programme Revolving Period, the drawdown of the Seller Interest Credit Facility to be credited to the Principal Account at least on the corresponding Settlement Date; and/or

- (iii) during the Programme Revolving Period and the Programme Amortisation Period, the exercise by the Seller of its option to repurchase certain Purchased Receivables as set out with section 3.3.1.12 of the Additional Building Block.

Subject to the satisfaction of the Note Series 20xx-yy Call Date Conditions, on the Settlement Date prior to the Payment Date, the Management Company shall confirm the proposed early optional redemption to the Noteholders in respect of the Notes to be redeemed pursuant to the relevant Priority of Payments.

Note Series 20xx-yy Clean-Up Call Date

If:

- (a) no Note Series 20xx-yy Call Date is specified in the applicable Issuing Document in relation to a given Note Series; or
- (b) a Note Series 20xx-yy Call Date is specified in the applicable Issuing Document in relation to a given Note Series but such option has not been exercised by the Seller in accordance with the provisions above,

the Management Company (acting in the name of the Fund) shall (if so directed by the Seller), on any Note Series 20xx-yy Clean-Up Call Date on which the Notes Series 20xx-yy Clean-Up Call Condition is satisfied, redeem such Note Series in an amount equal to the applicable Note Series 20xx-yy Clean-Up Call Amount.

For these purposes, **Note Series 20xx-yy Clean-Up Call Amount** means, on a Monthly Payment Date and in respect of the Note Series 20xx-yy, an amount equal to the positive difference between:

- (a) the Principal Amount Outstanding of such Note Series 20xx-yy on the immediately preceding Payment Date; and
- (b) the aggregate of:
 - (i) the Note Series 20xx-yy Available Amortisation Amount with respect to such Payment Date; and
 - (ii) any principal amounts recorded on the Principal Distribution Ledger with respect to the Class of Notes of such Note Series until the next Payment Date (if any).

If the Seller has elected to have an early redemption of such Note Series and gives the relevant Seller's Optional Early Redemption Written Instruction to the Management Company within at least thirty (30) calendar days before the applicable Note Series 20xx-yy Clean-Up Call Date, subject to the fulfilment of the Note Series 20xx-yy Clean-Up Call Condition, the Fund shall redeem the corresponding Note Series (including, for the avoidance of doubt, all

Class A Notes and/or Class B Notes and/or Class C Notes of such Note Series which remain outstanding at such date) on any of such applicable Note Series 20xx-yy Clean-Up Call Date.

In addition, not less than fifteen (15) calendar days prior to the applicable Note Series 20xx-yy Clean-Up Call Date, the Management Company shall:

- (a) provided that the Notes of the Notes Series to be redeemed are listed in AIAF, publish a relevant notice (*hecho relevante*) with the CNMV and a notice on its website (www.imtitulizacion.com) and in the AIAF Daily Bulletin;
- (b) provided that the Notes of the Notes Series to be redeemed are listed in MARF, publish a notice on its website (www.imtitulizacion.com) and in the MARF Daily Bulletin;
- (c) provided that the Notes of the Notes Series to be redeemed are listed in any other regulated or unregulated, publish a notice on its website (www.imtitulizacion.com) and in any other relevant mean as required by such regulated or unregulated market;
- (d) provided that the Notes of the Notes Series to be redeemed are not listed, publish a notice on its website (www.imtitulizacion.com);

whereby the holders of the Notes of a Note Series which is subject to a Note Series 20xx-yy Clean-Up Call Date shall be informed on the intended exercise of the optional redemption of any Note Series by the Fund subject to the fulfilment of the Note Series 20xx-yy Clean-Up Call Condition.

In addition, provided that any other above markets are substituted or replaced in the future or the rules applicable to the communication of the intended exercise of the optional redemption of any Note Series by the Fund vary during the life of the Fund, the Management Company shall comply with any such requirements so as to ensure that the relevant holders of the Notes of a Note Series which is subject to a Note Series 20xx-yy Clean-Up Call Date are duly informed of the intended exercise of such optional redemption.

Any such notice shall also be referred to in the Investor Report which shall be published on the website of the Management Company before the applicable Note Series 20xx-yy Clean-Up Call Date.

Furthermore, the Management Company shall immediately notify the relevant Hedging Counterparties of the same and of the applicable Note Series 20xx-yy Clean-Up Call Date.

For the avoidance of doubt, if the Seller has not elected to exercise its option on any Note Series 20xx-yy Clean-Up Call Date, the Seller shall remain entitled to exercise such option on any next following Payment Date.

For these purposes, **Note Series 20xx-yy Clean-Up Call Condition** means, on any Payment Date during the Programme Revolving Period and Programme Amortisation Period and in respect of any Note Series 20xx-y, the condition that is satisfied if:

- (a) the Seller has notified (each, a **Seller's Optional Early Redemption Written Instruction**) the Management Company at least thirty (30) calendar days before such Payment Date of:
 - (i) its intention to exercise its option; and
 - (ii) the means by which such redemption has to be instrumented (according to the various options described in point (b) below); and
- (b) the Fund is able to pay the relevant early redemption amounts (as well as any amount ranking prior thereto or *pari passu* therewith) by means of:
 - (i) during the Programme Revolving Period, the issuance of a new Note Series to be subscribed for by any Class A Notes Subscribers, any Class B Notes Subscribers and any Class C Notes Subscribers provided that such new Notes Series are not terminated in accordance with section 4.4.7.1 of the Registration Document; and/or
 - (ii) during the Programme Revolving Period, the drawdown of the Seller Interest Credit Facility to be credited to the Principal Account at least on the Settlement Date preceding such Payment Date; and/or
 - (iii) during the Programme Revolving Period and the Programme Amortisation Period, the exercise by the Seller of its option to repurchase certain Purchased Receivables as set out with section 3.3.1.12 of the Additional Building Block.
- (c) on the immediately preceding Monthly Payment Date the Principal Amount Outstanding of the Note Series 20xx-yy was less than:
 - (i) 10 per cent. of the Note Series 20xx-yy Initial Principal Amount; or
 - (ii) the Initial Principal Amount of the Class C20xx-yy Notes; and
- (d) the Residual Principal Deficiency Ledger is not in debit on the Calculation Date preceding the Note Series 20xx-yy Clean Up Call Date after the application of the Interest Priority of Payments.

4.9.6. Calculation of Class A Notes Monthly Amortisation Amount, Class B Notes Monthly Amortisation Amount, Class C Notes Monthly Amortisation Amount and Principal Amount Outstanding

On any Payment Date, the Principal Amount Outstanding of any Notes of any Note Series shall be equal to the Initial Principal Amount of such Notes less the aggregate of all amounts redeemed or reduced in respect of each Notes prior to such date and on such Payment Date.

The Class A Notes Monthly Amortisation Amount, the Class B Notes Monthly Amortisation Amount and the Class C Notes Monthly Amortisation Amount shall be calculated by the Management Company.

Note Series Amortisation Period

As from the occurrence of the Amortisation Starting Date with respect to any given Note Series and during the Note Series Amortisation Period of such Note Series and prior to each Monthly Payment Date, the Management Company shall determine:

- (a) the Available Amortisation Amount with respect to such Monthly Payment Date;
- (b) the Class A20xx-yy Notes Monthly Amortisation Amount with respect to the Class A20xx-yy Notes of such Note Series on such Monthly Payment Date;
- (c) the Class B20xx-yy Notes Monthly Amortisation Amount with respect to the Class B20xx-yy Notes of such Note Series on such Monthly Payment Date;
- (d) the Class C20xx-yy Notes Monthly Amortisation Amount with respect to the Class C20xx-yy Notes of such Note Series on such Monthly Payment Date;
- (e) the Principal Amount Outstanding of the Class A20xx-yy Notes of such Note Series on such Monthly Payment Date;
- (f) the Principal Amount Outstanding of the Class B20xx-yy Notes of such Note Series on such Monthly Payment Date; and
- (g) the Principal Amount Outstanding of the Class C20xx-yy Notes of such Note Series on such Monthly Payment Date;

For these purposes:

Amortisation Starting Date or **Note Series 20xx-yy Amortisation Starting Date** means, with respect to any outstanding Note Series, the earlier of the following dates:

- (a) the applicable Scheduled Amortisation Starting Date; and
- (b) the Monthly Payment Date immediately following the occurrence of a Revolving Termination Event or an Accelerated Amortisation Event.

Scheduled Amortisation Starting Date or **Note Series 20xx-yy Scheduled Amortisation Starting Date** means, with respect to any Note Series, the Monthly Payment Date on which the Notes of such Note Series shall start amortising on each applicable Payment Date. The Scheduled Amortisation Starting Date shall be specified in the applicable Issuing Document for the Class A Notes, the Class B Notes and the Class C Notes.

Programme Revolving Period and Programme Amortisation Period

During the Programme Revolving Period and the Programme Amortisation Period and prior to each Monthly Payment Date, the Management Company shall determine:

- (a) the Available Amortisation Amount with respect to such Monthly Payment Date;
- (b) the Class A Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (c) the Class B Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (d) the Class C Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (e) the Principal Amount Outstanding of each Class A20xx-yy Notes on such Monthly Payment Date;
- (f) the Principal Amount Outstanding of each Class B20xx-yy Notes on such Monthly Payment Date; and
- (g) the Principal Amount Outstanding of each Class C20xx-yy Notes on such Monthly Payment Date.

Programme Accelerated Amortisation Period.

During the Programme Accelerated Amortisation Period and prior to each Monthly Payment Date, the Management Company shall determine:

- (a) the Available Amortisation Amount with respect to such Monthly Payment Date;
- (b) each Class A20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (c) each Class B20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (d) each Class C20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (e) the Principal Amount Outstanding of each Class A20xx-yy Notes on such Monthly Payment Date;

- (f) the Principal Amount Outstanding of each Class B20xx-yy Notes on such Monthly Payment Date; and
- (g) the Principal Amount Outstanding of each Class C20xx-yy Notes on such Monthly Payment Date.

The Management Company will cause each determination of the Class A20xx-yy Notes Monthly Amortisation Amount, the Class B20xx-yy Notes Monthly Amortisation Amount, Class C20xx-yy Notes Monthly Amortisation Amount and Principal Amount Outstanding of the Class A Notes, the Class B Notes or the Class C Notes to be notified in writing forthwith to the Paying Agent, the Issuer Accounts Bank and, for so long as any Class A Notes, Class B Notes and Class C Notes of any Note Series are admitted to trading, to AIAF, MARF or any other regulated or unregulated market and will cause notice of each determination of the Class A20xx-yy Notes Monthly Amortisation Amount, the Class B20xx-yy Notes Monthly Amortisation Amount, the Class C20xx-yy Notes Monthly Amortisation Amount and Principal Amount Outstanding of the Class A Notes, Class B Notes or Class C Notes to be given to the relevant Note Series Noteholders in accordance with section 4.1.3.3 of the Additional Building Block as soon as reasonably practicable.

For these purposes:

Available Amortisation Amount means, on each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, an amount equal to the aggregate of:

- (a) the Available Principal Collections with respect to the Collection Period immediately preceding such Monthly Payment Date;
- (b) the amounts standing to the credit of the Principal Account as of the close of the immediately preceding Monthly Payment Date (after the application of the relevant Priority of Payments), but excluding any amounts retained on the Principal Account and recorded on the Principal Distribution Ledger for the purpose of payment on any subsequent Monthly Payment Date(s);
- (c) the Seller Dilutions (if any) paid on or prior to the Calculation Date by the Seller to the Fund in accordance with section 3.3.1.10 of the Additional Building Block;
- (d) the portion of the Aggregate Repurchase Price which corresponds to the Outstanding Principal Balances of the Repurchased Receivables with respect to Client Accounts other than Defaulted Client Accounts in respect of a Repurchase Date immediately preceding such Monthly Payment Date;
- (e) the PDL Cure Amounts credited on such Monthly Payment Date to the Principal Account by debit of the Interest Account in accordance with the Interest Priority of Payments;

- (f) the Unapplied Revolving Amount standing at the credit of the Revolving Account on the preceding Monthly Payment Date (after the application of the relevant Priority of Payments); and
- (g) minus, as the case may be, the amount credited to the Interest Account pursuant to item (1) of the Principal Priority of Payments on such Monthly Payment Date

Note Series 20xx-yy Available Amortisation Amount means, during the Programme Revolving Period and the Programme Amortisation Period:

- (a) with respect to any Calculation Date falling before the Calculation Date immediately preceding its Amortisation Starting Date: zero (0); and
- (b) with respect to any Calculation Date falling on or after the Calculation Date immediately preceding its Amortisation Starting Date, the product between:
 - (i) the Note Series 20xx-yy Principal Ratio on such Calculation Date; and
 - (ii) the Available Amortisation Amount on such Calculation Date.

Note Series 20xx-yy Total Available Amortisation Amount means, on any Calculation Date during the Programme Revolving Period and the Programme Amortisation Period and in respect of a Note Series 20xx-yy, the sum of:

- (a) the Note Series 20xx-yy Available Amortisation Amount of such Note Series 20xx-yy; and
- (b) following the occurrence of an Optional Early Redemption Event:
 - (i) the Note Series 20xx-yy Call Amount of such Note Series 20xx-yy; or
 - (ii) the Note Series 20xx-yy Clean-Up Call Amount of such Note Series 20xx-yy.

Note Series 20xx-yy Principal Ratio means, on each Calculation Date, with respect to any outstanding Note Series, the percentage equal to (which percentage shall never exceed 100 per cent.):

- (a) during the Programme Revolving Period:
 - (i) the Note Series 20xx-yy Initial Principal Amount; divided by
 - (ii) the aggregate of the Note Series 20xx-yy Initial Principal Amounts of all the then outstanding Note Series multiplied by the sum of (i) 1 and (ii) the Required Seller Share; and
- (b) during the Programme Amortisation Period:
 - (i) the Note Series 20xx-yy Initial Principal Amount; divided by

- (ii) the aggregate of the Note Series 20xx-yy Initial Principal Amounts of all the then outstanding Note Series.

The sum of all Note Series 20xx-yy Principal Ratios shall never be greater than 100 per cent.

Class A20xx-yy Notes Monthly Amortisation Amount means with respect to the Class A20xx-yy Notes of any Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class A20xx-yy Notes:
 - (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
 - (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the lesser between:
 - (A) the difference between (x) the Class A20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class A20xx-yy Notes since the last Payment Date (if any); and
 - (B) the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date;
- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class A20xx-yy Notes:
 - (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
 - (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the aggregate of:
 - (A) the principal amounts retained on the Principal Distribution Ledger with respect to such Class A20xx-yy Notes since the last Payment Date (if any); and
 - (B) the lesser between:
 - the difference between (x) the Class A20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such

Class A20xx-yy Notes since the last Payment Date (if any);
and

- the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date;
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period, the aggregate of:
- (i) the Class A20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Monthly Payment Date; and
 - (ii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any principal amounts retained on the Principal Distribution Ledger with respect to such Class A20xx-yy Notes since the last Payment Date (if any).

Class B20xx-yy Notes Monthly Amortisation Amount means with respect to the Class B20xx-yy Notes of any Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class B20xx-yy Notes:
- (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
 - (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the lesser between:
 - (A) the difference between (x) the Class B20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class B20xx-yy Notes since the last Payment Date (if any); and
 - (B) the positive difference between (x) the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date and (y) the Class A20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class B20xx-yy Notes:

- (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
- (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the aggregate of:
 - (A) the principal amounts retained on the Principal Distribution Ledger with respect to such Class B20xx-yy Notes since the last Payment Date (if any); and
 - (B) the lesser between:
 - the difference between (x) the Class B20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class B20xx-yy Notes since the last Payment Date (if any); and
 - the positive difference between (x) the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date and (y) the Class A20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period:
 - (i) once all Class A Notes have been fully redeemed or the remaining principal amount due under such Class A Notes have been fully retained on the Principal Distribution Ledger, the aggregate of:
 - (A) the Class B20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Monthly Payment Date; and
 - (B) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any principal amounts retained on the Principal Distribution Ledger with respect to such Class B20xx-yy Notes since the last Payment Date (if any);
 - (ii) in any other case, zero (0).

Class C20xx-yy Notes Monthly Amortisation Amount means with respect to the Class C20xx-yy Notes of a Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class A20xx-yy Notes:
- (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
 - (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the lesser between:
 - (A) the difference between (x) the Class C20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class C20xx-yy Notes since the last Payment Date (if any); and
 - (B) the positive difference between (x) the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date and (y) the aggregate of the Class A20xx-yy Notes Monthly Amortisation Amounts and the Class B20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class A20xx-yy Notes:
- (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
 - (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the aggregate of:
 - (A) the principal amounts retained on the Principal Distribution Ledger with respect to such Class C20xx-yy Notes since the last Payment Date (if any); and
 - (B) the lesser between:
 - the difference between (x) the Class C20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class C20xx-yy Notes since the last Payment Date (if any); and

- the positive difference between (x) the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date and (y) the aggregate of the Class A20xx-yy Notes Monthly Amortisation Amounts and the Class B20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period:
- (i) once all Class A Notes and Class B Notes of all Note Series have been fully redeemed or the remaining principal amount due under such Class A Notes and Class B Notes have been fully retained on the Principal Distribution Ledger, the aggregate of:
 - (A) the Class C20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Monthly Payment Date
 - (B) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any principal amounts recorded on the Principal Distribution Ledger with respect to such Class C20xx-yy Notes since the last Payment Date (if any).
 - (ii) in any other case, zero (0).

4.9.7. No Other Redemption

The Fund shall not be entitled to redeem the Notes otherwise than as provided in this section.

4.9.8. Purchase by the Fund

The Fund shall not, at any time, purchase or otherwise acquire any Notes.

4.9.9. Cancellation

All Notes which are redeemed by the Fund pursuant to this section 4.9 will be cancelled by the Paying Agent and accordingly will not be reissued or resold and the obligations of the Fund in respect of any such Notes shall be discharged.

4.10. Indication of the yield

No assurance can be made of the amount of payments that will be made on the Notes on each Payment Date because that amount will depend on the amount of payments received on the Receivables during the preceding Collection Period.

The average life, duration, yield to maturity, term, estimated maturity date, and any other metric of the Notes in general cannot be predicted with any certainty, as a number of other

factors on which they rely are unknown. The most significant unknown factors upon which payment of the Notes depend are (i) collections under the Receivables and changes in the receivables payment terms, (ii) change of Notes Series Interest Rate (if Floating Interest Rate Note Series), (iii) capacity of the Borrowers to prepay, in full or in part, the Receivables, (iv) payment rate of the Receivables, (v) availability of Receivables eligible for purchase, (vi) the default rates of the Borrowers, (vii) the exercise by the Seller of any early redemption option, and (viii) the occurrence of an Early Liquidation Event, a Revolving Termination Event or an Accelerated Amortisation Event.

Notwithstanding the above, estimations of the actual interest and principal payable to a subscriber who acquires the Notes of a Notes Series, will be indicated by way of example in the corresponding Issuing Document, along with estimations of the average life, yield to maturity, duration, and estimated maturity date of such Notes which will be calculated using certain information, hypothesis and assumptions, amongst others:

- (a) the Disbursement Date of the Note Series 20xx-yy;
- (b) the Scheduled Amortisation Starting Date;
- (c) for the purposes of this section the cut-off date will be specified , as the Fund relevant Cut-Off Date prior to the issuance of such Notes (with explicit indication of such date), except for the Notes issued on the Fund Incorporation Date which will be the 15th March 2017 corresponding to the reference date of the Audited Portfolio;
- (d) that on the Disbursement Date of the Note Series 20xx-yy, the Outstanding Principal Balances of the Purchased Receivables is equal to the Minimum Portfolio Amount as of such date. New Receivables are purchased (if required) in order to maintain such Minimum Portfolio Amount until the Scheduled Amortisation Starting Date of the Note Series 20xx-yy;
- (e) that the composition and the amortisation profile of the portfolio of the Purchased Receivables (and the new Receivables purchased during the Note Series Revolving Period of the outstanding Note Series) is similar to the composition and amortisation profile of the performing portfolio as at the cut-off date prior to the issuance of such Notes;
- (f) no new issuance of further Note Series occurs (however for calculation purposes, previously issued and outstanding Notes Series are considered);
- (g) the Seller does not repurchase any Receivables purchased by the Fund;
- (h) the rate of defaults on the Receivables will be specified in the corresponding Issuing Document;

- (i) interest payments on the Receivables will be received, if any at the applicable interest rate offered by SFC as the cut-off date. No adjustment of the applicable interest rate under the Revolving Credit Agreements is offered by SFC;
- (j) the Fund excess margin remains sufficient to cover all defaulted amounts;
- (k) principal payments and prepayments on the Receivables will be received, if any, at the relevant constant monthly principal payment rate (the **MPPR**) specified in the corresponding Issuing Document;
- (l) the calculation of the weighted average life (in years) is calculated on an Actual/Actual basis;
- (m) the Note Series 20xx-yy Clean-Up Call Conditions will not be considered applicable;
- (n) none of the Fund Liquidation Events are considered applicable;
- (o) payment of principal and interest due and payable under the Notes will be received on the 26th day of each relevant Note Series Payment Date;
- (p) zero per cent investment return is earned on the Issuer Accounts;
- (q) no Revolving Termination Event has occurred;
- (r) no Accelerated Amortisation Event has occurred;
- (s) it is not necessary to use the Commingling Reserve or the General Reserve.

These estimates will have certain inherent limitations. No representations will be made that such estimates are accurate, that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

4.11. Representation of the Noteholders

The Management Company, in accordance with the provisions of article 26 of Law 5/2015, shall act with utmost diligence and transparency in defence of the best interests of the Noteholders and the funders of the Fund. Consequently, the Management Company must subordinate its action to safeguarding the interests of the holders of the Notes issued by the Fund and the funders of the Fund.

No meeting of Noteholders and funders of the Fund shall be established in the Deed of Incorporation of the Fund.

4.12. Resolutions, authorizations, and approvals for the Notes Series

4.12.1. Corporate resolutions

4.12.1.1. Resolution to sell the Receivables

At a meeting held on 17 June 2016, as supplemented on 7 March 2017, the Board of Directors of the Seller approved the entry into of the Programme and the relevant Programme Documents and the sale of the Receivables to the Fund, which was also approved by the shareholders' meeting of the Seller at a meeting held on 15 September 2016 for the purposes of article 160(f) of the Capital Companies Law.

4.12.1.2. Resolution to incorporate the Fund, acquire the Receivables and issue of successive Notes Series

The resolutions adopted by the Board of Directors of the Management Company on 24 January 2017 approved to (i) incorporate the Fund, (ii) acquire the Receivables to be pooled in the Fund, (iii) issue of successive Notes Series and (iv) appoint Mazars as the Auditor of the Fund.

4.12.2. Registration by the CNMV

The incorporation of the Fund and the establishment of the Programme are subject to the prerequisite of this Base Prospectus being registered at the Official Register of the CNMV, pursuant to the provisions of article 22.1 d) of Law 5/2015.

This Base Prospectus has been registered by the CNMV in its Official Register on 6 April 2017.

4.12.3. Granting of the Deed of Incorporation of the Fund

Once the CNMV has registered this Base Prospectus, (i) the Management Company and the Seller will execute the Deed of Incorporation of the Fund (drafted in Spanish language) and (ii) the Management Company and the Seller will execute the Master Receivables Sale and Purchase Agreement by virtue of which the Seller will assign the Receivables to the Fund.

The Management Company declares that the contents of the Deed of Incorporation will be fully consistent the provisions of the draft Deed of Incorporation filed with the CNMV. Under no circumstances will the terms of the Deed of Incorporation contradict, modify, alter or render null and void the contents of this Base Prospectus. The Deed of Incorporation will be executed on the Fund Incorporation Date.

It is expected that the execution of the Deed of Incorporation, and thus the Fund Incorporation Date, will be 7 April 2017.

A copy of the Deed of Incorporation will be sent to the CNMV for its registration in the Official Register.

4.12.4. Issuing Document

The incorporation of the Notes of the successive Notes Series will be instrumented through the relevant Issuing Document according to the paragraphs below, depending on whether the

Notes will be listed or unlisted, the type of market (regulated or unregulated) and the form of the titles (book-entry or physical title):

- (a) provided that the Notes of the Notes Series are intended for listing in AIAF, an original of each Final Terms will be sent to (i) the CNMV and AIAF for its admission to listing on or after the Issue Date of the corresponding Notes Series and (ii) to the CNMV and IBERCLEAR for the purposes of registration as book-entries;
- (b) provided that the Notes of the Notes Series are intended for listing in MARF, an original of each Terms and Conditions (*terminos y condiciones* or *documento privado de emisión*) will be sent to (i) MARF for its admission to listing on or after the Issue Date of the corresponding Notes Series and (ii) to the CNMV and IBERCLEAR for the purposes of registration as book-entries;
- (c) provided that the Notes of the Notes Series are intended for listing in any other regulated market, an original of each Final Terms will be sent to (i) the CNMV and the respective regulated market, for its admission to listing on or after the Issue Date of the corresponding Notes Series, and (ii) to the CNMV and IBERCLEAR for the purposes of registration as book-entries;
- (d) provided that the Notes of the Notes Series are intended for listing in any other unregulated market, an original of each Terms and Conditions (*terminos y condiciones* or *documento privado de emisión*) as may be required by such market will be sent to (i) such unregulated market's governing body for its admission to listing on or after the Issue Date of the corresponding Notes Series, and (ii) to the CNMV and IBERCLEAR for the purposes of registration as book-entries;
- (e) provided that the Notes of the Notes Series are not intended for listing if represented in book-entries, an original of the relevant Deed of Issue (*escritura de emisión*) and solely for the purposes of registration as book-entries, to the CNMV and the relevant financial institution appointed by the Management Company to carry out the relevant book-entry registry on or after the Issue Date of the corresponding Notes Series; and
- (f) provided that the Notes of the Notes Series are not intended for listing if represented in physical titles, the relevant Deed of Issue executed by the management Company, for and on behalf of the Fund, will not require of any communication to the CNMV or any third parties.

For these purposes:

Issuing Document means each document executed by the Management Company, for and on behalf of the Fund, whereby the issuance of Notes of the successive Notes Series will be instrumented, including, each Final Terms, each Terms and Conditions and each Deed of Issue.

Final Terms means the final terms which will be prepared by the Management Company in relation to the issue of any Class A Notes, Class B Notes and any Class C Notes to be listed in AIAF or in any other regulated market, substantially in the form set out in Schedule 2 “Form of Final Terms”.

Terms and Conditions means the terms and conditions (*terminos y condiciones* or *documento privado de emisión*) which will be prepared by the Management Company in relation to the issue of any Class A Notes, Class B Notes and any Class C Notes to be listed in MARF or in any other unregulated market. Each Terms and Conditions shall include, *mutatis mutandi*, the information included in Schedule 2 “Form of Final Terms”.

Deed of Issue means the relevant deed of issue (*escritura de emisión*) in relation to the issue of any unlisted Class A Notes, Class B Notes and any Class C Notes. Each Deed of Issue shall include, *mutatis mutandi*, the information included in Schedule 2 “Form of Final Terms”.

4.12.5. Registration of prospectus renewals. Supplements to the Base Prospectus

This Base Prospectus will be in force for an initial period of twelve (12) months from the date of registration of the Base Prospectus (subject to the publication of the relevant Prospectus Supplements to this Base Prospectus) and will be renewed each year during the life of the Fund.

In accordance with article 22 of Royal Decree 1310/2005, the Fund shall also publish Prospectus Supplements in relation to any information which is capable of affecting the assessment of the Notes of the relevant Note Series issued by the Fund and which is not known as of the date of the Base Prospectus or any of its renewals (without limitation, information on any new risk factors, the determination of the required levels for certain variables (as set out in the following paragraph), and/or updated information on the portfolio of Receivables).

In particular, changes to the following variables or magnitudes will require the publication of a Supplement to the Base Prospectus unless they are modified in a renewal of the Base Prospectus:

- (a) the Account Bank Required Ratings (as described in section 3.4.5.10 of the Additional Building Block).

For information purposes, as of the Fund Incorporation Date the Account Bank Required Ratings will be:

- (i) at least A (senior long term) or A (high) (critical obligations rating) by DBRS or, in the absence of a public rating, at least two of the following ratings from two of the following rating agencies:

- (A) a short-term rating of at least F-2 and a long-term rating of at least A by Fitch;
 - (B) a short-term rating of at least A-2 and a long-term rating of at least A by Standard & Poor's;
 - (C) a short-term rating of at least P-2 and a long-term rating of at least A2 by Moody's; and
- (ii) F-1 by Fitch with respect to the short-term Issuer Default Rating (IDR) of such entity or A- by Fitch with respect to the long-term Issuer Default Rating (IDR) of such entity;
- (b) the Class A General Reserve Minimum Amount (as described in section 3.4.3.7 of the Additional Building Block).

For information purposes, on first Monthly Payment Date after the Fund Incorporation Date the Class A General Reserve Minimum Amount will be equal to EUR 2,350,000.00;

- (c) the Class A General Reserve Required Amount (as described in section 3.4.3.7 of the Additional Building Block).

For information purposes, on the first Notes Issue Disbursement Date following the Fund Incorporation Date, the Class A General Reserve Required Amount will be equal to EUR 5,640,000;

- (d) the Class B General Reserve Minimum Amount (as described in section 3.4.3.7 of the Additional Building Block).

For information purposes, on first Monthly Payment Date after the Fund Incorporation Date the Class B General Reserve Minimum Amount will be equal to zero (0);

- (e) the Class B General Reserve Required Amount; (as described in section 3.4.3.7 of the Additional Building Block).

For information purposes, on the first Notes Issue Disbursement Date following the Fund Incorporation Date, the Class B General Reserve Required Amount will be equal to zero (0);

- (f) the Collections Accounts Bank Required Ratings (as described in section 3.7.2.8 of the Additional Building Block).

For information purposes, as of the date of this Base Prospectus the Collections Accounts Bank Required Ratings are:

- (iii) a public rating of at least BBB (senior long term) by DBRS; or
 - (iv) F-3 by Fitch with respect to the short-term Issuer Default Rating (IDR) of such entity or BBB- by Fitch with respect to the long-term Issuer Default Rating (IDR) of such entity; or
 - (v) P-2 by Moody's with respect to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity;
- (g) the Commingling Reserve Required Amount (as described in section 3.4.3.8 of the Additional Building Block).

For information purposes, on the first Notes Issue Disbursement Date following the Fund Incorporation Date, the Commingling Reserve Required Amount will be equal to EUR 9,100,000;

- (h) the Maximum Addition Amount (as described in section 3.3.1.2 of the Additional Building Block);

For information purposes as of first applicable Purchase Date the Maximum Addition Amount threshold for conditions (1) and (2) will be 25%;

- (i) the Required Seller Share (as described in section 3.3.1.5 of the Additional Building Block).

For information purposes, as of the Fund Incorporation Date, the Required Seller Share shall be equal to six per cent (6%) of the Principal Amount Outstanding of the Notes of the first Note Series issued on the Fund Incorporation Date which amounts to EUR 34,800,000.00;

- (j) the Seller Share Interest Rate (as described in section 3.4.4.4 of the Additional Building Block).

For information purposes on the first Monthly Payment Date after the Fund Incorporation Date the Seller Share Interest Rate will be equal to 0.25%.

The Management Company declares that the changes to any of the variables or magnitudes referred to above shall not require the amendment to the Deed of Incorporation of the Fund in the terms set out in article 24 of Law 5/2015. In any case, any such changes shall not result in the downgrade of any outstanding Notes by the Relevant Rating Agencies.

Any Prospectus Supplement shall be approved in the same way as the Base Prospectus and published at least through the same means used for the publication of the Base Prospectus.

4.13. Issue of Notes Series

4.13.1. Notes Series issue date

The Fund shall be entitled to issue Note Series on the Fund Incorporation Date and until the end of the Programme Revolving Period. Consequently, provided that no Revolving Termination Event and no Accelerated Amortisation Event occurs, the Fund may issue Note Series on the Fund Incorporation Date and thereafter on each Issue Date until, at the latest, six (6) months prior to the Fund Legal Maturity Date.

4.13.2. Initial Note Series Issuance Conditions Precedent

The issuance of any Note Series on the Fund Incorporation Date shall be subject to the satisfaction of the following conditions precedent (the **Initial Note Series Issuance Conditions Precedent**):

- (b) the Class A Notes of the Note Series to be issued are assigned a preliminary rating of “AA(high)(sf)” and “AA+(sf)” respectively by DBRS and Fitch;
- (c) the Class A Notes Subscribers have agreed to subscribe for or underwrite or purchase the Class A Notes of such Note Series with the signing of a Class A Notes Subscription Agreement on or prior the Issue Date; and
- (d) the Class C Notes Subscribers have agreed to subscribe for or underwrite or purchase the Class C Notes of such Note Series with the signing of a Class C Notes Subscription Agreement on or prior the Issue Date.

Non satisfaction of the Initial Note Series Issuance Conditions Precedent shall not constitute a Fund Liquidation Event nor imply the extinguishment of the Fund in any manner whatsoever.

Subject to section 4.4.7.2 of the Registration Document, if the Initial Note Series Issuance Conditions Precedent are not satisfied and consequently no Note Series are issued on the Fund Incorporation Date, the Purchase Price of the initial portfolio of Eligible Receivables (in the context of the first Initial Transfer) to be purchased by the Fund from the Seller on the Fund Incorporation Date shall be funded with a drawing under the Seller Interest Credit Facility.

4.13.3. Further Note Series Issuance Conditions Precedent

The issuance of any Note Series on any Issue Date shall be subject to the satisfaction of the following conditions precedent (the **Further Note Series Issuance Conditions Precedent**):

- (a) the issue of any Note Series shall not result in the Maximum Outstanding Balance of the Programme being exceeded.

- (b) the Scheduled Amortisation Starting Date of any new Note Series shall fall after the Scheduled Amortisation Starting Date of any previously issued Note Series which remains outstanding on the Issue Date of such new Note Series;
- (c) no Revolving Termination Event and no Accelerated Amortisation Event shall have occurred;
- (d) if the Class A Notes, Class B Notes and/or Class C Notes of any Note Series bear a floating rate, a Class A Hedging Agreement and/or a Class B Hedging Agreement and/or Class C Hedging Agreement have been entered into between the Fund and any Eligible Hedging Counterparty unless such Class A Notes and/or Class B Notes and/or Class C Notes bear a Maximum Interest Rate;
- (e) on the Calculation Date corresponding to such Issue Date, the Management Company has determined that the Class A Principal Deficiency Ledger and the Class B Principal Deficiency Ledger will not be in debit on the next Monthly Payment Date after the application of the Interest Priority of Payments;
- (f) the Class A Notes of the new Note Series to be issued are assigned a preliminary rating of “AA(high)(sf)” and “AA+(sf)” (or are preliminarily assigned the then current rating of the outstanding Class A Notes) respectively by DBRS and Fitch and/or the equivalent ratings from the other Relevant Rating Agencies provided (i) always that the Class A Notes shall be rated at least by two of the Relevant Rating Agencies and (ii) the issuance of the Class A Notes does not result in the downgrade or withdrawal by the Relevant Rating Agencies of the then current rating of outstanding Class A Notes;
- (g) as applicable, (i) the Class B Notes of the new Note Series to be issued (as the case may be) are rated at least by two of the Relevant Rating Agencies and (ii) if any Class B Notes are outstanding, (a) the Class B Notes of the new Note Series are assigned preliminarily at least the then current rating of the outstanding Class B Notes by the Relevant Rating Agencies and (b) the issuance of the Class B Notes of the new Note Series does not result in the downgrade or withdrawal by the Relevant Rating Agencies of the then current rating of the outstanding Class B Notes;
- (h) if the Class C Notes of the new Note Series are Rated Notes, the Class C Notes of the new Note Series to be issued (as the case may be) are rated at least by two of the Relevant Rating Agencies;
- (i) the Class A Notes Subscribers have agreed to subscribe for or underwrite or purchase the Class A Notes of such Note Series with the signing of a Class A Notes Subscription Agreement on or prior the Issue Date;
- (j) if any, the Class B Notes Subscribers have agreed to subscribe for or underwrite or purchase the Class B Notes (if any) of such Note Series with the signing of a Class B Notes Subscription Agreement on or prior the Issue Date; and

- (k) the Class C Notes Subscribers have agreed to subscribe for or underwrite or purchase the Class C Notes of such Note Series with the signing of a Class C Notes Subscription Agreement on or prior the Issue Date.

Non satisfaction of the Further Note Series Issuance Conditions Precedent shall not constitute a Fund Liquidation Event nor imply the extinguishment of the Fund in any manner whatsoever and shall not affect nor cause the termination of any of the Note Series previously issued by the Fund.

4.13.4. Procedure for the issue of further Note Series

In order to issue further Note Series the following steps shall be fulfilled:

- (a) if the proceeds of the issue of a new Note Series is intended to fund the purchase price of all or part of Eligible Receivables (in the context of Initial Transfers and/or Additional Transfers) purchased during the preceding Purchase Period, the Seller has notified the Management Company at least thirty (30) calendar days before any Issue Date of that purpose; and/or
- (b) if the proceeds of the issue of a new Note Series are intended to be used to redeem an outstanding Note Series on the corresponding Note Series 20xx-yy Call Date (if specified in the applicable Issuing Document) and/or redeem part of outstanding Seller Interest Credit Facility and/or pay part of the Deferred Purchase Price, the Seller has notified the Management Company at least thirty (30) calendar days before any Issue Date of that purpose;
- (c) the Seller has notified the Management Company at least (30) calendar days before any Issue Date the names of any entities participating as global coordinators, lead managers, bookrunners or underwriters in relation to the proposed issue of the Class A Notes and/or the Class B Notes and/or the Class C Notes of the new Note Series; and
- (d) on the Calculation Date corresponding to the relevant Issue Date, the Management Company will notify to the Seller (i) the General Reserve Increase Amount,(ii) the Commingling Reserve Increase Amount and (iii) the Note Series Issue Expenses in connection with such Note Series, to be funded by the Seller on or prior the relevant Issue Date, on the basis of the financial characteristics for each Class of Notes communicated by the Seller or the global coordinator to the Management Company.

4.13.5. Method of issue and distribution

The issue of the Notes Series will be carried out by virtue of the relevant Issuing Document.

The Class A Notes, the Class B Notes and the Class C Notes of any Note Series will be issued for distribution either through syndicates represented by one or more lead managers, bookrunners or underwriters or directly by one lead manager, bookrunner or underwriter acting alone.

Settlement of the Notes of any Note Series may be made through any of the following methods (which shall be set out in the corresponding Issuing Document):

- (a) delivery against payment (ie. where the transfer of the Notes and the payment of the subscription price occur simultaneously); or
- (b) delivery free of payment (ie. where the transfer of the Notes occurs without simultaneous exchange of the subscription price).

4.13.6. Issue and Offering of the Notes of any Note Series

The Issuing Document, in relation to this Base Prospectus will specify in relation to any Class A Notes, Class B Notes and Class C Notes of any Note Series which are intended to be offered to investors the terms of the offering, including:

- (a) the name or names of any global coordinators, lead managers, bookrunners or underwriters and the billing and delivery agent in relation to the offering and subscription of the Class A Notes, Class B Notes and the Class C Notes;
- (b) if applicable, the summary of any Hedging Agreements (ie Rating Events / Termination Events), the names of the relevant Hedging Counterparties, the Notional Amount of the Hedging Agreements and the Calculation Agent (as defined in the relevant Hedging Agreements);
- (c) the issue price of the Class A Notes, Class B Notes and the Class C Notes (which can be above/equal/below par);
- (d) the weighted average life of the Notes, internal rate of return and assumptions; and
- (e) the update of levels of certain credit enhancements.

Class A Notes, Class B Notes and Class C Notes of any Note Series may be offered to investors either through syndicates represented by one or more global coordinators, lead managers, bookrunners or underwriters or directly by one lead manager or one underwriter acting alone.

The global coordinators, lead managers, bookrunners or underwriters for a particular offering of Class A Notes, Class B Notes or Class C Notes of any Note Series will be named in the Issuing Document relating to that offering, and, if a syndicate is used, the global coordinator, lead manager or underwriter will be set out on the corresponding Issuing Document. Unless otherwise described in the corresponding Issuing Document, the obligation of any lead

managers, bookrunners or underwriters to purchase or underwrite any Class A Notes, Class B Notes and Class C Notes of any Note Series shall be subject to various conditions precedent.

The Seller (or any entity within the Seller's group) may reserve the right to subscribe for all Class A Notes and all Class B Notes and Class C Notes of a given Note Series. In such case the Class A Notes, Class B Notes and the Class C Notes of such Note Series shall not be placed with any investor not within the Seller's group.

4.13.7. General Restrictions

Other than the approval of this Base Prospectus by the CNMV, no action has been or will be taken in any country or jurisdiction by the Management Company that would, or is intended to, permit a public offering of the Class A Notes, Class B Notes and/or the Class C Notes of any Note Series, or possession or distribution of this Base Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. This Base Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

4.13.8. Selling and Transfer Restrictions

On each Issue Date, the Notes offered and sold by the Issuer may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. During the Distribution Compliance Period, the Notes may not be transferred to any person except for persons that are not Risk Retention U.S. Persons. Each holder of a Note or a beneficial interest therein acquired on the Issue Date or during the Distribution Compliance Period, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Fund, the Management Company, the Seller, the Arrangers and lead managers (including the Joint Lead Managers) that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules. See "*Certain Regulatory and Industry Disclosures — U.S. Risk Retention Requirements*". The Fund, the Management Company, the Seller, the Arrangers and lead managers (including the Joint Lead Managers) have agreed that the determination of the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules is solely the responsibility of the Seller, and none of the Arrangers, global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter, or any person who controls it or any director, officer, employee, agent or Affiliate of the Arrangers or any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and none of the Arrangers or any global coordinator, lead managers (including the Joint Lead

Managers), bookrunner or underwriter or any person who controls it or any director, officer, employee, agent or Affiliate of the Arrangers or any lead managers (including the Joint Lead Managers) accepts any liability or responsibility whatsoever for any such determination.

Each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter appointed in connection with a Notes issue shall undertake that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

In addition, each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter appointed in relation to a particular issue of Class A Notes, Class B Notes and Class C Notes of any Note Series will be required to represent and warrant to comply with the applicable selling and transfer restrictions.

Each Note purchaser shall agree that it will obtain any consent, approval or permission which is required for the offer, purchase or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will comply with all such laws and regulations.

In particular, the following selling and transfer restrictions shall apply in relation to the issue of the Class A Notes, Class B Notes and Class C Notes of any Note Series:

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter under the relevant Notes Subscription Agreement shall represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) they shall not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the relevant Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and

- (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the relevant Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United States

The Notes will not be registered under the Securities Act or the securities laws or “blue sky” laws of any state or any other relevant jurisdiction of the United States and therefore may not be offered, sold, resold or otherwise transferred, directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act. Accordingly, the Notes will be offered outside the United States to persons other than U.S. persons (as defined in and pursuant to Regulation S of the Securities Act).

Each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall agree that, except as permitted by the relevant Notes Subscription Agreement, it will not offer or sell the Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the closing date (the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, U.S. persons as defined under the Regulation S. Each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall further agree that it will have sent to each affiliate or other person receiving a selling commission, fee or other remunerations that purchases Notes from it during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account of, U.S. persons.

In addition, until the expiration of the Distribution Compliance Period, an offer or sale of the Notes within the United States by any global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter may violate the registration requirements of the Securities Act. Terms used in this section that are defined in Regulation S under the Securities Act are used herein as defined therein.

United Kingdom

Each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall represent, warrant and agree that:

- (a) it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (as amended) (**FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Fund; and
- (b) it will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall represent and agree that will not offer or sell, directly or indirectly, Notes to the public in France, and will not distribute or cause to be distributed to the public in France, the Base Prospectus, or any other offering material relating to the Notes, and that such offers, sales and distributions will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals all as defined in, and in accordance with, articles L.411-1, L.411-2, and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

Spain

The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the Spanish Securities Market Law (Royal Legislative Decree 4/2015 of 23 October, approving the consolidated text of the securities market law), as amended and restated, or without complying with all legal and regulatory requirements under Spanish securities laws.

Germany

Each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall agree not to offer or sell the Notes in the Federal Republic of Germany other than in compliance with the Securities Prospectus Act (*Wertpapierprospektgesetz*) as of 22 June 2005 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and the German Securities Sales Prospectus Act (*Wertpapier Verkaufsprospektgesetz*), or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

The Netherlands

Each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall represent and agree that the Notes may not be offered to the public in the

Netherlands in reliance on article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) or (ii) standard exemption wording is disclosed as required by article 5:20(5) of the Dutch Financial Supervision Act, *provided that* no such offer of Notes shall require the publication of a prospectus pursuant to article 3 of the Prospectus Directive or supplement to a prospectus pursuant to article 16 of the Prospectus Directive.

Italy

Each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall represent and agree that the Base Prospectus will not be published in the Republic of Italy in connection with the offering of the Notes and such offering of the Notes will not be registered with the *Commissione Nazionale per le Società e la Borsa* (the **Italian Securities and Exchange Commission** or **CONSOB**) pursuant to Italian securities legislation and, accordingly, the Notes may not be offered, sold or transferred, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined in article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Italian Financial Services Act**) and article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Italian Regulation No. 11971**); or
- (b) (ii) in other circumstances which are exempted from the rules on solicitations of investments pursuant to article 100 of the Italian Financial Services Act and its implementing regulations, including article 34-ter, of the Italian Regulation No. 11971.

Moreover, and subject to the foregoing, each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall acknowledge that any offer, sale or transfer of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in Italy under (a) or (b) above must, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and, in particular, will be made:

- (A) by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Italian Financial Services Act, the Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**), CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and any other applicable laws and regulations;
- (B) in compliance with article 129 of the Italian Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may require information on the issue or the offer of securities in the Republic of Italy; and

- (C) in compliance with any other applicable laws and regulations or requirement imposed by the Bank of Italy, CONSOB or any other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in the offering occurs in compliance with applicable laws and regulations. Please note that in accordance with article 100-bis of the Italian Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy at any time in the twelve (12) months following such placing must be made in compliance with the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and Italian Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

The Base Prospectus any other document relating to the Notes, and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

Switzerland

The Base Prospectus does not constitute an offering circular within the meaning of Art. 652a or Art. 1156 of the Swiss Code of Obligations. The Notes may not be offered or sold directly or indirectly in Switzerland or to Swiss based potential investors, except in circumstances that will not result in the offer of the Notes being a public offering in Switzerland within the meaning of the Swiss Code of Obligations and all other applicable laws and regulations of Switzerland.

Japan

The Notes will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **Japan Financial Instruments and Exchange Act**). Accordingly, each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall represent and agree that it has will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Japan Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Hong-Kong

Each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall represent, warrant and agree that:

- (a) it will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall acknowledge that this Base Prospectus will be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each global coordinator, lead manager (including the Joint Lead Managers), bookrunner or underwriter shall represent, warrant and agree that it will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and will not circulate or distribute, the Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

4.14. Restrictions on the free transferability of the securities

The Notes are freely transferable and can be transmitted through any legally permissible means. Furthermore, where the Notes are listed on AIAF, MARF or any other relevant regulated or unregulated market, their transmission will be subject to the rules applicable to the corresponding market.

The ownership of each of the Notes will be transferred (i) by book entry in the case of Notes represented in book-entry form (*anotaciones en cuenta*) or (ii) by registration in the Registry-Book in case of Notes represented by means of registered titles (*títulos nominativos*).

Registration of the transfer to the purchaser in the accounting register or the Registry-Book, as applicable, will have the same effects as the transfer of certificates, and from that moment onwards the transfer can be relied upon as against third parties.

5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

5.1. Market where the securities will be traded

The Notes may be unlisted or listed on AIAF, MARF or any other regulated or unregulated market. There is no obligation for the Notes of all Notes Series to be listed on any markets.

Where the Notes are to be listed on AIAF, MARF or any other regulated or unregulated market, the Management Company shall carry out its best efforts to achieve that the admission to trading of the Notes of each Notes Series on any such market is carried out not later than thirty (30) calendar days after the corresponding Disbursement Date set out in the corresponding Issuing Document. The Management Company will also, on behalf of the Fund, request the inclusion of the listed Notes of each Notes Series in IBERCLEAR so that clearing and settlement may be carried out under the operating rules established or that may be approved in the future by IBERCLEAR with regard to the securities admitted to trading on the on AIAF, MARF or any other regulated or unregulated market and represented by book entries.

The Management Company shall carry out its best efforts in order that each listed Notes Series is included in the registries of IBERCLEAR.

In the event of a failure to meet the deadline for the admission of the listed Notes of any Notes Series to trading, the Management Company undertakes to report a relevant fact (*hecho relevante*) to the CNMV and make the announcement in the corresponding mean foreseen in in AIAF, MARF or the corresponding regulated or unregulated market or in any other media generally accepted by the market which guarantees adequate dissemination of the information, in time and content, concerning the reasons for such breach and the new date for admission of the issued securities to trading, without prejudice of the possible liability of the Management Company if the breach is due to reasons attributable thereto.

The Management Company, in the name and on behalf of the Fund, represents that it is aware of the requirements and conditions that may be requested for the listing, maintenance and de-listing of the securities with AIAF, MARF or any other regulated or unregulated market, in accordance with the applicable regulation, as well as the requirements by the governing bodies of the latter, and the Management Company accepts to comply with them.

It is not foreseen to enter into any agreement with an entity that will undertake to facilitate the liquidity of the Notes during the life of the Fund.

Where the Notes are not listed in any market, the Management Company shall comply with the provisions set out in section 4.5.1 of the Securities Note.

5.1.1. Special provisions in relation to the admission to listing in MARF

Where the Notes of a Note Series are to be listed in MARF, the Management Company (acting in the name of the Fund) shall comply with the requirements for admission to the MARF set out in the Circular 1/2015, of 30 September, on admission and exclusion of securities in the Alternative Fixed-Income Market (*Circular 1/2015, de 30 de septiembre, sobre Incorporación y Exclusión de Valores en el Mercado Alternativo De Renta Fija*) or any regulation amending or substituting it from time to time.

For such purposes, the Management Company shall file the relevant application and any required documentation to ensure that all the requirements for admission to the MARF are complied with. In addition, the Management Company will act as registered advisor (*asesor registrado*).

5.2. Paying Agent

The Management Company, acting for and on behalf of the Fund, appoints Banco Santander as Paying Agent in order to carry out certain financial services (paying agency) in relation to the Notes of each Note Series issued by the Fund with effects from the Fund Incorporation Date.

5.2.1. Obligations of the Paying Agent

The Paying Agent obligations are summarised as follows:

- (a) On each Notes Issue Disbursement Date, and once instructions from the Management Company are received, effect the necessary payments to meet the disbursement process, the subscription of the Notes and, if applicable, payment of the Receivables purchased or the calling of a Note Series in the immediately next Monthly payment Date. In any event, payment of these amounts may be carried out in net amounts.
- (b) On each Payment Date, payment of interest and reimbursement of principal of the Notes, once the total tax withholdings have been made accordingly with current tax regulations.
- (c) On each Monthly Payment Date (or any other payment date in case of Extraordinary Expenses) of the Fund, carry out any payment required by the Management Company in relation to the Fund.
- (d) If there are no Available Distribution Amount in the General Account on a Payment Date, the Paying Agent will not be required to make any payments.

The Paying Agent shall carry out the functions entrusted under this section upon receipt of the relevant instructions from the Management Company, together with any information and data required by the Paying Agent for the performance of any such functions.

Any instructions received by the Paying Agent from the Management Company shall be deemed valid and effective, without the Paying Agent being obliged to verify the suitability, appropriateness or adequacy of such instructions. Consequently, the Paying Agent shall be released from any liability arising from their execution and/or processing in good faith (save where the Paying Agent has incurred in willful misconduct or negligence (either by act or by omission)).

In the event of failure or delay by the Management Company to provide the relevant instructions or information (in whole or in part), the Paying Agent shall not perform any action until such instructions or information are received. In any event, such failure or delay shall not be attributable to the Paying Agent and, therefore, the Management Company shall not claim any amount to the Paying Agent in connection thereto and the Fund shall hold the Paying Agent harmless against any claims as a result of such failure or delay which may be made by the beneficiaries of such payments, collections, performances unrealized or realized belatedly, under the terms set out in section 5.2.2 below.

The Paying Agent shall make the Fund payments, in accordance with the relevant Priority of Payments set out in section 3.4.7.2 of the Additional Building Block:

- (a) on each Monthly Payment Date; and
- (b) on any other date scheduled for such payment as set out in the Deed of Incorporation or the Base Prospectus,

by debiting the corresponding Issuer Account, after receiving appropriate instructions of the Management Company.

The instructions of the Management Company to the Paying Agent must be received by the Paying Agent at least one (1) Business Day before the relevant Monthly Payment Date (with respect to payments of interest or principal under the Notes) or one (1) Business Day before the date on which the Paying Agent shall effect the corresponding payment (in all the other cases).

In case that such instructions are not received on time, the Paying Agent shall immediately notify the Management Company of such circumstance so that the Management Company instructs the Paying Agent accordingly. In the absence of any such instructions, the Paying Agent will not make any payment.

Given that in accordance with the 3.4.5 of the Additional Building Block the Issuer Bank Accounts will not be allowed to have a negative balance to the detriment of the Fund, in the event that the relevant Issuer Account does not have sufficient funds to make the corresponding payment in accordance with instructions received from the Management Company, the Paying Agent shall notify the Management Company, and shall refrain from making any payment until it receives further instructions from the Management Company.

The payments of principal and interest (including, for the avoidance of doubt, any arrears of interest, where applicable) in respect of the Notes of any Note Series in accordance with the Priority of Payments set out in section 3.4.7.2 of the Additional Building Block will be made:

- (a) in case of listed Notes, by transfer to the account of the relevant participants in IBERCLEAR (the **Participant Entities**) at which the Notes of the relevant Note Series are registered, according to the procedures of IBERCLEAR applicable from time to time;
- (b) in case of unlisted Notes in book-entry form, by transfer to the account duly notified by the Noteholder to the duly licensed financial institution appointed by the Management Company to manage such registry, for such purposes; and
- (c) in case of unlisted Notes in registered form, by transfer to the account duly notified by the Noteholder to the Management Company.

Upon the occurrence of an unforeseen event which, in the Paying Agent's sole opinion, would make the execution of such instructions risky or harmful, the Paying Agent shall suspend the performance of its functions and immediately seek new instructions from the Management Company.

The Management Company shall provide such instructions to the Paying Agent as soon as possible in the manner provided in this section. If as a result of the delay by the Management Company to provide such new instructions a delay is caused in the payments to be effected by the Fund, the Management Company shall not claim any amount to the Paying Agent in connection thereto and the Fund shall hold the Paying Agent harmless against any claims as a result of such delay raised by the beneficiaries of such payments, under the terms set out in section 5.2.2 below.

The Paying Agent shall communicate to the Management Company by email, before 13:00 CET of any Interest Determination Date, the Interest Rate applicable to the Floating Rate Notes including the supporting documentation for such calculations in accordance with section 4.8.6 of the Securities Note of the Base Prospectus.

5.2.2. Limitation of liability of the Paying Agent

The Paying Agent will indemnify the Fund and compensate it in respect of any direct damage or loss incurred by either of them or the holders of the Notes by reason of willful misconduct or negligence (either by act or by omission) on the part of the Paying Agent.

The Paying Agent will not be liable for losses, damages, costs or expenses as a result of any fraudulent act, omission of information, misrepresentation, fraud or negligence or error in sending or receiving by the Management Company or refraining from performing any instruction in accordance with section 5.2.1 above, or third parties in relation to the information used by the Paying Agent for the exercise of its functions.

In addition, the Paying Agent shall not be under any liability for interest on any money at any time received by it, unless such monies are improperly withheld by it or delay in making payment of such monies to the relevant recipient is attributable to the negligence or technical failure on the part of the Paying Agent.

5.2.3. Resignation by the Paying Agent

The Paying Agent may, at any time upon not less than ninety (90) calendar days' written notice (or such shorter time as may be agreed between the Paying Agent and the Management Company), notify the Management Company in writing that it wishes to cease to be the Paying Agent.

Upon receipt of an early termination notice, the Management Company will appoint a new Fund's paying agent (a **New Paying Agent**) provided that the following conditions are met (the **Paying Agent Substitution Requirements**):

- (a) The New Paying Agent:
 - (i) is a credit institution duly authorised to provide banking services in Spain;
 - (ii) is an Eligible Paying Agent;
 - (iii) has, in the Management Company's opinion, extensive experience and a proven operational track record in functions similar to those described in section 5.2 of the Securities Note;
 - (iv) in the Management Company's opinion can assume in substance the rights and obligations of the Paying Agent; and
 - (v) shall have agreed with the Management Company to perform the duties and obligations of the Paying Agent;
- (b) the Relevant Rating Agencies shall have been given prior notice of such substitution and such substitution shall not entail the downgrade or withdrawal of any of the ratings then assigned by the Relevant Rating Agencies to the Notes; and
- (c) such substitution is made in compliance with the then applicable laws and regulations.

The costs and taxes that may be incurred in as a consequence of the resignation of the Paying Agent will be on account of the Paying Agent. Notwithstanding this, in order to avoid any delays, the Management Company, at the expense of the Fund, may advance any such costs and expenses and request subsequently their reimbursement by the Paying Agent.

The resignation by the Paying Agent shall not take any effect until the appointment of the New Paying Agent is effective. The termination by the Paying Agent of the performance of

its functions, as well as the appointment of the New Paying Agent will be notified by the Management Company to the Relevant Rating Agencies and, if applicable, the CNMV.

Upon termination of its appointment, the Paying Agent shall deliver to the Management Company all documents, monies and securities belonging to the Fund and within its power as a result of the duties entrusted hereunder.

5.2.4. Voluntary Substitution

The Management Company is entitled to substitute the Paying Agent, provided that it notifies the Paying Agent in writing at least thirty (30) calendar days in advance of the envisaged termination date and provided that the Paying Agent Substitution Requirements are met.

All costs incurred in the voluntary substitution of the Paying Agent when necessary by decision of the Management Company will be for the account of the Fund.

The substitution of the Paying Agent shall not take any effect until the appointment of the New Paying Agent is effective. The termination by the Paying Agent of the performance of its functions, as well as the appointment of the New Paying Agent will be notified by the Management Company to the Relevant Rating Agencies and, if applicable, the CNMV.

5.2.5. Paying Agent Termination Events

Upon the occurrence of an Paying Agent Termination Event, the Management Company shall appoint a New Paying Agent within thirty (30) calendar days after the occurrence of such Paying Agent Termination Event and provided that the Paying Agent Substitution Requirements are met.

The Paying Agent shall promptly notify the Management Company, acting in the name and on behalf of the Fund, if the Paying Agent ceases to be an Eligible Paying Agent.

Paying Agent Termination Event means any of the following events:

- (a) any material representation or warranty made by the Paying Agent under any Programme Document to which it is a party is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within five (5) Business Days after the Management Company has given notice thereof to the Paying Agent or (if sooner) the Paying Agent has knowledge of the same, provided that the Management Company, at its discretion, certifies that it is material and prejudicial to the interests of the Noteholders;
- (b) the Paying Agent has failed to comply with any of its material obligations under any Programme Document to which it is a party unless such breach is capable of remedy and is remedied within five (5) Business Days after the Management Company has given notice thereof to the Paying Agent or (if sooner) the Paying Agent has

knowledge of the same, provided that the Management Company, at its discretion, certifies that it is material and prejudicial to the interests of the Noteholders;

- (c) an Insolvency Event occurs in respect of the Paying Agent;
- (d) at any time it is or becomes unlawful for the Paying Agent to perform or comply with any or all of its material obligations under any Programme Document to which it is a party or any or all of its material obligations under any Programme Document to which it is a party are not, or cease to be, legal, valid and binding;
- (e) any failure by the Paying Agent to make any payment under any Programme Documents to which it is a party, when due, except if such failure is due to technical or administrative reasons and is remedied within five (5) Business Days after such failure; or
- (f) the Paying Agent ceases to be an Eligible Paying Agent.

For these purposes, **Eligible Paying Agent** means a depository institution organised under the laws of any state which is a member of the European Union, and is authorised to take deposits in Spain.

All the costs incurred in the replacement of the Paying Agent to another Eligible Paying Agent will be paid by the replaced Paying Agent or the Fund if such replaced Paying Agent is unable to bear such costs.

5.2.6. Subcontracting

The Paying Agent may subcontract or delegate to third parties with acknowledged capacity, the paying agency functions, when (i) legally possible, (ii) there is prior written consent from the Management Company on behalf of the Fund, and (iii) the subcontractor or delegate has waived the right to claim any responsibility from the Fund. The Paying Agent may cancel such subcontracts or delegations under the same terms.

In any event, this subcontracting or delegation shall not imply any extra costs or expenses for the Fund or the Management Company. Neither of them will assume any additional liability as a result of such subcontracting or delegation.

Any subcontracting will be subject to the prior approval of the CNMV, if legally necessary.

5.2.7. Remuneration of the Paying Agent

As consideration for the services to be provided by the Paying Agent, the Management Company, for and on behalf of the Fund, shall pay on each Monthly Payment Date a fee agreed between the Paying Agent and the Management Company.

6. EXPENSES OF THE ADMISSION TO LISTING AND TRADING

6.1. Initial Expenses

The fees for the registration of this Base Prospectus with the CNMV and incorporating the Fund, that are included in the table below will be paid as Initial Expenses out of the proceeds of the Expenses Subordinated Facility.

Item	EURO
Fees to the CNMV	EUR 60,000
Other expenses (Notary fees, Relevant Rating Agencies fees, initial fee of the Management Company and others).	EUR 690,000
Total expenses	EUR 750,000

The table above includes the Note Series Issue Expenses payable by the Fund in connection of the issuance of the Notes Series to be issued on the Fund Incorporation Date.

6.2. Note Series Issue Expenses

The expenses incurred in connection with the issue of each Notes Series will be paid as Note Series Issue Expenses out of the proceeds of the Expenses Subordinated Facility in accordance with section 3.4.7.5 of the Additional Building Block.

Pursuant to the provisions of section 3.4.7.5 of the Additional Building Block, the Note Series Issue Expenses will be determined before the corresponding Notes Series takes place and will be disclosed in the relevant Issuing Document on the occasion of each Notes Series.

For these purposes, **Note Series Issue Expenses** mean any expenses incurred in connection with the issue of the Notes of any Notes Series (including the execution and filing any Issuing Document and any fees and costs payable in connection therewith –ie. CNMV, IBERCLEAR, AIAF, fees of the Relevant Rating Agencies, legal costs, etc.-).

7. OTHER INFORMATION

7.1. Statement of the capacity in which the advisors involved in the issue that are mentioned in the Securities Note have acted

- Clifford Chance intervenes as legal counsel to the Seller and has reviewed the tax rules applicable to the Fund as set out in section 4.5.4 of the Registration Document.
- Allen & Overy intervenes as legal counsel to the Arrangers and the Joint Lead Managers and has drafted the Base Prospectus and reviewed the structure of the transaction for the benefit of the Arrangers and the Joint Lead Managers and it has reviewed the tax rules applicable to the Fund as set out in section 4.5.4 of the Registration Document.

7.2. Other information in the Securities Note that has been audited or reviewed by the auditors

Not applicable.

7.3. Statements or reports attributed to a person as an expert

Mazars is acting as Auditor for the verification of a series of attributes of the Audited Portfolio. Mazars will be also the Auditor for the Fund, as established in section 2.1 of the Registration Document.

7.4. Information sourced from third parties

As part of the tasks involved in checking the information contained in this Base Prospectus, the Management Company has received confirmation from the Seller that the information about the Seller and the Receivables that is given in section 2.2.8 of the Additional Building Block is true, and that the rest of the information about Seller and the Receivables that is contained in this Base Prospectus (and, if applicable, the relevant Issuing Document) is also true.

The Management Company confirms that it has accurately reproduced the information that it has received from the Seller and, insofar as it knows and can tell from such information received from the Seller, confirms that it has not omitted any fact that might result in the information reproduced being inaccurate or misleading, nor does this Base Prospectus omit material facts or data that could be significant for the investor and the Fund.

7.5. Credit ratings assigned by the Rating Agencies

7.5.1. Ratings assigned to the Rated Notes

As described in sections 4.13.2 and 4.13.3 of the Securities Note, the issue of Rated Notes of each Notes Series under the Programme on the corresponding Issue Date shall be subject to, amongst others:

- (a) In case of a Note Series issued on the Fund Incorporation Date, the Class A Notes of the Note Series to be issued are assigned a preliminary rating of “AA(high)(sf)” and “AA+(sf)” respectively by DBRS and Fitch.
- (b) In case of a Note Series issued on any Issue Date other than the Fund Incorporation Date:
 - (i) the Class A Notes of the new Note Series to be issued are assigned a preliminary rating of “AA(high)(sf)” and “AA+(sf)” (or are preliminarily assigned the then current rating of the outstanding Class A Notes) respectively by DBRS and Fitch and/or the equivalent ratings from the other Relevant Rating Agencies provided (i) always that the Class A Notes shall be rated at least by two of the Relevant Rating Agencies and (ii) the issuance of

the Class A Notes does not result in the downgrade or withdrawal by the Relevant Rating Agencies of the then current rating of outstanding Class A Notes;

- (ii) as applicable, (i) the Class B Notes of the new Note Series to be issued (as the case may be) are rated at least by two of the Relevant Rating Agencies and (ii) if any Class B Notes are outstanding, (a) the Class B Notes of the new Note Series are assigned preliminarily at least the then current rating of the outstanding Class B Notes by the Relevant Rating Agencies and (b) the issuance of the Class B Notes of the new Note Series does not result in the downgrade or withdrawal by the Relevant Rating Agencies of the then current rating of the outstanding Class B Notes.

The Class A Notes and the Class B Notes (if any) of any Note Series shall always be Rated Notes.

It is not obligatory that the Class C Notes are Rated Notes. That said, if the Class C Notes of any Note Series are Rated Notes, the Class C Notes of the such Note Series shall be rated at least by two of the Relevant Rating Agencies.

The preliminary ratings assigned to the Rated Notes of each Notes Series shall be specified in the applicable Issuing Document and must be confirmed by the Relevant Rating before the disbursement of the relevant Notes on the Disbursement Date of each Rated Notes.

In accordance with section 4.4.7.1 of the Registration Document, failure to obtain confirmation from the Relevant Rating Agencies of the preliminary ratings initially assigned (or if such ratings are withdrawn) before the disbursement of the Notes on the Disbursement Date of such Notes Series shall entail the termination of the issue of the Notes Series in question.

For these purposes:

Relevant Rating Agencies means the Rating Agencies specified in the applicable Issuing Document in respect of any Class of Notes of any Note Series outstanding at such time.

Rating Agency means any rating agency between DBRS, Fitch, Moody's and S&P.

7.5.2. Considerations regarding the rating assigned to the Notes by the Rating Agencies

The meaning of the ratings assigned to the Rated Notes can be consulted in the web pages of the Relevant Rating Agencies; this is, as applicable, www.dbrs.com, www.fitchratings.com, www.moodys.com or www.standardandpoors.com.

The ratings assigned by the Rating Agencies do not constitute an evaluation of the likelihood of the Borrowers repaying the Receivables early, or of the extent to which such early

repayments differ from those originally estimated. In no way do the ratings represent a rating of the level of actuarial yield.

The assigned ratings, as well as any revision or suspension thereof:

- (a) are formulated by the Rating Agencies on the basis of varied information received, the accuracy and completeness of which is not guaranteed by the Rating Agencies, and therefore the Rating Agencies will in no event be held liable for the contents thereof; and
- (b) do not constitute and, therefore, could not in any way be interpreted as an invitation, recommendation or solicitation for investors to proceed to carry out any type of transaction with the Rated Notes and, in particular, to acquire, retain, encumber or sell such Rated Notes. The final ratings of a Class of Notes may be revised, suspended or withdrawn at any time by the Rating Agencies, depending on any information that comes to their knowledge. Such situations will be notified immediately both to the CNMV and the Noteholders of the Rated Notes.

To perform the rating and monitoring process, the Rating Agencies rely on the accuracy and completeness of the information that they are given by the Seller, the Management Company, the Arrangers, the Auditor and the legal advisors.

These credit ratings are only an estimate and do not necessarily mean that potential investors do not have to conduct their own analysis of the Rated Notes that they intend to buy.

In accordance with section 4.4.7.1 of the Registration Document, failure to obtain confirmation from the Rating Agencies of the preliminary ratings (or if such ratings are withdrawn) before the disbursement of the relevant Notes on the Disbursement Date for such Notes Series shall entail the termination of the issue of the Notes Series in question.

ADDITIONAL BUILDING BLOCK TO THE SECURITIES NOTE (ANNEX VIII OF COMMISSION REGULATION 809/2004)

1. SECURITIES

1.1. Minimum denomination of a Notes Series

Notes of any Note Series will always be issued in a denomination of EUR one hundred thousand (€100,000).

The Maximum Outstanding Balance of the Programme from time to time outstanding under the Programme will not exceed EUR 2,000,000,000.

1.2. Confirmation that the information relating to an undertaking or obligor which is not involved in the issue has been accurately reproduced

Not applicable.

2. UNDERLYING ASSETS

2.1. Confirmation that the securitised assets backing the Notes Series have the capacity to produce the funds to service any payments due and payable on the Notes

The Management Company confirms that the cash flows to be generated by Purchased Receivables, according to the contractual terms and conditions of the Credit Card Agreements under which they derive, shall permit the payment of all the amounts due and payable in relation to the Notes in accordance with the relevant Priority of Payments. However, in order to cover for possible payment defaults by the Borrowers and thus enhance its financial structure and procure the largest possible coverage for the risks inherent to the Notes Series, the Management Company, on behalf of the Fund, will put in place a number of enhancement transactions as set out in section 3.4.3 of this Additional Building Block. Likewise, some Notes Series may have Hedging Agreements according to the provisions of the relevant Issuing Document of the corresponding Notes Series.

The Notes have different risk of failing to receive payments as and when due and therefore the Notes may have different credit ratings assigned by the Relevant Rating Agencies described in section 7.5 of the Securities Note.

Upon occurrence of any of the circumstances listed in section 4.4.3 of the Registration Document, the Management Company may proceed with the Early Liquidation of the Fund on the terms described in section 4.4.3 of the Registration Document.

The Management Company confirms the above on the basis of (i) the representations and warranties made by the Seller with respect to the Credit Card Agreements, the Client Accounts and the Receivables listed in section 2.2.8 of the Additional Building Block; (ii) the

report prepared by Mazars on the Audited Portfolio; (iii) the Initial Note Series Issuance Conditions Precedent set out in section 4.13.2 of the Securities Note and the Further Note Series Issuance Conditions Precedent required as per section 4.13.3 of the Securities Note and (iv) the ratings assigned to the Rated Notes by the Relevant Rating Agencies as described in section 7.5 of the Securities Note.

2.2. Assets backing the Notes Series

Introduction

The Receivables to be transferred to the Fund on the Fund Incorporation Date and thereafter on each Purchase Date during the life of the Fund are credit card receivables arising from drawings made by the Borrowers under the revolving credit facilities granted to such Borrowers by the Seller under the terms of the Credit Card Agreements. The Client Accounts associated with the Credit Cards Agreements from which the Receivables comprising the Audited Portfolio arise all have the same contractual conditions.

The credit facilities made available under the Credit Card Agreements are of a revolving nature, meaning that any principal repayment will reconstitute the credit available to the Borrower and may be re-drawn by the Borrower. The maximum amount of the credit which can be drawn by any Borrower (the **Credit Limit**) is set out in the relevant Credit Card Agreement and may be increased or decreased by the Seller in accordance with and subject to the limitations set out in its Credit Policies.

All Credit Card Agreements from which the Receivables included in the Audited Portfolio arise have been granted to Borrowers which are individuals resident in Spain as of the signing date of the corresponding Credit Card Agreement. Furthermore, the Borrowers under such Receivables had their most recent billing address located in Spain as of the Purchase Date of such Receivables.

For these purposes, **Borrower** means, in relation to any Credit Card Agreement, the individual who has entered into such Credit Card Agreement as principal obligor to the Seller.

Main cardholder and authorised users

Credit Card Agreements are signed with a main cardholder, who is the Borrower of the revolving credit facility granted under each Client Account associated with each Credit Card Agreement. Additional (physical) credit cards may be issued by the Seller to authorised users linked to the same Client Account. Credit analysis is performed by the Seller in respect of the Borrower only (and not on additional authorised users).

For these purposes, **Client Account** means the revolving credit account which is opened in the books of the Seller with respect to any Credit Card Agreement.

Purpose of the Credit Card Agreements

The purpose of the Credit Card Agreements is to provide consumer credit to the Borrowers.

Drawings under the Credit Card Agreements

In connection with each Credit Card Agreement, a (physical) credit card is always delivered to the Borrower by the Seller (a **Credit Card**). For information purposes, it is noted that the Credit Cards are operated by MasterCard®. Each physical card is valid for a period of 48 months. Once this period expires, if the associated credit facility continues to meet all the criteria for its renewal, a new valid physical card is issued for a further period of 48 months.

The revolving credit facility made available by the Seller to the Borrower under a Credit Card Agreement is used by the Borrower:

- (a) by making use of the Credit Card to:
 - (i) pay the price for the goods or services acquired,
 - (ii) withdraw cash in automated teller machines (ATMs) or cash withdrawal systems which permit these services; or
- (b) to receive transfers of funds in the relevant account of the Borrower by means of phone or internet request or by means of a request at the stores of certain entities of the Carrefour group and other third party stores where this possibility is offered.

Moreover, as further explained below (see section entitled “Interest and fees payable under the Credit Card Agreements”), the Seller may charge fees to the Borrower (fees may be charged for cash withdrawals, non-payment, wire transfers to the Borrower’s account and currency exchange). Payment of these fees (other than the late payment fee as further explained below) is financed by the Seller under the relevant Client Account. This means that such fees are not paid in full by the Borrower but rather payment thereof is financed by the Seller with the Credit Card (and therefore, the Outstanding Principal Balance of the relevant Client Account is increased in the amount of the relevant fee). By way of exception to the foregoing, late payment fees are added to the relevant Monthly Minimum Instalment and payment thereof is sought in full and are only financed by the Borrower if they are unpaid. Likewise, where the Borrower elects to take out insurance protection (see section entitled “Insurance” for further details), the Borrower must pay an insurance premium on a monthly basis. Unpaid monthly insurance premiums are also financed by the Seller under the relevant Client Account in the fashion as described above. Accordingly, fees charged to the Borrower (other than the late payment fee which is only financed if it is unpaid), unpaid late payment fees and unpaid insurance premiums amount to Drawings for all purposes and, therefore, they increase the Outstanding Principal Balance of the relevant Client Account, accrue interest at the interest rate then applicable to the Drawings and are repaid in Monthly Instalments (as defined and explained in section below entitled “Monthly Payments”).

Moreover, as further explained in section below entitled “Type of Repayment Options”, Credit Card Agreements allow for two main repayment options, either (i) in a single interest-free repayment (*contado inmediato* or *contado fin de mes*) or (ii) in interest-bearing instalments (*crédito*). Where a single interest-free instalment is unpaid by the Borrower, the Seller may finance payment thereof by means of a Drawing under the Client Account, provided this is expressly accepted by the Borrower. This feature is referred to by the Seller as “*basculación*”.

Consequently, any drawdowns made by the Borrower (or any other authorized user) under the revolving credit facility granted under each Client Account associated to each Credit Card Agreement, and which includes (i) any fees financed by the Seller (other than the late payment fee, unless it is unpaid), (ii) any unpaid insurance premium under the optional Insurance Policy entered by the Borrower financed by the Seller and (iii) any unpaid single interest-free instalment financed by the Seller with the prior consent of the Borrower (“*basculación*”) shall be considered a **Drawing**.

Drawings under the Client Account are accounted for in monthly billing periods or payment cycles (the **Monthly Billing Period**) which do not coincide with calendar months. As a general rule, each Monthly Billing Period starts on the twenty first (21st) day of each calendar month and ends on the twentieth (20th) day of the following calendar month and is referred to in the Credit Card Agreements as “billing period” (*periodo de liquidación*).

The outstanding principal balance (“*Saldo Dispuesto*”) of a Client Account is defined as the outstanding balance of the credit facility as reflected in the corresponding Client Account associated with each Credit Card Agreement at any given time. The Outstanding Principal Balance on any specific date (the **Outstanding Principal Balance**) is:

- (a) in respect of any Receivables and on any date, the total amount of principal which is due by the Borrower on such date (taking into account as the case may be, any principal amounts remaining unpaid increasing such total amount and any principal amounts prepaid decreasing such total amount); or, as the case may be,
- (b) on any given date, the result of the sum of: (i) the Outstanding Principal Balance of the Client Account at the close of the immediately prior Monthly Billing Period, plus (ii) the sum of the Drawings made since the close of such Monthly Billing Period, minus (iii) any principal payments made since the close of such Monthly Billing Period.

Type of repayment options

Credit Card Agreements allow for two main repayment options, either (i) in a single interest-free repayment (*contado inmediato* or *contado fin de mes*) (**Cash Re-payment Option**) or (ii) in interest-bearing instalments (*crédito*). The Seller has in place systems that allow the allocation of each single transaction to one or the other type of repayment options.

The Receivables comprising the Audited Portfolio provide only for repayments in interest-bearing instalments as per (ii) above. No single interest-free repayment (*contado inmediato* or *contado fin de mes*) receivables will be transferred to the Fund. Where a single interest-free instalment is unpaid by the Borrower, the Seller may finance payment thereof by means of a Drawing under the Client Account, provided this is expressly accepted by the Borrower. This feature is referred to by the Seller as “*basculación*”.

The choice of the repayment option is made by the Borrower at the time of entering into the Credit Card Agreement but may be changed afterwards.

However, those Borrowers who have elected the repayment option of interest-bearing instalments can still elect, at the time any purchase is made by them within certain entities of the Carrefour group and other third party stores where this possibility is offered, that such purchase is paid in a single interest-free repayment (*contado inmediato* or *contado fin de mes*) rather than in interest-bearing instalments (in which case, such payment will not form part of the revolving balance of the Credit Card and will therefore not be assigned to the Fund).

Type of Credit Cards

As noted above, in connection with each Credit Card Agreement, a (physical) Credit Card is always delivered to the Borrower by the Seller. For information purposes, the Seller currently issues four (4) types of Credit Cards, which main characteristics are the following:

- (a) Classic - PASS credit card:
 - (i) offered to all physical Seller’s customers;
 - (ii) allows for two main repayment options, either (i) in a single interest-free repayment (*contado inmediato* or *contado fin de mes*) or (ii) in interest-bearing instalments (*crédito*); and
 - (iii) interest rate is set at 20.04% as of the date of this Base Prospectus.
- (b) Gold - PASS credit card:
 - (i) offered to certain physical Seller’s customers depending on the Seller’s commercial interests;
 - (ii) allows for two main repayment options, either (i) in a single interest-free repayment (*contado inmediato* or *contado fin de mes*) or (ii) in interest-bearing instalments (*crédito*); and
 - (iii) interest rate is set at 20.04% as of the date of this Base Prospectus.
- (c) Employee - PASS credit card:
 - (i) offered exclusively to Carrefour group employees;

- (ii) allows for two main repayment options, either (i) in a single interest-free repayment (*contado inmediato* or *contado fin de mes*) or (ii) in interest-bearing instalments (*crédito*); and
- (iii) interest rate is set at 12.00% as of the date of this Base Prospectus.

For clarification purposes, no Receivables arising from Employee - PASS credit cards will be transferred to the Fund.

- (d) Business - PASS credit card:
 - (i) offered exclusively to Carrefour group managers (*directivos*) for representation expenses (not for personal use);
 - (ii) allows for a single interest-free repayment; and
 - (iii) does not bear interests.

For clarification purposes, no Receivables arising from Business - PASS credit cards will be transferred to the Fund.

Credit limits

Every Client Account has a Credit Limit set by the Seller in accordance with its Credit Policies. Among the factors considered for setting the initial Credit Limit are the Borrower's age, level of income, the number of years employed, his/her marital status, etc. The usual Credit Limit varies between EUR 150 and EUR 9,999.

Credit Limits assigned to each Borrower are reviewed monthly by the Seller on the basis of the performance of the Borrower and may be revised (upwards or downwards) accordingly. Borrowers can reject a limit increase. New limits (which are duly notified to the Borrowers but which do not imply the signing of a new Credit Card Agreement) come into force in the Monthly Billing Period following the one in which the Borrower has been notified by the Seller of the change. Borrowers can also request a reduction or increase of the limit. The increase can be requested at the time of making a Drawing in the stores of Centros Comerciales Carrefour, S.A. in an amount not exceeding EUR 600. Any request by the Borrower to increase the Credit Limit must be approved by the Seller.

The positive difference between the Credit Limit on each Client Account and its Outstanding Principal Balance at any given time is defined as the **Available Balance** (*Saldo Disponible*) of the Client Account.

This notwithstanding, Client Accounts can be occasionally overdrawn (i) in the event of non-payment of any amounts whether for interest or principal (including non-payment of single interest-free instalments under the Cash Re-payment Option in the event of "*basculación*" as explained in the immediately preceding section) and (ii) in an amount not exceeding the

amount of a Monthly Minimum Instalment. In such circumstances, the relevant overdrawn Client Account will not be capable of further Drawings while the overdrawn remains.

Interest and fees payable under the Credit Card Agreements

The Outstanding Principal Balance under the Client Account accrues interest on a daily basis at a fixed rate. The interest period for the purposes of calculation of interest payable is each calendar month. Interest payable is calculated at the end of the relevant Monthly Billing Period.

Unpaid Drawings and overdrafts do not accrue default interest but unpaid interest is capitalised and accrues further ordinary interest. The interest rate applicable to both overdrafts and unpaid interest under a Client Account is the same as that applied to the Outstanding Principal Balance of such Client Account. However, the Seller may charge a fee for claiming unpaid amounts (which is currently set at EUR 30) provided it undertakes actual collection actions aimed at collecting such unpaid amounts.

The interest rate is contractually agreed between the Seller and the Borrower in the Credit Card Agreement. The interest rate can be adjusted by the Seller providing a two (2) month prior written notice to the Borrowers. Each Borrower is entitled to refuse such adjustment, in which case (i) the interest rate applicable will be the interest rate applicable prior to the proposed adjustment, (ii) the Borrower will not be entitled to make any further Drawings under the relevant Credit Card Agreement and (iii) the Borrower will continue to repay all outstanding Drawings made under the relevant Credit Card Agreement in accordance with the conditions of the Credit Card Agreement as in force prior to the proposed adjustment.

Pursuant to the Credit Card Agreement the Seller may charge fees to the Borrower for cash withdrawals, non-payment (as described above), wire transfers to the Borrower's account and currency exchange. As indicated above, payment of these fees (other than the late payment fee, unless it is unpaid) is financed by the Seller under the Client Account in the same manner as with any other Drawings. Accordingly, fees (other than the late payment fee, unless it is unpaid) increase the Outstanding Principal Balance of each Client Account and accrue interest. Therefore, these financed fees will be included within the principal collections transferred by the Servicer to the Fund.

Monthly Payments

The minimum amount of each monthly payment due by the Borrower is set in the Credit Card Agreement entered into with the Borrower (the **Monthly Minimum Instalment**) and is the lower of (i) the full outstanding debt of Borrower (comprising principal, capitalised interest, ordinary interest and any other amount due by the Borrower) or (ii) a fixed pre-agreed amount set in the Credit Card Agreement (which shall be at least equal to 3% of the Credit Limit (with a minimum of EUR 15)).

The amount of each Monthly Minimum Instalment comprises ordinary interest accrued on the related calendar month, insurance premium (where applicable) and repayment of principal and capitalised interest.

If a Monthly Minimum Instalment is unpaid, its amount is not aggregated with the amount of the following Monthly Minimum Instalment but rather separate payment thereof by the Borrower (plus interest thereon) is sought by means of requesting the Borrower a subsequent direct debit remittance or by other means such as wire transfer to the Seller or cash payment at the stores of Centros Comerciales Carrefour, S.A. (amounts so collected being transferred by Centros Comerciales Carrefour, S.A. to the Seller within three (3) Business Days).

Every Credit Card is associated with a bank account (the **Charge Accounts**) where the Seller debits the amounts payable under the Credit Card Agreement on a monthly basis by means of direct debit. Charge Accounts are current accounts opened at Spanish financial institutions in the Borrower's name (the **Charge Account Banks**). On a monthly basis (following the end of each Monthly Billing Period), the Seller instructs its Collections Accounts Banks (which are currently Banco Santander, S.A. and Bankia, S.A.) to collect the relevant Receivables by direct debit and, to that end, it remits all relevant Receivables' data to such Collections Accounts Banks for them to collect the amounts due thereunder by direct debit.

Each Collections Accounts Banks credits the amount of each batch of Receivables remitted to it for collection by the Seller into the account in the name of the Seller held by such Collections Accounts Banks (the **Collections Accounts**) even prior to collecting those Receivables from the Charge Account Banks.

The Collections Accounts will be used exclusively in connection with the amounts to be collected under the Purchased Receivables (including any amounts related to the insurance premia).

In accordance with section 3.7.2.7 of the Additional Building Block, SFC (as Servicer) has the obligation to grant an in rem right of pledge over each Collections Account. Please see section 3.4.3.9 for additional information on this security granted over the Collections Accounts.

Some of the Receivables included in a monthly remittance may be returned by the relevant Charge Account Bank (for instance, due to insufficiency of funds standing to the credit of the relevant Charge Account), in which case the relevant Collections Accounts Banks will debit the corresponding Collections Accounts in an amount equal to that of the Receivables being returned.

Whilst monthly payments are charged to the Charge Accounts by direct debit, Borrowers can also, in exceptional circumstances (such as payment of unpaid amounts), use other methods of payment, such as wire transfers and payment in person at the stores of Centros Comerciales Carrefour, S.A. (amounts so collected being transferred by Centros Comerciales Carrefour, S.A. to the Seller within three (3) Business Days).

Returns of purchases

Borrowers may return purchases made with the Credit Cards and such returns may result in a “reverse drawing” under the Credit Cards, in which case:

- (a) if the return takes place before the cut-off date used by the Seller to calculate the Outstanding Principal Balance under the corresponding Client Account and provide the monthly statement to the Borrower (which is the last day of each Monthly Billing Period), the effect of the return is that the Outstanding Principal Balance is restored as if no purchase had taken place and no interest is payable by the Borrower in respect of such Drawing; and
- (b) if the return takes place after such cut-off date, the Outstanding Principal Balance for the purposes of such monthly statement would include the amount of the purchase as if it had not been returned and, provided the Borrower pays the relevant Monthly Minimum Instalment, the Seller shall reimburse the Borrower at the end of the next Monthly Billing Period the amount of the principal payment corresponding to the returned purchase. Where the returned purchase was made within stores of the Carrefour group, interest paid will also be reimbursed. Reimbursement of principal (and, if applicable, interest) is made either by way of reduction of the Outstanding Principal Balance in the following Monthly Billing Period or, if the latter is insufficient, the excess is reimbursed by wire transfer to the Borrower. In such latter case, amounts so transferred, shall be reimbursed by the Fund to the Seller on the next Settlement Date, such payment not being subject to the Priority of Payments.

Guarantees

The Receivables do not benefit from any personal guarantee or security securing payment thereof. However, the Borrower as main cardholder is jointly and severally liable for the debt of any authorised users of Credit Cards provided under the same Credit Card Agreement.

Insurance

The Credit Card Agreements offer the Borrower the option of taking out insurance to cover the risk of the Borrower's death, temporary or permanent incapacity, unemployment, hospitalisation or fraudulent use of the Credit Card (in the latter case, up to an amount of EUR 150) (the **Insurance Policies**). Entering into an Insurance Policy is entirely voluntary, at the Borrower's request, and operates by means of the payment of a monthly premium calculated as a percentage of the Outstanding Principal Balance of the Client Account for the relevant month.

The Insurance Policies are entered into with Carma, Société Anonyme, Carma Vie, Société Anonyme, Cardif Assurance Vie, Sucursal en España and Cardif Assurances Risques Divers, Sucursal en España.

Carma, Société Anonyme and Carma Vie, Société Anonyme are French insurance companies belonging to the Carrefour group. They are authorised to provide cross-border services in Spain by the relevant insurance authorities (*Dirección General de Seguros y Fondos de Pensiones*) and are registered with numbers L0847 and L0848 respectively. Carma, Société Anonyme address is at Rue du Marquis de Raisons – 91008 Evry, Cedex. Carma Vie, Société Anonyme address is at 1 Jean Mermoz – 91002 Evry, Cedex.

Cardif Assurance Vie, Sucursal en España and Cardif Assurances Risques Divers, Sucursal en España are Spanish branches of French insurance companies belonging to the BNP Paribas group. The branches have their address in Madrid at C/ Emilio Vargas nº4, 3º PLT, 28043 and have Spanish tax identification numbers W0012421D and W0012420F. They are authorised to provide services in Spain by the relevant insurance authorities (*Dirección General de Seguros y Fondos de Pensiones*) and are registered with numbers E0129 and E0130 respectively.

However, there is no assurance and no commitment that in the future the Seller will remain the beneficiary of the Insurance Indemnifications in respect of those Credit Card Agreements or any future Credit Card Agreements. This notwithstanding, where the Seller is designated as beneficiary of the Insurance Indemnification, such payments will form part of the rights conferred upon the Fund.

For these purposes:

Insurance Indemnifications means any amounts payable to the Seller under any Insurance Policies entered into by the relevant Borrower in connection with any Credit Card Agreement.

Insurance Policies means the optional insurance policies entered into by the Borrowers in connection with any Credit Card Agreement in respect of which the Seller has been, and remains, designated as “beneficiary” (*beneficiario*).

Interchange Fees

Members participating in the MasterCard® associations (including the Seller) receive fees called “**Interchange Fees**” as partial compensation, for amongst other things, taking credit risk and absorbing fraud losses. Under the MasterCard® system, Interchange Fees are passed from the credit entities clearing the credit card transactions for merchants to the card issuing entities. Interchange Fees are calculated as a percentage of the amount of the credit card transaction for the purchase of goods or services. This percentage varies from time to time. Interchange Fees will not be transferred by the Seller to the Fund.

Prepayments

Notwithstanding the scheduled monthly repayments, the Borrower may prepay all or part of the Drawings made under a Credit Card Agreement at any time, without any fee or penalty being applied by the Seller in relation to such prepayment.

Centros Comerciales Carrefour loyalty programme

As at the date of this prospectus, the Seller is part of the loyalty programme set up by Centros Comerciales Carrefour, S.A. by means of the creation of the “Club Carrefour”. According to this loyalty programme, the customers participating can obtain rewards by using the Credit Card for the purchase of goods and services in certain establishments.

The rewards are accumulated on a quarterly basis by the customer in a gift voucher which is delivered by Centros Comerciales Carrefour, S.A. and which can be redeemed in one (1) time in establishments belonging to the Carrefour group. The gift voucher is issued four (4) times a year.

In particular, the Borrowers participating in the loyalty programme may accumulate in the gift voucher 1% of the amount of the purchases made with the Credit Card depending on the type of establishment in which the purchase is made.

The Seller communicates to Centros Comerciales Carrefour, S.A. the individual amounts to be included in the gift voucher and pays to Centros Comerciales Carrefour, S.A. the total amount in relation thereto which is ultimately payable by the Seller according to the agreement between the parties. However, the Seller does not issue the gift voucher nor post it as a credit in favour of the Borrowers. There is no agreement between the Borrowers forming part of the loyalty programme and the Seller regarding the loyalty programme or the gift voucher.

Consequently, the Seller has no liability vis-à-vis the Borrowers as a result of the rewards accumulated in the gift voucher and the amounts paid by Seller to Centros Comerciales Carrefour, S.A. in connection with the voucher are not set-off with any amounts arising from the Credit Card Agreements but rather paid by the Seller as part of its costs structure.

Audit Report on the Credit Cards

The Receivables to be transferred to the Fund on the Fund Incorporation Date were the subject of an audit carried out with data as of 15 March 2017 by Mazars, in compliance with the provisions of article 22 of Law 5/2015. The Audit Report is dated 30 March 2017.

The Audit Report was prepared using sampling techniques, which constitute a generally accepted method for verifying the records kept by an entity in relation to a series of items (the “population”), and which permit a conclusion to be reached regarding such population, by analysing a smaller number of items than the whole (a “sample”). The level of confidence indicates the likelihood that the actual number of items with deviations in relation to a given estimate for a population does not exceed a pre-set limit (“precision”). The sample size and level of confidence chosen determine that the inexistence of errors in the sample entails a maximum number of errors inferred for the population, which cannot be zero (0).

The Receivables selected in the sample audited and regarding which errors have been detected in some of the attributes analysed in the Audit Report will not be assigned to the Fund.

The Management Company declares that all Receivables to be assigned to the Fund on the Fund Incorporation Date will derive from Credit Card Agreements included in the Audited Portfolio.

The outcome of the audit is set out in the Audit Report prepared by the Auditor, which is one of the documents for consultation, as per section 10 of the Registry Document. The Auditor's identification details are indicated in section 5.2 of the Registration Document.

The attributes audited in the Audit Report are as follows:

- Ownership of the Receivables
- Identification of the Borrower
- Borrower nature
- Transfer of the Receivables
- Formalization of the Credit Card Agreement
- Contract Effective Date
- Outstanding Principal Balance of the Client Accounts
- Available Balance of the Client Accounts
- Credit Limit of the Client Accounts
- Relationship between the Outstanding Principal Balance and the Credit Limit of the Client Accounts
- Payment delays
- Interest rate
- Payment intervals
- Monthly Instalment
- Charge Account
- Guarantees

- Performing status

Additional audits carried out by the Auditor (or any other auditor or third party expert appointed from time to time by the Management Company) will be carried out on an annual basis (or with the periodicity required from time to time by the CNMV and the relevant laws and/or regulations in place). Such additional audits shall be made over the new Receivables (outstanding as of the audit cut-off date) transferred in the context of Initial Transfers since the previous annual audit, will audit the same attributes as the initial Audit Report and will be submitted to the CNMV together with the annual audited accounts of the Fund.

2.2.1. Legal jurisdiction by which the pool of assets is governed

The assets to be securitised will be governed by Spanish law.

2.2.2. General characteristics of the Receivables, as well as global statistical data referred to the securitised assets

On the Fund Incorporation Date, the Fund will purchase Eligible Receivables deriving from Client Accounts arising from Credit Card Agreements included initially in the Audited Portfolio.

The Receivables to be transferred by the Seller to the Fund on the Fund Incorporation Date shall consist of a random selection by the Seller of Eligible Receivables of the Audited Portfolio.

The characteristics of the Purchased Receivables on the Fund Incorporation Date may differ from the Audited Portfolio due to inter alia prepayments, delinquencies, and defaults and from the fact the amount of Eligible Receivables that the Fund will purchase will be less than the amount of Eligible Receivables of the the Audited Portfolio.

As of 15 March 2017, the main characteristics of the Eligible Receivables of the Audited Portfolio are summarized in the next table:

Total Aggregate Outstanding Debt	EUR 687,661,937.82
Maximum Aggregate Outstanding Debt	EUR 8,047.02
Average Aggregate Outstanding Debt	EUR 1,769.41
Delinquent Client Accounts	0%
Performing Client Accounts	100%
Interest Rate	20.04%
WA Utilisation Rate	84.84%
WA Monthly payment in % of the Credit Limit	4.07%
WA Borrower's Age	51
Utilisation Rate > 100%	9.79%
Top 20 customers	0.02%

TOP 3 Region	Andalusia (23.36%) / Madrid (15.26%) / Valencia (14.06%)
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In addition, the distribution by certain characteristics of the Eligible Receivables of the Audited Portfolio are shown in the tables below.

(a) **Distribution by type of employment of the Borrower**

1.Type of Employment

	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
Private - Employee	258,428	66.50%	448,454,735	65.21%
Public - Employee	39,362	10.13%	76,387,297	11.11%
Pensioner	38,463	9.90%	71,482,916	10.40%
Self-employed	23,446	6.03%	41,093,425	5.98%
Retired	16,805	4.32%	30,884,777	4.49%
Private - Temporary	4,237	1.09%	6,643,351	0.97%
Non-Governmental Organization	3,995	1.03%	5,548,318	0.81%
Unemployed	1,183	0.30%	2,372,974	0.35%
Agriculture	1,018	0.26%	1,730,111	0.25%
Unknown	956	0.25%	1,668,012	0.24%
Public - Temporary	746	0.19%	1,396,022	0.20%
Total	388,639	100.00%	687,661,938	100.00%

(b) **Distribution by region of residence the Borrower**

2.Region

	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
Andalusia	94,786	24.39%	160,635,342	23.36%
Madrid	61,040	15.71%	104,966,708	15.26%
Valencia	55,865	14.37%	96,710,720	14.06%
Catalonia	50,445	12.98%	91,220,400	13.27%
Canary Islands	20,912	5.38%	41,005,482	5.96%
Galicia	17,190	4.42%	32,835,964	4.78%
Castile and León	14,813	3.81%	27,984,499	4.07%
Murcia	12,358	3.18%	20,252,266	2.95%
Asturias	9,935	2.56%	19,795,644	2.88%
Extremadura	11,176	2.88%	18,910,062	2.75%
Balearic Islands	9,874	2.54%	18,384,844	2.67%
Castile-La Mancha	7,781	2.00%	13,703,358	1.99%
Basque Country	6,715	1.73%	13,118,045	1.91%
Cantabria	6,221	1.60%	11,708,606	1.70%
Aragon	5,731	1.47%	9,678,605	1.41%
Navarre	2,821	0.73%	4,866,154	0.71%
La Rioja	709	0.18%	1,265,905	0.18%
Melilla	131	0.03%	317,946	0.05%
Ceuta	134	0.03%	294,624	0.04%
Unknown	2	0.00%	6,765	0.00%
Total	388,639	100.00%	687,661,938	100.00%

(c) **Distribution by customer type**

3.Customer Type

	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
Classic	388,639	100.00%	687,661,938	100.00%
Total	388,639	100.00%	687,661,938	100.00%

(d) **Distribution by year of origination of the Client Account**

4. Year of Origination

	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
<2006	123,241	31.71%	248,015,477	36.07%
2006	9,577	2.46%	19,975,371	2.90%
2007	9,226	2.37%	19,082,114	2.77%
2008	9,446	2.43%	19,525,709	2.84%
2009	10,886	2.80%	22,440,507	3.26%
2010	17,664	4.55%	34,578,732	5.03%
2011	25,115	6.46%	47,012,492	6.84%
2012	27,931	7.19%	52,123,875	7.58%
2013	35,110	9.03%	62,551,035	9.10%
2014	39,876	10.26%	67,518,625	9.82%
2015	41,644	10.72%	57,874,810	8.42%
2016	38,529	9.91%	36,598,944	5.32%
2017	394	0.10%	364,247	0.05%
Total	388,639	100.00%	687,661,938	100.00%
Minimum	1989			
Maximum	2017			
Weigthed Average	2008			

(e) **Distribution by Credit Limit**

5. Credit limit

	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
<1000[38,066	9.79%	16,160,035	2.35%
[1000 - 1500]	100,271	25.80%	82,622,731	12.02%
]1500 - 2000]	57,746	14.86%	68,948,873	10.03%
]2000 - 2500]	45,708	11.76%	71,774,179	10.44%
]2500 - 3000]	38,086	9.80%	76,766,173	11.16%
]3000 - 4000]	45,141	11.62%	116,834,431	16.99%
]4000 - 5000]	47,503	12.22%	181,635,999	26.41%
]5000 - 6000]	16,051	4.13%	72,553,067	10.55%
]6000+	67	0.02%	366,449	0.05%
Total	388,639	100.00%	687,661,938	100.00%
Minimum	150			
Maximum	8,700			
Weigthed Average	3,355			

The usual Credit Limit varies between EUR 150 and EUR 9,999.

See section 2.2 of the Additional Building Block in relation to Credit Limits.

(f) **Distribution by outstanding debt**

6. Aggregate Outstanding Debt

	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
<1000[152,997	39.37%	82,075,383	11.94%
[1000 - 1500]	60,867	15.66%	75,402,483	10.97%
]1500 - 2000]	43,166	11.11%	75,364,810	10.96%
]2000 - 2500]	31,544	8.12%	70,786,574	10.29%
]2500 - 3000]	25,200	6.48%	69,251,901	10.07%
]3000 - 4000]	31,773	8.18%	110,271,742	16.04%
]4000 - 5000]	32,939	8.48%	150,446,077	21.88%
]5000 - 6000]	9,917	2.55%	52,599,766	7.65%
]6000+	236	0.06%	1,463,200	0.21%
Total	388,639	100.00%	687,661,938	100.00%
Minimum	100.00			
Maximum	8,047.02			
Average	1,769.41			

(g) **Distribution by utilisation rate**

7. Utilisation Rate

	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
=<30]	57,401	14.77%	21,339,875	3.10%
]30% - 40%]	21,487	5.53%	15,416,910	2.24%
]40% - 50%]	22,395	5.76%	20,714,333	3.01%
]50% - 60%]	23,660	6.09%	27,218,920	3.96%
]60% - 70%]	27,416	7.05%	37,958,955	5.52%
]70% - 80%]	34,216	8.80%	56,664,681	8.24%
]80% - 90%]	53,467	13.76%	107,360,029	15.61%
]90% - 100%]	123,132	31.68%	333,643,277	48.52%
]100% - 110%]	22,947	5.90%	61,546,618	8.95%
]110% - 120%]	2,518	0.65%	5,798,342	0.84%
Total	388,639	100.00%	687,661,938	100.00%
Minimum	3.00%			
Maximum	120.00%			
Weigthed Average	84.84%			

For these purposes, the utilisation rate is the ratio of the outstanding debt of the Client Account divided by the Credit Limit of the Client Account.

A utilisation rate above 100% can be the consequence of:

- (i) a reduction of the Credit Limit; or
- (ii) a mismatch in SFC's system between (x) the Aggregate Outstanding Debt and (y) an additional Drawing.

(h) Distribution by age of the Borrower

8.Age of the borrower				
	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
<=25]	2,268	0.58%	2,337,682	0.34%
]25 - 30]	16,669	4.29%	21,776,586	3.17%
]30 - 35]	33,183	8.54%	47,520,383	6.91%
]35 - 40]	51,532	13.26%	81,453,820	11.85%
]40 - 45]	56,517	14.54%	98,162,411	14.27%
]45 - 50]	55,816	14.36%	102,971,618	14.97%
]50 - 55]	49,232	12.67%	94,863,171	13.80%
]55 - 60]	39,961	10.28%	80,405,926	11.69%
]60 - 65]	29,462	7.58%	60,345,897	8.78%
]65+	53,999	13.89%	97,824,443	14.23%
Total	388,639	100.00%	687,661,938	100.00%
Minimum	19			
Maximum	98			
Weighted Average	51			

(i) Distribution by number of Credit Cards assigned to the same Client Account

9.Number of Credit Cards assigned to the same Client Account				
	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
1	304,881	78.45%	527,018,030	76.64%
2	83,758	21.55%	160,643,908	23.36%
Total	388,639	100.00%	687,661,938	100.00%

(j) Distribution by interest rate

10.Interest rate				
	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
20.04%	388,639	100.00%	687,661,938	100.00%
Total	388,639	100.00%	687,661,938	100.00%

(k) Distribution by monthly payment

11.Monthly Payment (€)				
	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
[15 - 30]	27,350	7.04%	13,066,539	1.90%
]30 - 50]	52,412	13.49%	42,496,444	6.18%
]50 - 75]	88,135	22.68%	101,004,450	14.69%
]75 - 100]	72,002	18.53%	108,892,384	15.84%
]100 - 125]	47,563	12.24%	95,688,258	13.92%
]125 - 150]	45,208	11.63%	143,838,133	20.92%
]150 - 200]	33,441	8.60%	112,657,863	16.38%
]200 - 250]	14,297	3.68%	48,271,996	7.02%
]250 - 300]	4,116	1.06%	11,702,706	1.70%
]300+	4,115	1.06%	10,043,165	1.46%
Total	388,639	100.00%	687,661,938	100.00%
Minimum	15			
Maximum	1,800			
Weighted Average	129			

(l) Distribution by insurance type

12. Insurance Type				
	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
Insurance	206,007	53.01%	360,541,002	52.43%
No Insurance	182,632	46.99%	327,120,936	47.57%
Total	388,639	100.00%	687,661,938	100.00%

In all Credit Card Agreements that form part of the Audited Portfolio and which have insurance, the Seller has been designated as beneficiary of the insurance payment and therefore the Insurance Indemnifications would form part of the rights conferred upon the Fund. However, there is no assurance and no commitment that in the future the Seller will remain the beneficiary of the Insurance Indemnifications in respect of those Credit Card Agreements or any future Credit Card Agreements.

(m) Contractual Payment Rate % of the Credit Limit

13. Contractual Payment Rate % of the Credit Limit				
	Number of Contracts	Contract Weight	Aggregate Outstanding Debt	Aggregate Outstanding Debt %
[3% - 5%]	320,958.00	82.59%	622,165,819.76	90.48%
]5% - 10%]	58,179.00	14.97%	57,136,312.37	8.31%
]10%+	9,502.00	2.44%	8,359,805.69	1.22%
Total	388,639	100.00%	687,661,938	100.00%
Minimum	3.00%			
Maximum	30.00%			
Weighted Average	4.07%			

Contractual Payment Rate as % means the ratio of the Monthly Payment divided by the Credit Limit of the Client Account.

After the Fund Incorporation Date, the composition of the portfolio of Purchased Receivables will be naturally modified as a result *inter alia* of the purchase of Receivables (in the context of Initial Transfers and/or Additional Transfers) by the Fund, the repayment of the Purchased Receivables, any prepayments, delinquencies, defaults, any losses related to the Purchased Receivables, any retransfer of Purchased Receivables or renegotiations entered into by the Servicer in accordance with its Servicing Policies.

The Investor Reports (with a description of the Purchased Receivables) are published by the Management Company on its website (www.imtitulizacion.com).

2.2.3. Legal nature of the assets

The Credit Card Agreements and the Receivables deriving from them are subject to Spanish law. The main legislation applicable to the Credit Card Agreements is as follows:

- (a) Law 16/2009, of 13 November, on Payment Services, which implements Directive 2007/64/EC on payment services (*Ley 16/2009, de 13 de noviembre, de Servicios de Pago*);

- (b) Order EHA/1608/2010, of 14 June, on transparency of the information conditions and requirements applicable to payment services (*Orden EHA/1608/2010, de 14 de junio, sobre transparencia de las condiciones y requisitos de información aplicables a los servicios de pago*);
- (c) Law 16/2011, of 24 June, on consumer credit agreements, which implements Directive 2008/48/EC on consumer credit agreements (*Ley 16/2011, de 24 de junio, de contratos de crédito al consumo*) (**Law 16/2011**);
- (d) Order EHA/2899/2011, of 28 October, on transparency and the protection of banking service customers (*Orden EHA/2899/2011, de 28 de octubre, de transparencia y protección del cliente de servicios bancarios*); and
- (e) Circular 5/2012, of 27 June, of the Bank of Spain, to credit entities and providers of payment services, on transparency of banking service and liability when granting loans (*Circular 5/2012, de 27 de junio, del Banco de España, a entidades de crédito y proveedores de servicios de pago, sobre transparencia de los servicios bancarios y responsabilidad en la concesión de préstamos*).

2.2.4. Expiry or maturity date of the assets

The Credit Card Agreements are entered into for an indefinite period of time, notwithstanding that the Credit Card Agreement may be cancelled in the terms described therein, which are summarised below.

A Borrower may terminate the Credit Card Agreement at any time, subject to giving one (1) month's prior notice and repaying the outstanding debt. The Seller may terminate the Credit Card Agreement at any time, subject to giving two (2) months' prior notice. In either case, the Borrower cannot make new Drawings under the Client Account and the Borrower will continue to repay all outstanding Drawings made under the relevant Credit Card Agreement in accordance with the conditions of the Credit Card Agreement in force upon at the time of such termination.

The Seller may also terminate the Credit Card Agreement and accelerate the outstanding debt reflected in the corresponding Client Account without the need of giving two (2) month prior notice, in the event of (i) a deterioration of the Borrower's solvency, (ii) a material breach by the Borrower of its obligations under the Credit Card Agreement, (iii) a failure to provide any required data or the provision of inaccurate or false data, (iv) an abusive or fraudulent use of the Credit Card, (v) the death of the Borrower or (vi) lack of use of the Card for a period exceeding two (2) years. In these cases, the relevant Borrower must immediately repay in full the outstanding debt (including accrued interests) under the Client Account.

Despite the indefinite duration of the Credit Card Agreement, each Credit Card has a set expiry date, printed thereon and cannot be used after the indicated date. Prior to the Credit Card's expiry, the Seller issues a replacement Credit Card.

2.2.5. Amount of the assets

The aggregate amount of the Outstanding Principal Balance of the Receivables transferred to the Fund on the Fund Incorporation Date will be a figure equal, or (failing that) as close as possible, to EUR 638,000,000.

At any given time, the Outstanding Principal Balance of the Receivables transferred to the Fund during the life of the Fund shall not exceed EUR 3,000,000,000 (the **Maximum Portfolio Amount**).

The Management Company and the Seller may elect to modify such Maximum Portfolio Amount pursuant to an amendment to the Deed of Incorporation in the terms set out in article 24 of Law 5/2015 and through the issue of the relevant Prospectus Supplement (unless such modification coincides with a renewal of the Base Prospectus).

2.2.6. Loan to value ratio or level of collateralization

Not applicable.

2.2.7. Asset creation method

The Seller has applied origination criteria since its creation, which are regularly updated. On December 2012, the Board of Directors of the Seller approved general origination policies stressing the importance of responsible lending in line with applicable regulations. Subject to those general policies, the Risk Committee of the Seller, of which the General Director is a member, approves the specific origination criteria, which are regularly reviewed and updated by the Risk Committee. The origination criteria described below are the ones currently applied. Credit Cards included in the securitisation transaction may have been originated following different criteria. It is important to note that the Risk Committee monitors the full origination and authorisation process, being fully responsible thereof.

Credit risk governance

The criteria for the issue of Credit Cards and the definition of risk appetite form part of the Seller's business processes, having established a credit risk governance system based on four (4) fundamental pillars:

- (a) Board of Directors, which is the Seller's main decision-making body. The Board of Directors of the Seller participates actively in the management of the credit risk policy and remains permanently up-to-date regarding development thereof. It issues the Seller's Credit Policies and determines the risk appetite.
- (b) Risk Committee, whose credit risk management-related duties are summarised below:
 - (i) the specification and formalisation, from a credit risk viewpoint, of the procedures, processes and criteria for the acceptance of customers and for the

concession, monitoring, amendment, renewal, recovery and refinancing of operations, in compliance with the Credit Policies approved by the Board;

- (ii) global monitoring of recoveries and credit risk and proposing corrective action plans where necessary;
 - (iii) quantifying as an aggregate the Seller's risks and comparing capital needs with regulatory capital requirements and the Seller's actual equity; and
 - (iv) participating actively in the development, testing and monitoring of customer classification models.
- (c) Risk Area, reporting to the Seller's Financial Director (*Director Financiero*), is entrusted with the daily management of credit risks.
- (d) Recoveries Department, reporting to the Seller's Operations Department (*Dirección de Operaciones*), this is the area entrusted with the daily management of debt recovery.

Monitoring credit risk

In addition to the four (4) pillars indicated above, on which the credit risk system is based, the Seller has developed a monitoring system independent from the foregoing, in order to ensure the coherence and sustainability of the Credit Policies for the management of credit risk. This system requires the involvement of the following departments within the Seller:

- (a) Internal Audit, whose function is to independently verify the implementation of the Credit Policies as well as their stability and sustainability.
- (b) Permanent Control, which manages the second level permanent controls necessary to verify independently that cards are issued and managed in line with the established policies, procedures and processes.
- (c) Compliance, whose function is to provide advice to the areas entrusted with the management of credit risk on regulatory obligations and best market practices.

Issue of Credit Cards

- (a) Application channels

In the majority of cases, individuals holding a Credit Card are customers of the Carrefour group establishments (hypermarkets, supermarkets, etc.) as it is normally in these establishments where the first contact between the customer and the Seller is made, during which the Seller collects the information it requires for checking purposes and to issue the Credit Card, where applicable.

Notwithstanding this, the Seller may also try to attract potential customers in environments other than the Carrefour group establishments, provided it has the relevant authorisations for such purposes.

The Credit Card may be applied for or offered to customers through any legally valid channels in which the Seller is authorised to operate. In all these cases, the Seller is responsible for applying its own general origination policies. By way of example, the use of the following channels is currently permitted:

- (i) Financial and Insurance Services Stand. This is an area set up in the majority of Carrefour group hypermarkets with specialised personnel exclusively dedicated to financial and insurance services available to Carrefour group customers.

The collection of data and documentation is carried out on a personalised basis and the data provided by the potential customer is included directly in the Seller's systems.

- (ii) Leaflets. Normally provided as “take one” leaflets available to potential customers in the Carrefour group shopping centres, but which are also used for promotional campaigns at certain events, offering customers an easy way to apply for a Credit Card from the Seller, by completing the leaflet and providing the necessary documentation in each case.

In the majority of cases new customers are attracted in person by specialised personnel, although in certain circumstances it is the customer himself/herself who completes the application and delivers it directly to the Seller.

- (iii) Mobile devices. A digital channel launched by the Seller at the end of 2014. The customer completes the application using a mobile device signature. New customers are attracted by specialised personnel and both the Credit Card Agreements and the documentation is stored in digital format (subject to the necessary security controls and measures).

- (iv) Website. New customers may apply using a specific form available at the Seller's website to be completed and sent to the Seller together with the relevant documentation to be provided by the customer (such as its identity card).

However, the evolution of technology implies that entering into contracts by electronic means is an ever-changing process where the market trend is to offer customers the option to carry out the entire application process digitally; accordingly, one of the Seller's envisaged strategies is to develop its systems and processes so that the Credit Card Agreements can also be entered into in line with evolution of technology.

(b) Concession stages

The concession of a credit facility to be drawn by means of the Credit Card and monitoring thereof are carried out in various stages, directly or indirectly involving the Risk, Operation Analysis, Fraud Prevention and Recoveries Areas entrusted with:

- (i) Attracting customers and managing contractual documentation.
- (ii) Verifying the customer's solvency and deciding thereupon.
- (iii) Financing the credit applied for.
- (iv) Monitoring the operation of the Credit Card.

Attracting customers and managing contractual documentation

Depending on the channel in question, attracting customers requires different procedures and processes usually proposed by the Risks Area in conjunction with other areas of the Seller directly involved in such procedures and processes and which are approved by the Risk Committee.

As a general rule, the information to be provided by the customer when applying for a Credit Card is always the same, but a distinction is made between the cases where (i) the customer contacts the Seller directly to apply for the Credit Card (passive process) and (ii) where personnel hired by the Seller make contact with the customer (active process).

Normally, in the passive process, the documentation to be provided by the Credit Card applicant is as follows:

- (i) Proof of ID: valid and undamaged National Identity Card (*Documento Nacional de Identidad*) for Spanish nationals, and foreign identity card (NIF), passport or residence permit or certain other similar documents for foreign nationals.
- (ii) Proof of bank account: savings passbook, bill paid by direct debit (dated within the two (2) months prior to the date of presentation thereof to the Seller), nominative cheque or any other document proving ownership of the bank account. The bank account documentation must correspond to bank accounts which accept direct debits. The Credit Card applicant must be either the owner or authorised user of the bank account on which the direct debits will be made; any application where the bank account corresponds to a third party who is not the Credit Card applicant is automatically rejected.
- (iii) Proof of income: it is generally necessary to provide the following documentation on a case by case basis:

- (A) In case of employees (*trabajador por cuenta ajena*): A copy of the most recent payslip.
- (B) Self-employed worker (*trabajador autónomo*): A copy of the personal income tax return (model 130-131; D100-D101) or payment instalments (*pagos fraccionados a Hacienda*).
- (C) Pensioners (*pensionistas*): pension revaluation or amount set out for the current year as set out in the official document issued by the Spanish Social Security (*Seguridad Social*).

Apart from the above, the Risk Committee may set out from time to time different documentation criteria depending on the type of customer and associated risks as well as the channel chosen to enter into the Credit Card Agreement.

In the active processes carried out by personnel hired by the Seller, other than in those cases where the customer is able to provide documentation proving his/her income from the outset, acceptance of the customer is based on information provided by the customer, which is verified through other procedures set by the Seller for the identification of customers; such procedures offer certainty with respect to the data obtained. The identification of the customer is necessary in all cases and a copy of the ID document (valid and undamaged National Identity Card or foreign identity card (NIF), passport or residence permit or certain other similar documents for foreign nationals) must be kept.

The Credit Card Agreement will comply with the regulatory requirements in force at any given time and must be properly signed by the customer. Depending on the how the customer was sourced (i.e. the origination channel), the process for managing contractual documentation may be different.

The customer selection criteria established by the Seller encompass the following basic requirements:

- (i) Over 18 years old with permanent residence in Spain.
- (ii) In gainful employment, including self-employment, or beneficiary of a pension.
- (iii) No record of payment incidents with the Seller in the past.
- (iv) Not included on the Asociación Nacional de Establecimientos Financieros de Crédito (**Asnef**) list.
- (v) In compliance with the admission criteria established in the Manual of Prevention of Money Laundering and Terrorist Financing (*Manual de*

Prevención del Blanqueo de Capitales y Financiación del Terrorismo) approved by the Seller.

Assessment of the customer's solvency and adoption of a decision

(i) Assessment of the customer's solvency

All applications received, both from new customers and customers who have already contracted another product with the Seller, are subjected to certain criteria approved by the Risk Committee and that are designed to measure the customer's credit rating.

Below is a summary of the variables used in the process for the approval of applications and establishment of Credit Limits by the Seller:

(A) **Admission score**, measures the unknown customer's risk based on information provided by him/her. The score assigns a rating based on certain criteria that have been defined taking into account the information gathered:

- I. Periodic income.
- II. Other information used as a basis for verification prior to issuing a Credit Card (age, marital status, length of service at work, the time the current bank account has been held, homeownership, etc).

The above criteria serve to provide an initial grid that can be used to score the customer on the basis of his/her theoretic risk. This grid sets maximum limits for the cash (*contado*) and credit (*crédito*) lines for the Credit Card with a view to respecting homogeneous debt ratios that also make it possible to reasonably cover the customer's current expenses.

Depending on the rating the system provides, the score can be: A, B or C (with the application being rejected in the latter case). Depending on the final score, A or B, the system assigns a limit to the customer for the credit line associated with the Credit Card (*pago a crédito*), with the minimum limit at the time of execution of the Credit Card Agreement being EUR 150 and the maximum EUR 9,999

Both the variables and the criteria used as a basis to establish the score of the grid and the minimum and maximum limits are reviewed periodically and approved by the Risk Committee. However, the

maximum limit for the credit line associated with the Credit Card (*pago a crédito*) cannot exceed EUR 9,999.

- (B) **Behaviour score.** This is a rating similar to the admission score and is used to evaluate the behaviour of known customers, that is, those who already have contracted a product with the Seller and evaluates the evolution of the customer's creditworthiness.

This behaviour score determines the possibility of extending lines of credit and cash and the possibility of offering new products. The variables used to determine the behaviour score are, among others:

- I. Fundability of the Credit Card.
- II. Payment history.
- III. Inclusion in solvency lists.
- IV. Age.
- V. Grant history.

Depending on the behaviour score, the Credit Limits of the Credit Card may be increased to up to EUR 9,999. Both the variables and the criteria that serve as a basis for managing the behaviour score and the card use limits are reviewed periodically and approved by the Risk Committee.

- (C) **Verification Rules.** These are rules established as part of the Expert System (a computerised system that assists decision-making) that complement the admission and behaviour scores and are designed to improve the quality ratios when issuing Credit Cards. These rules are used to evaluate customer profiles, using variables such as age, how long they have been a customer, recoveries, etc. The verification rules analysis can give the following outcomes:

- I. Rejection - Automatic rejection of the Credit Card application.
- II. Approval - Temporary approval of the Credit Card application with the Credit Limits proposed by the admission or behaviour score prior to consulting the solvency lists.

- (D) **Consulting solvency lists.** Complementing the above rules, in order to verify and adopt a decision on issuing a Credit Card or extending a line of credit or cash (*crédito* or *contado*), and with the authorisation of the customer, certain solvency files are consulted.

Unless the Risk Committee expressly approves otherwise on an exceptional basis, inclusion on solvency lists implies rejection of the Credit Card application.

(ii) Decision-making

In the decision-making process, and in addition to the solvency evaluation, the information on the customer is analysed together with the inherent risk in terms of money laundering and terrorist financing (AML and TF) (in accordance with the criteria established in the regulations in force and the Manual on Prevention of Money Laundering and Terrorist Financing approved by the Seller's Board of Directors).

As part of the AML and TF review processes, the General Treasury of the Social Security (*Tesorería General de la Seguridad Social* or TGSS) is consulted to ascertain whether the declaration made or the documents presented by the customer regarding his/her usual source of income contain any inconsistency. With this consultation, apart from detecting alerts linked to money laundering and terrorist financing, certainty is obtained regarding the information and documentation gathered from the customer.

Any inconsistency in the information and/or documentation supplied by the customer discovered as a result of the consultation with the TGSS will entail rejection of the Credit Card application regardless of the outcome of the safeguards established by the Seller in terms of the prevention of money laundering and terrorist financing.

The adoption of the decision is based on Expert System which takes into consideration the evaluation of the solvency described in the foregoing point. The Expert System makes it possible to monitor risk and provide statistical validation of the appropriateness of the decision risks, gaining productivity, which makes it possible:

- (A) To inform of alerts due to the breach of rules.
- (B) Advocate a decision.
- (C) Improve and provide feedback on concession criteria.

The Expert System contains both the concession rules and the admission and behaviour scores; it also includes alerts related to fraud and money laundering based on the knowledge of the different channels and case histories assessed by the Seller in past operations, providing periodic feedback to the Expert System and enabling the Seller to anticipate risk situations linked to the customer.

Financing of the credit applied for

Once the decision to issue the Credit Card has been made, the Expert System proposes a Credit Limit for the customer to be set out in the corresponding Credit Card Agreement; Credit Cards are currently issued with the following Credit Limits:

- (i) Initial Credit Limit (upon issue of the Credit Card): From EUR 150 to EUR 9,999.
- (ii) Subsequent increases in the Credit Limit: up to a maximum of EUR 25,000.

The above Credit Limits are reviewed periodically by the Risk Committee.

The Credit Card is sent to the customer's address by mail together with a welcome letter and basic explanatory documentation on its functioning. The customer receives the PIN number in a separate mailing, which enables him/her to use the Credit Card.

Monitoring the operation of the Credit Card

With a view to monitoring its exposure to credit risk, the Seller has established different indicators and statistics in the departments involved in the Credit Card issue process as explained section 3.7.2.13 of the Additional Building Block. The analysis and monitoring of the indicators and statistics related to credit risk are the responsibility of the Risk Area and Risk Committee. The objective is to ensure correct implementation and effectiveness of the defined risk criteria.

- (c) Amendments to the Credit Policies

The Seller may change its Credit Policies if such change is made applicable to the comparable segment of revolving credit accounts owned and serviced by the Seller.

2.2.8. Indication of representations and warranties given to the Fund relating to the assets

The Management Company reproduces below the representations and warranties that the Seller shall make to the Fund in relation to itself, Credit Card Agreements, the Receivables and the Client Accounts.

Each representation and warranty shall be:

- (a) made on the Fund Incorporation Date in the Deed of Incorporation (with respect to the transfer of Receivables made therein); and
- (b) deemed to be repeated on each Purchase Date (with respect to transfer of Receivables made therein).

If, at any time after the applicable Purchase Date, the Seller or the Management Company becomes aware that any of the representations and warranties referred to in this section 2.2.8 and relating to any of the Purchased Receivables was false or incorrect by reference to the facts and circumstances existing on the date on which the said representation or warranty was made, then section 2.2.9 of the Additional Building Block shall apply.

2.2.8.1. Representations of the Seller in its own respect:

- (a) **Status:** it is an “credit financial establishment-hybrid payment entity (*establecimiento financiero de crédito-entidad de pago híbrida*)” duly incorporated and validly existing under Spanish law, duly registered with the Bank of Spain as an “credit financial establishment-hybrid payment entity (*establecimiento financiero de crédito-entidad de pago híbrida*)”;
- (b) **Consents:** it has obtained or made all necessary licences, permits, registrations, consents and approvals necessary to conduct its business as currently conducted, to hold the receivables that can be purchased by the Fund and to enter into the Master Receivables Sale and Purchase Agreement and to fulfil its obligations hereunder;
- (c) **Powers and Authorisations:** the documents which contain or establish its constitution include provisions which give power, and all necessary corporate authority has been obtained and action taken for it to sign and deliver, and perform its obligations under the Master Receivables Sale and Purchase Agreement;
- (d) **Non-violation:** neither the signing and delivery of the Programme Documents to which it is a party nor the performance of any of the transactions contemplated in any of them does or will contravene or constitute a default under, or cause to be exceeded, any limitation on it or the powers of its directors imposed by or contained in:
 - (i) any law, licences or other authorisations by which it or any of its assets is bound or affected;
 - (ii) its by-laws; or
 - (iii) any agreement to which it is a party or by which any of its or their assets is bound;
- (e) **Insolvency Procedures:** it is not subject to insolvency proceedings within the meaning of the Insolvency Law;
- (f) **Litigation:** to the best of its knowledge no litigation, arbitration or administrative proceeding or claim is presently in progress or, pending or threatened against it is likely to adversely affect in any material respect its ability to perform its obligations under the Programme Documents to which it is a party;

- (g) **Obligations Binding:** subject only to applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of rights of creditors generally and general principles of applicable law restricting the enforcement of obligations, its obligations under the Master Receivables Sale and Purchase Agreement are valid and binding on it and enforceable against it in accordance with their respective terms;
- (h) **Claims *Pari Passu*:** the claims of the Fund against it under any of the Programme Documents to which it is a party will rank at least *pari passu* with the claims of all its other unsecured creditors save for those claims that are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application;
- (i) **Corporate interest:** The Seller has entered into the Master Receivables Sale and Purchase Agreement at an arm's length basis and for good and valuable consideration and the Seller believes and has reasonable grounds for believing that conclusion by the Seller of the Master Receivables Sale and Purchase Agreement would benefit it and would be in its corporate interest; and
- (j) **Information provided by the Seller:** The Seller accepts responsibility for the information set out in sections 2.2.1 to 2.2.7 (both inclusive) and 3.5 of the Additional Building Block of the Base Prospectus and the equivalent information provided in the context of the issue of each Note Series with respect to itself or the Receivables. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), such information is true and accurate in all material respect and are in accordance with the facts.

2.2.8.2. Representation of the Seller with respect to the Credit Card Agreements, the Receivables and the Client Accounts Eligibility Criteria

The Seller has represented and warranted that on any Effective Purchase Date in the context of Additional Transfers, and on any Confirmation Date and any Effective Purchase Date in the context of Initial Transfers, the Credit Card Agreements, the Receivables and the Client Accounts shall comply with the following Eligibility Criteria:

- (a) in the context of Initial Transfers and/or Additional Transfers, the General Eligibility Criteria; and
- (b) additionally, in the context of Initial Transfers (only), the Specific Eligibility Criteria.

General Eligibility Criteria and Specific Eligibility Criteria

The General Eligibility Criteria shall apply to the Initial Transfers and the Additional Transfers. The Specific Eligibility Criteria shall apply to the Initial Transfers (only).

General Eligibility Criteria of the Credit Card Agreements

- (a) Each Credit Card Agreement has been executed pursuant to, and in compliance with, the applicable provisions of Spanish legislation and all other applicable legal and regulatory provisions, including but not limited all applicable anti-money laundering legislation.
- (b) Each Credit Card Agreement has been entered into between the Seller and one Eligible Borrower liable for the full payment of the corresponding Receivable.
- (c) Each Credit Card Agreement (i) is documented on the basis of the terms and conditions applicable for the card and for the mercantile loan (*Condiciones Generales de la Tarjeta. Condiciones Comunes de la Tarjeta y del Préstamo Mercantil con Tarjeta*) and the specific terms and conditions (*Condiciones Específicas de la Tarjeta*) of the Seller in force from time to time and (ii) derives from the Standard Forms which has not been varied in any material respect (except in accordance with section 3.3.1.10 of the Additional Building Block).
- (d) Each Credit Card Agreement is governed by Spanish law and any related claim is subject to the jurisdiction of the Spanish competent courts.
- (e) Each Credit Card Agreement complies in all material respects with the applicable provisions of the Consumer Credit Legislation and all other applicable legal and regulatory provisions, including, but not limited to, where applicable, the provisions of Law 16/2011 and its developing regulations and or Law of Repression of Usury (*Ley de 23 de julio de 1908, de la Usura*) (the **Law of Repression of Usury**), in granting each Credit Card Agreement the Seller has complied with all pre-contract requirements set out in articles 8 et seq. of Law 16/2011 and no Credit Card Agreement contains any abusive clauses (*cláusulas abusivas*) for the purposes of Law 1/2007, of 16 November, on Consumers and Users Protection (*Texto Refundido de la Ley General para la Defensa de Consumidores y Usuarios y otras Leyes complementarias*).

For these purposes, **Consumer Credit Legislation** means all the applicable consumer laws and regulations governing the Credit Card Agreements, including, without limitation Royal Legislative Decree 1/2007, of 16 November, approving the Consolidated Text of the General Consumer and user protection law and other complementary laws, as amended, restated or supplemented from time to time.

- (f) Each Credit Card Agreement constitutes legal, valid, binding and enforceable obligations of the relevant Borrower in accordance with its respective terms in all material respects against the relevant Borrower (subject to applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of rights of creditors generally and general principles of applicable law restricting the enforcement of obligations or providing for borrower relief).

- (g) No Credit Card Agreement is regarded as a *contrato de crédito vinculado*, as defined in article 29 of Law 16/2011, being a contract linked to, or associated with, a sale agreement or a service agreement.
- (h) No Credit Card Agreement contains confidentiality provisions which may restrict the Fund's exercise of its rights as owner of the Receivables.
- (i) No Credit Card Agreement requires the Borrower's consent to be obtained in relation to a transfer of any Receivables thereunder.
- (j) No Credit Card Agreement has been accelerated.

General Eligibility Criteria of the Receivables

- (a) Each Receivable exists, was originated in the ordinary course of the Seller's business and derives from (i) a Credit Card Agreement which complies with the "General Eligibility Criteria of the Credit Card Agreements" and (ii) a Client Account which complies with the "General Eligibility Criteria of the Client Accounts".
- (b) Each Receivable was originated in accordance with the Seller's Credit Policies described in section 2.2.7 of the Additional Building Block.
- (c) Each Receivable constitutes, without limitation and in respect of the relevant Borrower, the obligation to pay the relevant amount due, and such obligation is enforceable in accordance with the terms of the corresponding Credit Card Agreement in all material respects (subject to applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of rights of creditors generally and general principles of applicable law restricting the enforcement of obligations or providing for borrower relief).
- (d) The Receivable corresponds to an amount which will be due and payable by the Borrower in accordance with the Credit Card Agreement.
- (e) Prior to its transfer to the Fund, the Seller has full and unencumbered legal title to each Receivable and the right to dispose thereof.
- (f) The Seller is the sole holder of the Receivable and did not purchase it or acquire it otherwise from a third party. Each Receivable is free and clear of any right that could be exercised by third parties against the Seller, or the Fund.
- (g) No Receivable is subject to restrictions on transferability.
- (h) The payment of each Receivable is not subject to the performance of any administrative action or step, or to the execution of any document of any kind whatsoever, or to any formalities, either prior to or after the purchase of such Receivable, which has not already been carried out or obtained.

- (i) Each Receivable is denominated and payable only in EUR.
- (j) Each Receivable is not subject, either totally or partially, to transfer, delegation or pledge, attachment, claim or encumbrance of whatever type which would constitute an impediment to the purported transfer.
- (k) Other than in case of the Common Receivables (as defined in section 3.3.1.6 below), the amounts received in connection with each Receivable can be designated, identified and segregated from the amounts pertaining to other receivables owned by the relevant Seller and from the amounts pertaining to the other Receivables.
- (l) To the best knowledge of the Seller, no Receivable has been disputed by the corresponding Borrower on any ground whatsoever.
- (m) All information which are provided by the Seller to the Fund with respect to the Receivables is, in all material respects, true, accurate and complete.
- (n) The information contained in and attached to each Sale Offer does not contain any statement which is untrue, misleading or inaccurate in any material respect.

General Eligibility Criteria of the Client Account

- (a) Each Client Account is governed by a Credit Card Agreement which complies with the “General Eligibility Criteria of the Credit Card Agreements”.
- (b) Each Client Account has been originated by the Seller.
- (c) Each Client Account exists and is maintained with the Seller prior to or at the applicable Purchase Date.
- (d) Each Client Account has been operated by the Seller in all material respects in accordance with that Seller’s Credit Policies described in section 2.2.7 of the Additional Building Block and usual practices for the operation of its revolving credit business.
- (e) No Client Account is classified as a Defaulted Client Account, Non-Compliant Client Account or Delinquent Client Account on the relevant Purchase Date of the Receivables.
- (f) The information set out in the Client Account relating to each Receivable is, to the best of the Seller's knowledge, true, accurate and correct.
- (g) Each Client Account has been established in compliance with applicable data protection laws, and any notifications to be made or approvals to be obtained under such laws for that purposes have been made or obtained.

- (h) The Client Account does not include exposures to credit-impaired obligors, where a credit-impaired obligor is a Borrower who:
 - (i) has been declared insolvent (*en concurso*) in accordance with the Insolvency Law as at the relevant Purchase Date and the Seller is aware of this circumstance;
 - (ii) at the time of execution of the Credit Card Agreement, was on Asnef's registries with adverse credit history;
 - (iii) at the time of execution of the Credit Card Agreement, had an internal credit assessment indicating a significant credit risk in accordance with the credit requirements of the Seller.

Specific Eligibility Criteria with respect to the Credit Card Agreements:

Each Credit Card Agreement:

- (i) has been entered into at least one (1) month prior to the Purchase Date of Receivables arising from such Credit Card Agreement in the context of an Initial Transfer (unless such Credit Card Agreement results from a permitted amendment to an existing Credit Card Agreement).
- (ii) is in full force and effect and there is no right or entitlement of any kind for the non-payment of any amount due in respect of the Receivable when due.
- (iii) is a Credit Card Agreement with respect to which the Seller has performed all obligations required to be performed by it thereunder in order for the corresponding Borrower to be obliged to pay the Receivable arising therefrom; and
- (iv) is a Credit Card Agreement as to which neither the Seller nor the corresponding Borrower is in breach of its material terms and which has not been contested by the Seller or the corresponding Borrower (or having been contested, such petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement).

Specific Eligibility Criteria with respect to the Receivables

- (a) The Outstanding Principal Balance of the Receivable is not lower than one hundred euros (EUR 100) and not greater than ten thousand euros (EUR 10,000).
- (b) Each Receivable has already given rise to the effective and full payment of at least one instalment by the Borrower under the Client Account on the last three months before the Purchase Date.

- (c) As at its Purchase Date, no Receivable is subject to any amicable or contentious recovery proceeding and the Seller has not begun a termination claim with respect to the relevant Credit Card Agreement for a breach by the Borrower(s) of its (their) obligations under the terms of such Credit Card Agreement or at the occurrence of an event of default howsoever described under the Credit Card Agreement, including amongst others things, with respect to the timely payment of amounts due.
- (d) No procedures adverse to the Fund have been used by the Seller in selecting the Receivables in the context of Initial Transfers from its portfolio.

Specific Eligibility Criteria with respect to the Client Accounts

No Client Account is a non-performing, doubtful, disputed, declared as a Delinquent Client Account, nor a Defaulted Client Account or classified by the Seller as fraudulent in accordance with the Servicing Policies of the Seller described in section 3.7.2.13 of the Additional Building Block.

Amendments to the Eligibility Criteria

The General Eligibility Criteria and the Specific Eligibility Criteria applicable to the Credit Card Agreements, the Receivables and the Client Accounts may be modified from time to time by agreement between the Seller and the Management Company on behalf of the Fund in the following circumstances (only):

- (a) such amendment is made in accordance with the Seller's Credit Policies (and applied to the comparable segment of Credit Card Agreements owned by the Seller and which have characteristics the same as or substantially similar to the Credit Card Agreement from which the Purchased Receivables derive) and in compliance with any applicable laws and regulations; or
- (b) such amendment is made to take into account any permitted amendment to the Credit Card Agreement made in accordance with, and subject to section 3.3.1.10 of the Additional Building Block,

subject to prior written notice given to the Relevant Rating Agencies and the Management Company and provided that such amendment shall not result in the downgrade or the withdrawal of the then current ratings of the then outstanding Rated Notes by any of the Relevant Rating Agencies, unless such modification limits any such downgrade that might result independently of the proposed amendments.

For these purposes:

Defaulted Client Account means any Client Account:

- (a) corresponding to a Credit Card Agreement in respect of which, six (6) or more consecutive Instalments are in arrears;

- (b) in respect of which the Credit Card Agreement has been accelerated or a part of principal due has been written-off or made a provision against any definitive losses at any time prior to the expiry of the period referred to in (a) above;
- (c) in respect to which the Seller has become aware that the Borrower is insolvent (*en concurso*),

provided that, for the avoidance of doubt, the classification of a Defaulted Client Account shall be irrevocable.

Delinquent Client Account means any Client Account (which is not classified as Defaulted Client Account) for which related Borrower has not settled all sums due and payable in accordance with the terms of the corresponding Credit Card Agreement unless the payment deferred has been authorised by the Seller in accordance with the Servicing Policies.

Eligible Borrower means a person:

- (a) who is an individual of legal age and, to the best of the Seller's knowledge, with full capacity to enter into contracts and comply with his/her obligations thereunder;
- (b) who was a resident in Spain on the signing date of the Credit Card Agreement and whose most recent billing address is located in Spain as at the Purchase Date;
- (c) who has signed a Credit Card Agreement in its own behalf and its capacity as consumer within the meaning set out in article 2.1 of Law 16/2011;
- (d) who is not an employee of the Seller;
- (e) who is the main Borrower under only one single outstanding Credit Card Agreement with the Seller; and
- (f) in respect of which the Seller has obtained credit information from Asnef-Equifax prior to the granting of the relevant Credit Card Agreement and, the credit information obtained from the aforementioned source has proven to be satisfactory and in compliance with the credit requirements of the Seller.

Non-Compliant Client Account means a Client Account composed in part or in full of Non-Compliant Receivable(s) and which is not an Ineligible Client Account.

Ineligible Client Account means a Client Account (i) which does not meet the applicable Eligibility Criteria at any time after the Initial Transfer of Receivables arising from such Client Account or (ii) a Purchased Receivable of which has been (or will be) subject to an amendment, variation or waiver not mitigated by the payment of a Seller Dilution in accordance with section 3.7.2.12(c)(i), and elected to be repurchased by the Seller in accordance with section 3.7.2.12(c)(i).

Performing Client Account means any Client Account other than a Defaulted Client Account.

2.2.9. Default of Conformity of the Receivables - Breach of Representations and Warranties

2.2.9.1. Breach of Eligibility Criteria and remedies

(a) General Provisions

When consenting to acquire the Eligible Receivables on each Purchase Date, the Management Company, acting for and on behalf of the Fund, will take into consideration, as an essential and determining condition for its consent, the Seller's representations and warranties.

The Management Company will verify the compliance of certain or all of the Receivables with part or all of the Eligibility Criteria at the latest on the Confirmation Date immediately following the Selection Date with respect to Initial Transfers in an appropriate manner to ensure such compliance. No verification shall be made by the Management Company in relation to Receivables transferred in the context of Additional Transfers. In any event, the responsibility for the non-compliance of the Receivables transferred by the Seller to the Fund with the Eligibility Criteria as at the applicable Purchase Date, will at all-time remain with the Seller only (and the Management Company shall under no circumstance be liable therefor) and the Management Company will therefore rely only on the representations made, and on the warranties given, by the Seller regarding those Purchased Receivables.

(b) Remedies in case of non-compliance

If the Management Company or the Seller becomes aware for any reason whatsoever that either (i) any of the representations or warranties given or made by the Seller in relation to the Purchased Receivables (both in the context of Initial Transfers or Additional Transfers) were false or incorrect on the relevant Purchase Date or (ii) one or several Eligibility Criteria were not met on the relevant Purchase Date, the Management Company or the Seller, as applicable, will promptly inform the other party of such non-compliance by providing a letter containing an electronic list with the Non-Compliant Receivables.

The Seller undertakes to remedy such non-compliance by repurchasing such Non-Compliant Receivables, together with, if applicable, any other outstanding Purchased Receivables arisen from the same Client Account so that the total balance under the relevant Client Account is repurchased, under the following conditions:

- (i) the repurchase shall be made on any Repurchase Date prior to the second Cut-Off Date following the date on which the non-compliance of that Non-Compliant Receivable was notified by a party to the other party (with

economic effects between the Seller and the Fund from the relevant Effective Repurchase Date, from which the Seller shall be entitled to any amounts of principal, interest, fees (other than Interchange Fees), default interest (if applicable), penalties, Insurance Indemnifications and any other related payments received from the corresponding Repurchased Receivables as of the relevant Repurchase Date).

(ii) The amount payable by the Seller (**Non-Compliant Repurchase Amount**) will be equal to:

- (A) the then aggregate Outstanding Principal Balance of each Non-Compliant Receivable and any other outstanding Purchased Receivables arisen from the same Client Account; plus
- (B) any accrued and unpaid outstanding interest thereon until (but excluding) the Effective Repurchase Date,

as of such Effective Repurchase Date. Payment will be effected on the immediately following Calculation Date.

In order to achieve certainty of the date of the retransfer of the Non-Compliant Receivables for the purposes of article 1,526 of the Civil Code, on a monthly basis (if applicable) the Management Company will electronically forward to the CNMV the data file regarding the repurchased Receivables using the CIFRADO/CNMV service.

Notwithstanding the above, at any time and for any reason, the Management Company is unable to use the CIFRADO/CNMV service, the Seller and the Management Company will appear before the Spanish Notary designated by the Seller for the purposes of raising to the status of a Spanish Public Document any repurchase of Receivables made hereunder (provided that all cost and expenses arising from any such notarisations shall be borne by the Seller).

If the Seller is unable to repurchase according to the above, the Fund will keep ownership of the relevant Non-Compliant Receivables and any other Purchased Receivables arising from such Non-Compliant Client Accounts, and the Seller shall indemnify the Fund in an amount equal to the Non-Compliant Repurchase Amount on the applicable Calculation Date.

Any Non-Compliant Repurchase Amount paid to the Fund in accordance with the above will be exclusively allocated to the Fund and be credited to the General Account and form part of the Available Collections.

In addition, and in any case, the Seller shall indemnify in full and hold harmless the Fund from and against any and all damages and claims (whether or not successful, compromised or settled), actions, demands, proceedings or judgments which may be

instituted, made, threatened, alleged, asserted or established from time to time in any jurisdiction initiated by the Borrowers or any successors therefrom in connection with the Non-Compliant Receivables and from all damages which the Fund may suffer or incur from time to time (including all costs and expenses reasonably incurred in the defence of the interest of the Fund, and any direct and indirect tax implications that such indemnity payment may trigger for the Fund including, but not limited to, any corporate income tax that shall be levied on the Fund as a consequence of collecting such amounts).

For these purposes, **Non-Compliant Receivable** means any Purchased Receivable which does not comply with the Eligibility Criteria on the relevant Purchase Date.

(c) Limits of the remedies in case of non-conformity

The remedies set out in this section 2.2.9 are the sole remedies available to the Fund in respect of the non-compliance of any Purchased Receivable with the Eligibility Criteria. Under no circumstance may the Management Company request an additional indemnity from the Seller relating to a breach of any such representations or warranties.

To the extent that any loss arises as a result of a matter which is not covered by those representations and warranties, the loss will remain with the Fund. In particular, but without limitation, the Seller has given and will give no warranty as to the ongoing solvency of the Borrowers of the Purchased Receivables.

Furthermore, the representations and warranties given or made by the Seller in relation to the compliance of the Receivables with the Eligibility Criteria shall not entitle the Noteholders to assert any claim directly against the Seller, the Management Company having the exclusive competence under Law 5/2015 to represent the Fund, and more generally, the Fund as against third parties and in any legal proceedings.

2.2.10. Insurance policies in relation to the Receivables

The Seller has not entered into any insurance policy in relation to the Receivables (without prejudice to its potential designation as beneficiary under the Insurance Policies entered into by the Borrowers as described in section 2.2 above under the heading “*Insurance*”).

2.2.11. Information on the debtors where the securitized assets include obligations of five or fewer debtors which are legal persons, or if a single debtor accounts for more than 20% of the assets, or where a single debtor accounts for a material portion of the assets

Not applicable.

2.2.12. Details of the relationship, if it is material to the issue, between the Fund, guarantor and obligor

No relationship exists between the Fund, the Management Company and the other parties to the Programme, other than those listed in section 5.2 of this Registration Document.

2.2.13. Where the assets comprise fixed income securities, description of the principal terms and conditions

Not applicable.

2.2.14. Where the assets include equity securities, description of the principal terms and conditions

Not applicable.

2.2.15. Where more than 10% of the securitized assets comprise equity securities that are not traded on a regulated or equivalent market, a description of the principal terms and conditions

Not applicable.

2.2.16. A valuation report setting out the valuation of the real property and the cash flow / income streams if an important part of the assets is backed

Not applicable.

2.3. Actively managed pool of assets backing the issue

The Management Company will not carry out an active management (*gestión activa*) of the assets of the Fund as this is described in article 21.1(c) of Law 5/2015.

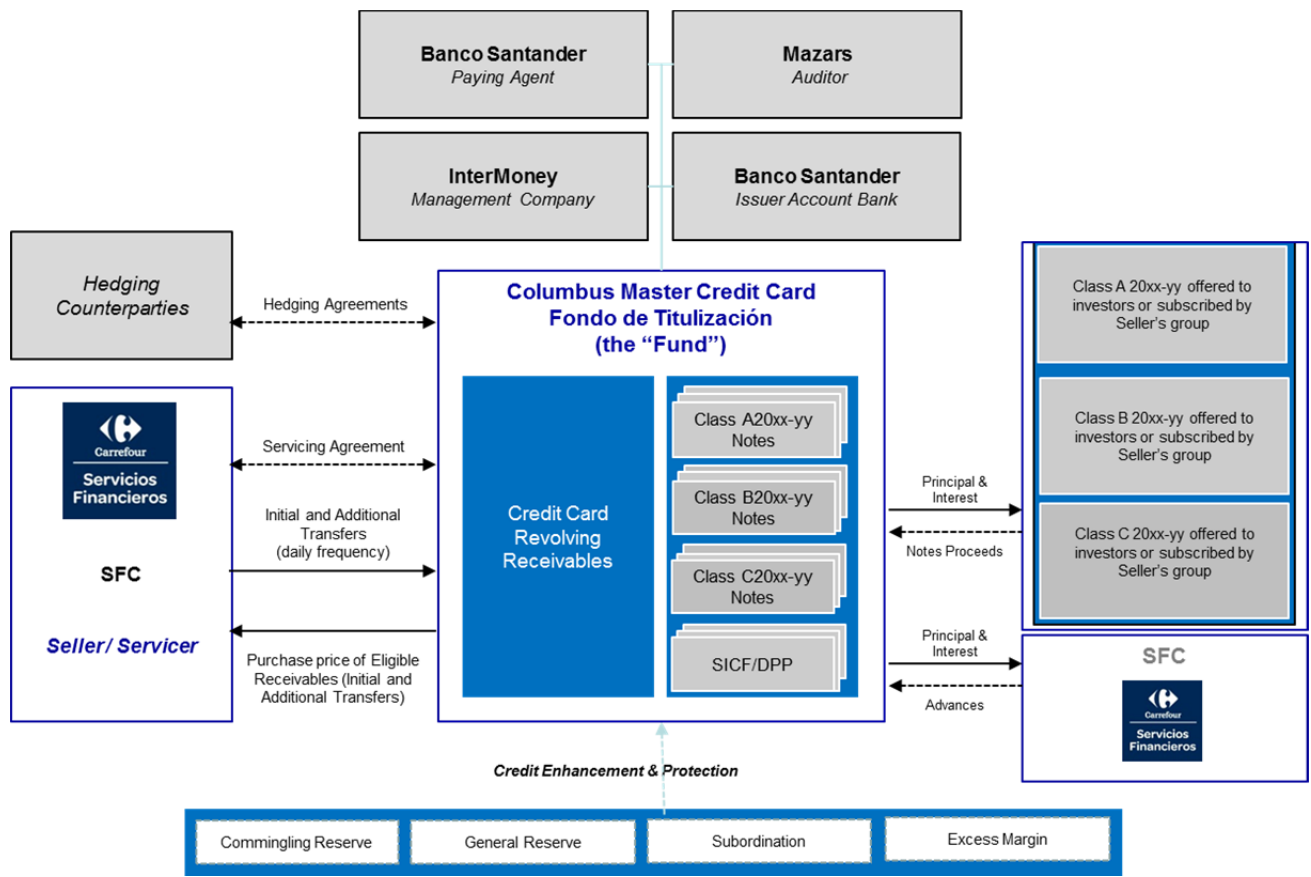
2.4. Where the Fund proposes to issue further securities backed by the same assets, a statement to that effect and description of how the holders of that class will be informed

Not applicable.

3. STRUCTURE AND CASH FLOW

3.1. Description of the structure of the transaction including, if necessary, a diagram

Schematic Diagram of the transaction



Initial balance sheet of the Fund

Below is included the initial balance sheet of the Fund as of the Disbursement Date of the first Note Series issued by the Fund. For the purposes of this balance sheet it has been assumed that (i) the aggregate amount of the Outstanding Principal Balance of the Receivables transferred to the Fund on the Fund Incorporation Date will be a figure equal, or (failing that) as close as possible, to EUR 638,000,000 and (ii) the 2017-1 Class A Notes and the 2017-1 Class C Notes are fully subscribed.

ASSETS (EUR)		LIABILITIES (EUR)	
Receivables	638,000,000	Issued Notes	
		Class A series 2017-01	470,000,000
		Class C series 2017-01	110,000,000
		SICF	58,000,000
General Reserve Amount		General Reserve Subordinated Facility	5,640,000
Class A General Reserve Ledger	5,640,000		
Class B General Reserve Ledger	0		
Commingling Reserve Amount	9,100,000	Commingling Reserve Subordinated Facility	9,100,000
General Account (initial balance)	750,000	Expenses Subordinated Facility	750,000
TOTAL	652,740,000	TOTAL	652,740,000

3.1.1. Operation of the Fund

Pursuant to the Deed of Incorporation the rights of the Noteholders to receive payments of principal and interest on the Notes of any Note Series will be determined in accordance with the relevant period of the Fund (as described below).

3.1.2. Periods of the Fund

The periods of the Fund are:

- (a) the Programme Revolving Period;

Programme Revolving Period means the period which will start on the Fund Incorporation Date (included) and will terminate on the Monthly Payment Date (excluded) immediately following the occurrence of:

- (i) a Revolving Termination Event; or
- (ii) an Accelerated Amortisation Event.

During the Programme Revolving Period, the outstanding Note Series may be in their Note Series Revolving Period or, as the case may be, in their Note Series Amortisation Period and all the Notes payments shall be made in accordance with the Interest Priority of Payments and the Principal Priority of Payments.

- (b) the Programme Amortisation Period;

Programme Amortisation Period means the period which will:

- (i) start on the Monthly Payment Date (inclusive) immediately following the occurrence of a Revolving Termination Event;
- (ii) end on the Monthly Payment Date immediately following the occurrence of an Accelerated Amortisation Event.

During the Programme Amortisation Period, all Note Series shall be in their Note Series Amortisation Periods and all the Notes payments shall be made in accordance with the Interest Priority of Payments and the Principal Priority of Payments.

- (c) the Programme Accelerated Amortisation Period.

Programme Accelerated Amortisation Period means the period which will start on the Monthly Payment Date (inclusive) following the date on which an Accelerated Amortisation Event occurs and end on the earlier of:

- (i) the Monthly Payment Date on which all Notes are redeemed in full; or
- (ii) the Fund Liquidation Date.

During the Programme Accelerated Amortisation Period, all Note Series shall be in their Note Series Amortisation Periods and all the Notes payments shall be made in accordance with the Accelerated Priority of Payments.

3.1.3. Revolving Termination Events and Accelerated Amortisation Events

(a) Revolving Termination Events

During the Programme Revolving Period, a **Revolving Termination Event** will be deemed to have occurred if during the Programme Revolving Period (as long as any Rated Notes is outstanding):

- (i) on any Calculation Date, the Management Company has determined that for the third (3rd) consecutive Monthly Payment Date, the Residual Principal Deficiency Ledger is to remain in debit on the next Monthly Payment Date after the application of the Interest Priority of Payments; or
- (ii) on any Calculation Date, the Management Company has determined that (i) any Class A Notes of any Note Series remain outstanding and (ii) the credit balance of the Class A General Reserve Ledger will be less than the Class A General Reserve Minimum Amount on the next Monthly Payment Date after the application of the relevant Priority of Payments; or
- (iii) on any Calculation Date, the Management Company has determined that (i) all Class A Notes of any Note Series have been redeemed in full and (ii) any Class B Notes of any Note Series remain outstanding and (iii) the credit balance of the Class B General Reserve Ledger will be less than the Class B General Reserve Minimum Amount on the next Monthly Payment Date after the application of the relevant Priority of Payments; or
- (iv) the fact that for the 6th consecutive Monthly Payment Dates the credit balance of the Revolving Account exceeds 15 per cent. (15%) of the aggregate Principal Amount Outstanding of all Note Series on such date (a **Purchase Shortfall**); or
- (v) the failure to appoint a Replacement Servicer within sixty (60) calendar days after the occurrence of a Servicer Termination Event; or
- (vi) a failure by the Seller Interest Credit Facility Provider to make available the Seller Interest Credit Facility for an amount equal to the SICF Drawing Amount on any Settlement Date after the Fund Incorporation Date; or
- (vii) the occurrence of a Seller Event of Default.

The Revolving Termination Events shall only apply if any Rated Notes remain outstanding.

Following the occurrence of a Revolving Termination Event, the Programme Revolving Period shall end and the Management Company shall declare the beginning of the Programme Amortisation Period which shall commence on the

Monthly Payment Date immediately following the date on which such Revolving Termination Event has occurred. The Management Company shall notify the opening of the Programme Amortisation Period by means of a relevant fact (*hecho relevante*).

(b) Accelerated Amortisation Events

During the Programme Revolving Period or the Programme Amortisation Period and as long as Rated Notes are outstanding, an **Accelerated Amortisation Event** will be deemed to have occurred if any of the following events takes place:

- (i) a failure by the Fund to pay interest due in respect of any Class A Notes of any Note Series or, if the Class A Notes of all Note Series have been redeemed in full, a failure by the Fund to pay interest due in respect of any Class B Notes of any Note Series not remedied within five (5) Business Days from the relevant Payment Date; or
- (ii) when it is or will become unlawful for the Fund to perform or comply with any of its material obligations under or in respect of the Notes; or
- (iii) a failure by the Fund to redeem six (6) months prior to the relevant Notes Final Legal Maturity Date any Class A Notes of the relevant Note Series or, if the Class A Notes of all Note Series have been redeemed in full, of any Class B Notes of the relevant Note Series; or
- (iv) the Management Company proceeds to liquidate the Fund following the occurrence of a Fund Liquidation Event; or
- (v) on any Calculation Date, the Management Company has determined that the aggregate of:
 - (A) the sum of:
 - I. the Outstanding Principal Balances of the Purchased Receivables (excluding the Non-Compliant Receivables) under the Performing Client Accounts as of the immediately prior Cut-Off Date to such Calculation Date; plus
 - II. the Outstanding Principal Balances of the Purchased Receivables transferred in the context of Initial Transfers on the Purchase Date prior to the Calculation Date; minus
 - III. the Outstanding Principal Balances of any outstanding Purchased Receivables (other than those deriving from Defaulted Client Accounts or Non-Compliant Client Accounts) repurchased by the Seller on such Calculation Date;

- (B) the Unapplied Revolving Amount to be credited to the Revolving Account as of the next Monthly Payment Date immediately following such Calculation Date (after the application of the Priority of Payments); and
- (C) the amounts standing to the credit of the Principal Account as of the next Monthly Payment Date immediately following such Calculation Date (after the application of the Priority of Payments),

is less than the Principal Amount Outstanding of all Note Series as of the Monthly Payment Date immediately following such Calculation Date (taking into account any redemption or issuance of Note Series to be made between on or before the next Monthly Payment Date), multiplied by the sum of (i) one (1) and (ii) the Required Seller Share.

The Management Company shall cause all (but not some) Notes of any Class to become immediately due and repayable, whereupon they shall without further formality become immediately due and payable at their Principal Amount Outstanding, together with interest accrued to the date of repayment, as of the date on which a copy of such notice for payment is received by the Paying Agent, if an Accelerated Amortisation Event shall occur, unless prior to the receipt of such notice the Accelerated Amortisation Event in respect of the Class A Notes of any Note Series or, if the Class A Notes of all Note Series have been redeemed in full, the Class B Notes of any Note Series, or if the Class A Notes and the Class B Notes of all Note Series have been redeemed in full, the Class C Notes of any Note Series, shall have been cured.

Upon the occurrence of an Accelerated Amortisation Event, the Programme Revolving Period or the Programme Amortisation Period, as the case may be, shall end and the Programme Accelerated Amortisation Period shall start on the Monthly Payment Date immediately following the day on which such Accelerated Amortisation Event has occurred. The Management Company shall notify the opening of the Programme Accelerated Amortisation Period by means of a relevant fact (*hecho relevante*).

3.1.4. Periods of any Note Series

Each Note Series shall be structured with a revolving period (the **Note Series Revolving Period**) and an amortisation period (the **Note Series Amortisation Period**).

(a) Note Series Revolving Period

The Note Series Revolving Period of a given Note Series shall start on the applicable Issue Date (included) and shall terminate on the Amortisation Starting Date (excluded) of such Note Series.

During a Note Series Revolving Period, the holders of the Notes of such Note Series shall receive only interest payments only in accordance with the Interest Priority of Payments.

For these purposes:

Amortisation Starting Date means, with respect to any outstanding Note Series, the earlier of the following dates:

- (i) the applicable Scheduled Amortisation Starting Date; and
- (ii) the Monthly Payment Date immediately following the occurrence of a Revolving Termination Event or an Accelerated Amortisation Event.

Scheduled Amortisation Starting Date or **Note Series 20xx-yy Scheduled Amortisation Starting Date** means, with respect to any Note Series, the Monthly Payment Date on which the Notes of such Note Series shall start amortising on each applicable Payment Date. The Scheduled Amortisation Starting Date shall be specified in the applicable Issuing Document for the Class A Notes, the Class B Notes and the Class C Notes.

- (b) Note Series Amortisation Period

The Note Series Amortisation Period of a given Note Series shall start on the applicable Amortisation Starting Date (included) and shall end on the earlier of (included) of (i) the Payment Date on which the Principal Amount Outstanding of the Notes of such Note Series will be reduced to zero (0) (including following the exercise of the optional early redemption by the Seller), (ii) the Notes Final Legal Maturity Date of such Note Series and (iii) the Fund Liquidation Date.

During the Note Series Amortisation Period, the holders of the Notes of such Note Series shall receive interest and principal payments on each Payment Date in accordance with the applicable Priority of Payments.

The Scheduled Amortisation Starting Date, the Note Series 20xx-yy Call Date(s) (if any) and the Notes Final Legal Maturity Date of a given Note Series shall be specified in the relevant Issuing Document.

3.1.5. Periods of a Notes Series and Periods of the Fund

During the Programme Revolving Period, the outstanding Note Series may be in their Note Series Revolving Period or, as the case may be, in their Note Series Amortisation Period. During the Programme Amortisation Period, all Note Series shall be in their Note Series Amortisation Periods (irrespective of their respective Scheduled Amortisation Starting Date and their Note Series 20xx-yy Call Date(s)).

During the Programme Accelerated Amortisation Period, all Note Series shall be in their Note Series Amortisation Periods (irrespective of their respective Scheduled Amortisation Starting Date and their Note Series 20xx-yy Call Date(s)).

3.1.6. Issuances of Note Series

So long as:

- (a) the Initial Note Series Issuance Conditions Precedent set out in section 4.13.2 of the Securities Note have been satisfied, the Fund may issue, upon decision of the Seller, one or several Note Series on the Fund Incorporation Date; and
- (b) the Further Note Series Issuance Conditions Precedent set out in section 4.13.3 of the Securities Note have been satisfied, the Fund may issue, upon decision of the Seller, additional Note Series on each Issue Date until the end of the Programme Revolving Period. The Fund is not required to permit any prior review by or to obtain the consent of any Noteholder of any outstanding Note Series to issue any additional Note Series.

3.1.7. Issuance Procedure

The procedure for the issue of further Note Series is set out in the Securities Note.

3.1.8. Prospectus Supplement and Issuing Document

The requisites in relation to the Issuing Document and Prospectus Supplements are set out in the Securities Note.

3.2. Description of the entities participating in the issue and description of the duties to be performed by them

The entities participating in the Programme and a description of their duties can be found in sections 5.2 of the Registration Document and 3.1 of the Securities Note.

The Management Company, on behalf of and for the account of the Fund, will proceed on the Fund Incorporation Date to execute the Deed of Incorporation and the Master Receivables Sale and Purchase Agreement, and to enter into the agreements that are summarized in this Base Prospectus.

The Management Company declares that the summary descriptions of those agreements (the **Programme Documents**) contained in the relevant sections of this Base Prospectus, contain the most important and material information on each of the agreements and give a true and fair view of their content, and no information that might affect the contents of the Base Prospectus has been omitted.

- 3.3. Description of the method and date of the sale, transfer, novation, assignment of the assets, or of any right and/or obligation in the assets to the issuer

3.3.1. General framework

During the Programme Revolving Period, the Programme Amortisation Period and the Programme Accelerated Amortisation Period, the Fund shall purchase from the Seller the Eligible Receivables arising from the Credit Card Agreements and the Seller shall transfer the Eligible Receivables arising from Credit Card Agreements.

3.3.1.1. Initial Transfers and Additional Transfers

- (a) a Receivable originated under a Credit Card Agreement is deemed to be the subject of an Initial Transfer when, prior to the contemplated transfer, the Seller is the sole owner of all amounts due under all outstanding Receivables under such Credit Card Agreement; and
- (b) a Receivable originated under a Credit Card Agreement is deemed to be the subject of an Additional Transfer when, prior to the contemplated transfer, a Receivable under the same Credit Card Agreement has already been subject to an Initial Transfer (and all the outstanding Purchased Receivable(s) deriving from such Credit Card Agreement has(ve) not been repurchased by the Seller or rescinded).

Transfer of Eligible Receivables in the context of an Initial Transfer shall only occur during the Programme Revolving Period and the Programme Amortisation Period. Conversely, transfer of Eligible Receivables in the context of Additional Transfers shall occur during the Programme Revolving Period, the Programme Amortisation Period and the Programme Accelerated Amortisation Period.

3.3.1.2. Receivables Purchase Procedure

- (a) Conditions Precedent to the Purchase of Receivables
 - (i) The Management Company shall, on the basis of the information or data received from the Seller or the Servicer (as the case may be), verify that the Conditions Precedent to the Purchase of Receivables are satisfied on the Fund Incorporation Date and, subsequently, as of each Effective Purchase Date in the context of Additional Transfers, and as of each Confirmation Date in the context of Initial Transfers. The Management Company shall be entitled to rely for these purposes exclusively on the information and data provided by the Seller or Servicer (as applicable), without the Management Company assuming any obligation to obtain any information or gather any data from any other sources, whether public or private.

For these purposes, **Conditions Precedent to the Purchase of Receivables** means:

- (A) no Seller Event of Default has occurred and is continuing on the relevant Purchase Date;
- (B) no Servicer Termination Event has occurred and is continuing unless a Replacement Servicer has been appointed after the occurrence of such Servicer Termination Event on or prior to the relevant Purchase Date;
- (C) the Maximum Portfolio Amount will not be exceeded;
- (D) no Fund Liquidation Event has occurred on the relevant Purchase Date;
- (E) in the context of Initial Transfers only, the Management Company has determined that (i) the Maximum Addition Amount criteria will be met on the relevant Purchase Date or (ii) if such Maximum Addition Amount criteria will not be met on the relevant Purchase Date, the Relevant Rating Agencies have confirmed to the Management Company that the transfer of Receivables in the context of an Initial Transfer (only) on the relevant Purchase Date will not result in a downgrade or withdrawal of the then current ratings of the then outstanding Rated Notes;
- (F) in the context of Initial Transfers only, the Seller has validly made a Sale Offer of Receivables to the Fund;
- (G) during the Programme Accelerated Amortisation Period only, the Sale Offer made by the Seller to the Fund does not include any Receivables in the context of Initial Transfers; and
- (H) the Seller has audited financial statements for the previous two (2) financial years without reservations (*salvedades*) which may affect the Receivables and these have been filed with the CNMV. In particular, for the transfer of Receivables to be made on the Fund Incorporation Date, the Seller has audited financial statements for 2014 and 2015.

Conditions Precedent to the Purchase of Receivables apply and are to be met for both Initial Transfers and/or Additional Transfers, as applicable.

For these purposes:

Seller Event of Default means the occurrence of any of the following events:

1. Breach of Obligations:

Any breach by the Seller of:

- (i) any of its material non-monetary obligations under any Programme Document to which it is a party (except if the breach is due to force majeure) and such breach is not remedied by the Seller within ten (10) Business Days (or within fifteen (15) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Seller by the Management Company to remedy such breach; or
- (ii) any of its monetary obligations when due under any Programme Document to which it is a party (except if the breach is due to force majeure) and such breach is not remedied by the Seller within five (5) Business Days (or within ten (10) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Seller by the Management Company to remedy such breach; or
- (iii) any of the representations or warranties given by the Seller under any Programme Document (other than, with respect to the Master Receivables Sale and Purchase Agreement, the representations or warranties given by the Seller with respect to the sale and transfer of Receivables, the Credit Card Agreements and the Client Accounts satisfying the Eligibility Criteria) to which it is a party or in any certificate delivered pursuant to the Programme Documents to which it is a party is materially false or incorrect in any material respect and, where such materially false or incorrect representation or warranty can be corrected or remedied by the Seller, is not corrected or remedied by the Seller within ten (10) Business Days (or within fifteen (15) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such misrepresentation and/or receipt of notification in writing to the Seller by the Management Company to remedy such false or incorrect representation or warranty;

2. Insolvency:

Any of the following events occurs in respect of the Seller:

- (i) The Seller is unable or admits 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.
- (ii) Except as provided below, any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) a declaration of insolvency (*concurso*), winding up, intervention, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Seller;

- (B) a composition, compromise, assignment or arrangement with any creditor of the Seller being owed more than €15,000,000 or (ii) a number of creditors of the Servicer being owed in aggregate more than €15,000,000, in either case, by reason of actual or anticipated financial difficulties;
- (C) the appointment of a liquidator, administrator (judicial or otherwise) compulsory manager or other similar officer in respect of the Seller or any of its assets;
- (D) the revocation, withdrawal or suspension by the Bank of Spain of the license of the Seller as an *Establecimiento Financiero de Crédito-Entidad de Pago Híbrida* or the taking of any disciplinary, resolution, recapitalisation or recovery action against the Seller pursuant to legislation implementing Directive 2014/59/EU of the Parliament and of the Council, of 15 May 2014, in any jurisdiction which has a material negative effect on the ability of the Seller to perform its obligations under any Programme Document; or
- (E) any analogous procedure or step is taken in any jurisdiction

provided however that no Seller Event of Default would have occurred if any petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

Maximum Addition Amount means, with respect to the offer of the Receivables to be sold and transferred by the Seller to the Fund in the context of Initial Transfers (only), the criteria which is satisfied if, on any applicable Purchase Date during the Programme Revolving Period and the Programme Amortisation Period conditions (1) and (2) below are both satisfied:

- (i) Condition (1): A' is equal to, or less than, the product of B' and C', where:

”A” is equal to the aggregate number of new Eligible Receivables assigned in the context of Initial Transfers during the last twelve (12) months preceding such applicable Purchase Date (or since the Fund Incorporation Date if the applicable Purchase Date occurs less than twelve (12) months after the Fund Incorporation Date), including the number of Eligible Receivables to be transferred in the context of Initial Transfers on such applicable Purchase Date;

“B” is equal to the maximum between (A), (B) and (C) below:

- (A) the aggregate number of outstanding Purchased Receivables as of the preceding Purchase Date which occurred on the twelfth month before such applicable Purchase Date;

- (B) the aggregate number of outstanding Purchased Receivables as of the Purchase Date immediately following the date on which the Relevant Rating Agencies have confirmed that the sale and transfer of Receivables on such Purchase Date will not result in a downgrade or withdrawal of the then current ratings of the Notes by the Relevant Rating Agencies, provided that this paragraph (ii) would be only be taken into account for the calculation of B' where the Fund has requested confirmation of the ratings of the Rated Notes by the Relevant Rating Agencies to exceed the Maximum Addition Amount on a Purchase Date in the past;
- (C) the aggregate number of outstanding Purchased Receivables as of the Purchase Date on which the Relevant Rating Agencies have confirmed that the issuance of a further Note Series on such Purchase Date will not result in a downgrade or withdrawal of the then current ratings of the then outstanding Notes by the Relevant Rating Agencies (including the Fund Incorporation Date);

“C” is equal to 25 per cent. (25%) (or any other percentage otherwise specified in the last Prospectus Supplement).

- (ii) Condition (2): A' is equal to, or less than, the product of B' and C', where:

“A” is equal to the aggregate Outstanding Principal Balance of new Eligible Receivables transferred in the context of Initial Transfers during the last twelve (12) months preceding such applicable Purchase Date (or since the Fund Incorporation Date if the applicable Purchase Date occurs less than twelve (12) months after the Fund Incorporation Date), including the Outstanding Principal Balance of Eligible Receivables to be transferred in the context of Initial Transfers on such applicable Purchase Date;

“B” is equal to the maximum between (A), (B) and (C) below:

- (A) the aggregate Outstanding Principal Balance of outstanding Purchased Receivables as of the preceding Purchase Date which occurred on the twelfth month before such applicable Purchase Date;
- (B) the aggregate Outstanding Principal Balance of outstanding Purchased Receivables as of the Purchase Date immediately following the last date on which the Relevant Rating Agencies have confirmed that the sale and transfer of Receivables on such Purchase Date will not result in a downgrade or withdrawal of the then current ratings of the Rated Notes by the Relevant Rating Agencies, provided that this paragraph (ii) would be only be taken into account for the calculation of B' where the Fund has requested confirmation of the

ratings of the Rated Notes by the Relevant Rating Agencies to exceed the Maximum Addition Amount on a Purchase Date in the past;

- (C) the aggregate Outstanding Principal Balance of outstanding Purchased Receivables as of the Purchase Date on which the Relevant Rating Agencies have confirmed that the issuance of a further Note Series on such Purchase Date will not result in a downgrade or withdrawal of the then current ratings of the then outstanding Rated Notes by the Relevant Rating Agencies (including the Fund Incorporation Date);

“C” is equal to 25 per cent. (25%) (or any other percentage otherwise specified in the last Prospectus Supplement).

(b) Purchase Date and Effective Purchase Date

- (i) Other than for the transfer of Eligible Receivables to be made on the Fund Incorporation Date, the purchase date of Eligible Receivables (the **Purchase Date**) shall be:
 - (A) in the context of Initial Transfers, the date of delivery by the Management Company of the Sale Acceptance which shall occur on the first Business Day following each Confirmation Date; and
 - (B) in the context of Additional Transfers, the first Business Day after the Drawing Date of the corresponding Receivables.

For these purposes:

Confirmation Date means eight (8) Business Days following each Monthly Reporting Date. For clarification purposes, the first Confirmation Date after the Fund Incorporation Date will be 13 June 2017.

Drawing Date means any date on which a Drawing is made by the Borrower in accordance with section 2.2 of the Additional Building Block.

- (ii) Notwithstanding paragraph (i) above, other than for the transfer of Receivables made on the Fund Incorporation Date, the transfer of the Eligible Receivables shall have economic effects between the Seller and the Fund (the **Effective Purchase Date**) from:
 - (A) in the context of Initial Transfers, the first calendar day after the relevant Confirmation Date on which the Seller has proceeded to mark internally in its system the transfer of Eligible Receivables to the Fund; and

- (B) in the context of Additional Transfers, the Drawing Date of the corresponding Eligible Receivables.
- (iii) Any amounts of principal, interest, fees (other than Interchange Fees), default interest (if applicable), penalties, Insurance Indemnifications and any other related payments received by the Seller from the Effective Purchase Date (included) shall accrue to the Fund.

Accordingly, all such amounts shall be collected by the Servicer, acting for and on behalf of the Fund, and transferred by the Servicer to the General Account.

(c) Selection and transfer of Receivables in the context of Initial Transfers

The purchase procedure of Eligible Receivables in the context of Initial Transfers shall be the following:

- (i) on any relevant Selection Date during the Programme Revolving Period and the Programme Amortisation Period, the Seller may select Eligible Receivables to be transferred by the Seller to the Fund in the context of an Initial Transfer, on a random basis among the available pool of receivables originated by the Seller and satisfying the Eligibility Criteria in order to comply with the Minimum Purchase Amount as described in section 3.3.1.5 of the Additional Building Block.
- (ii) Once the Eligible Receivables have been selected according to paragraph (i) above, the Seller will send by email (or any other appropriate means of electronic transfer) to the Management Company, by 2pm CET on such Selection Date, the electronic files with account by account information related to the selected Eligible Receivables with respect to the information available on such Selection Date (the **New Client Account Purchase Report**).
- (iii) Upon receipt of the electronic files referred to in paragraph (ii) por encima de, the Management Company shall, at the latest on the Confirmation Date immediately following the Selection Date; (i) verify whether the Seller has fulfilled (or will fulfil) as at such date the Conditions Precedent to the Purchase of Receivables in the context of Initial Transfers; (ii) verify the compliance of the selected Eligible Receivables with the Eligibility Criteria; and (iii) inform the Seller the result of such verifications.
- (iv) If the verifications by the Management Company are positive, the Seller will proceed on the Confirmation Date to mark the selected Eligible Receivables as Purchased Receivables on its IT system with effect as of the Effective Purchase Date.

- (v) The Seller will deliver to the Management Company by 2pm CET on the first Business Day following the relevant Confirmation Date (such date corresponding to the applicable Purchase Date):
 - (A) sale offer of the selected Eligible Receivables (each, a **Sale Offer**) which shall indicate (i) the number of the selected Eligible Receivables for Initial Transfer and (ii) the aggregate Outstanding Principal Balances of the selected Eligible Receivables (by 2 PM CET as of the applicable Purchase Date).
 - (B) the electronic files with account by account information related to the selected Eligible Receivables with respect to the information available on the applicable Confirmation Date (the “Financial File” that is part of the New Client Account Purchase Report).

The delivery of the Sale Offer shall imply (i) an irrevocable offer to transfer the selected Eligible Receivables in the context of Initial Transfers; (ii) the accuracy of the information included in the New Client Account Purchase Report (as defined above) and (iii) the Seller’s declaration that the Eligibility Criteria and all the representations and warranties set out set out in section 2.2.8 of the Additional Building Block have been met and the Conditions Precedent to the Purchase of Receivables have been satisfied on the Purchase Date.

- (vi) Following the receipt of the Sale Offer, on the same Purchase Date, the Management Company shall send to the Seller the corresponding acceptance (the **Sale Acceptance**) having such Sale Acceptance the effects set out in article 1,462 et seq of the Civil Code in relation to Purchased Receivables.

The procedure described above may be updated or amended from time to time between the Seller and the Management Company in order to take into account any upgrade or update of the Seller’s information systems, provided that it will have no adverse effect on the Fund and a prior written notification will be delivered by the Management Company and the Seller to the Relevant Rating Agencies. No amendment to the Deed of Incorporation of the Fund shall be required unless the amendment proposed by the Seller and the Management Company has a negative effect on the Fund or the rights of the noteholders or the funders of the Fund.

- (d) Transfers of Receivables in the context of Additional Transfers
 - (i) The Seller has undertaken to transfer to the Fund on each Purchase Date during the relevant Purchase Period, all Eligible Receivables in the context of Additional Transfers (only) which may have arisen since the immediately preceding Effective Purchase Date (exclusive) corresponding to the relevant Client Account, regardless of their amount.

The Eligible Receivables to be transferred by the Seller to the Fund in the context of Additional Transfers will not be selected by the Seller but will be automatically offered to the Management Company and accepted by the latter, subject to the satisfaction of the relevant Conditions Precedent to the Purchase of Receivables in the context of Additional Transfers.

For these purposes, **Purchase Period** means with respect to a Monthly Payment Date:

- (A) in the context of an Additional Transfer, the calendar month immediately preceding such Monthly Payment Date, and
 - (B) in the context of an initial transfer, the Purchase Date immediately preceding such Monthly Payment Date.
- (ii) The Seller shall send to the Management Company on each Purchase Date:
- (A) a Sale Offer of Eligible Receivables which shall indicate by reference to the Drawing Purchase Report which must be jointly submitted with it (in accordance with (B) below), (x) the number of the offered Eligible Receivables for Additional Transfer and (y) the aggregate Outstanding Principal Balances of the offered Eligible Receivables (as of the applicable Effective Purchase Date); and
 - (B) the electronic files (each, a **Drawing Purchase Report**) with information on an individual basis on the Drawings of each Eligible Receivable subject matter of an Additional Transfer, as of their applicable Effective Purchase Date.

The delivery of the Sale Offer shall imply (i) an irrevocable offer to transfer the offered Receivables, (ii) the accuracy of the information included in the Drawing Purchase Report, and (iii) the Seller's declaration that the Eligibility Criteria and all the representations and warranties set out in section 2.2.8 of the Additional Building Block have been met and the Conditions Precedent to the Purchase of Receivables have been satisfied on the Purchase Date.

Upon receipt of the Sale Offer, the Management Company shall be deemed to have accepted such sale offer (having such acceptance the effects set out in article 1,462 et seq. of the Civil Code in relation to the Receivables Purchased).

- (e) Common terms applicable to the transfers of Receivables
 - (i) Subject to the fulfilment of the relevant Conditions Precedent to the Purchase of Receivables, the transfer of Eligible Receivables arising from the Credit

Card Agreements will be made in accordance with the provisions in articles 1,526 to 1,536 of the Civil Code and articles 347 and 348 of the Commercial Code.

- (ii) The Fund shall have no recourse to the Seller in respect of any defaults, bad debts or other losses in relation to any Purchased Receivables except as provided for in this Base Prospectus or the Deed of Incorporation.
- (iii) Pursuant to article 1,528 of the Civil Code, the transfer of the Eligible Receivables to the Fund shall entail the transfer of any ancillary rights attached to the transferred Receivables (if any), including, for the avoidance of doubt, any Insurance Indemnifications.
- (iv) On the Calculation Date, the Seller will send by email to the Management Company a document signed by a duly authorised attorney containing (i) the number of the Purchased Receivables transferred to the Fund during the previous Purchase Period (in the context of both Initial Transfers and Additional Transfer); (ii) the aggregate Outstanding Principal Balances of the Purchased Receivables transferred to the Fund during the previous Purchase Period (in the context of both Initial Transfers and Additional Transfer); and (iii) the Seller's declaration that the Eligibility Criteria and all the representations and warranties set out in section 2.2.8 of the Additional Building Block have been met and the Conditions Precedent to the Purchase of Receivables have been satisfied in connection with such Purchased Receivables on their relevant Purchase Date.

The Management Company shall countersign the abovementioned document and send a signed original to the Seller.

- (v) In accordance with the provisions of article 17 of Law 5/2015 and in order to achieve certainty of the date of the transfer of the Purchased Receivables for the purposes of article 1,526 of the Civil Code, on a monthly basis the Management Company will forward to the CNMV the document referred to in paragraph (iv) above signed by both the Seller and the Management together with a data file regarding the Purchased Receivables during the corresponding Purchase Period using the CIFRADO/CNMV service;

In the event that, at any time and for any reason, the Management Company is unable to use this system, it undertakes, together with the Seller, to send on any other date and at the latest before the next Monthly Payment Date to the CNMV a document or notification with the same content or, if not possible, the Seller and the Management will appear before the Spanish Notary designated by the Management Company for the purposes of raising to the status of a public document any purchase of Receivables made hereunder

(provided that all cost and expenses arising from any such notarisations shall be borne by the Fund).

(f) Refusal of Sale Offers by the Management Company

The Management Company shall refuse any Sale Offer with respect to any Eligible Receivables to be sold and transferred by the Seller in the context of an Initial Transfer, if the General Eligibility Criteria and/or the Specific Eligibility Criteria with respect to the corresponding Receivable, Client Account or Credit Card Agreement are not complied with on their relevant Purchase Date.

In such event, and provided that no Revolving Termination Event and no Accelerated Amortisation Event shall have occurred, the Unapplied Revolving Amount (if any) will be credited to the Revolving Account in accordance with the applicable Priority of Payments for the purpose of purchasing Receivables on later Purchase Dates.

(g) Postponement or suspension of purchase of Receivables in the context of Additional Transfers

If, for any reason whatsoever, (i) the Seller is unable to transfer any Eligible Receivables in the context of Additional Transfers on any Purchase Date or (ii) the applicable Conditions Precedent to the Purchase of Receivables (save for the Conditions Precedent to the Purchase of Receivables relating to Eligibility Criteria) are not fully satisfied (provided that the Management Company shall make its best efforts to notify the Seller as soon as possible in advance should it become aware that such suspension may occur) on the applicable Purchase Date, the purchase of Eligible Receivables by the Fund shall be suspended.

The Seller shall sell such Eligible Receivables in the context of Additional Transfers on the first Business Day on which such transfer is possible, provided that the relevant Conditions Precedent to the Purchase of Receivables in the context of Additional Transfers are satisfied on such date.

In such event, and provided that no Revolving Termination Event and no Accelerated Amortisation Event shall have occurred, the Unapplied Revolving Amount (if any) will be credited to the Revolving Account in accordance with the applicable Priority of Payments for the purpose of purchasing Eligible Receivables on the applicable Purchase Dates.

(h) Transfer of Receivables on the Fund Incorporation Date

Notwithstanding the above, the transfer of Eligible Receivables to be made on the Fund Incorporation Date (for such purposes, a Purchase Date and an Effective Purchase Date) will be effected in the Deed of Incorporation of the Fund. To this effect, the Deed of Incorporation of the Fund shall include the necessary provisions to carry out such transfer (including the relevant Seller's declaration of the fulfillment of

all the representations and warranties and the Conditions Precedent to the Purchase of Receivables have been satisfied).

3.3.1.3. Effects of the purchase of the Receivables and Seller's guarantees

On each Purchase Date, the Receivables shall be sold and transferred by the Seller to the Management Company, for and on behalf of the Fund, with (i) the statutory guarantee of the existence and legitimacy (*legitimidad*) of such Receivables as per articles 1,529 of the Civil Code and 348 of the Commercial Code, (ii) the warranty as to their conformity on the applicable Purchase date with the Eligibility Criteria and (iii) the undertakings in the Master Receivables Sale and Purchase Agreement.

This notwithstanding, the transfer of the Eligible Receivables shall have economic effects between the Seller and the Fund from the Effective Purchase Date.

The Seller and the Management Company, acting for and on behalf of the Fund, expressly agree that any Receivable that does not comply with the Eligibility Criteria on the applicable Purchase Date shall be deemed to be a non-compliant Receivable (each, a **Non-Compliant Receivable**).

The Seller undertakes not to sell and transfer to the Management Company, acting in the name and on behalf of the Fund, any Non-Compliant Receivable. To this end, the Seller undertakes to carry out such necessary acts in order not to include any Non-Compliant Receivable in any Sale Offer.

3.3.1.4. Purchase Price, Effective Purchase Price and Deferred Purchase Price of the Eligible Receivables

The Fund shall pay to the Seller, on any Monthly Payment Date, the Purchase Price of the Eligible Receivables transferred to the Fund in the context of Initial Transfers and Additional Transfers on each Purchase Dates during the Purchase Period preceding such Monthly Payment Date.

The Effective Purchase Price and the Deferred Purchase Price shall be determined on each Calculation Date prior to the corresponding Monthly Payment Date by the Management Company on an aggregate basis for all Eligible Receivables purchased by the Fund during the preceding Purchase Period, and will not be individually allocated to any particular Purchased Receivables, provided that the sum of the Effective Purchase Price and the Deferred Purchase Price for all Eligible Receivables purchased on any given Purchase Period will be equal to 100% of the aggregate Outstanding Principal Balance of such Eligible Receivables as of the applicable Effective Purchase Dates.

The Purchase Price will be paid as follows:

- (a) the Effective Purchase Price of the Eligible Receivables purchased during a Purchase Period shall be paid on the immediately following Monthly Payment Date subject to the applicable Priority of Payments; and/or
- (b) the Deferred Purchase Price shall be paid on each Monthly Payment Date following the Monthly Payment Date on which the Effective Purchase Price of such Eligible Receivables has been or should have been paid subject to the applicable Priority of Payments.

The Deferred Purchase Price is the portion of the Purchase Price which is not paid by the Fund to the Seller for the transfer of certain Eligible Receivables on the Monthly Payment Dates following the applicable Purchase Period.

During the Programme Revolving Period (if the Residual Principal Deficiency Ledger is in debit at the preceding Calculation Date), the Programme Amortisation Period and the Programme Accelerated Amortisation Period, the purchase of new Eligible Receivables will be funded through the Deferred Purchase Price (and/or with the Available Distribution Amount, if any, in accordance with the relevant Priority of Payments).

For clarification purposes, the Deferred Purchase Price is not limited and could be used to fund the total amount of the Purchase Price of the Eligible Receivables purchased by the Fund during the Programme Revolving Period (if the Residual Principal Deficiency Ledger is in debit at the preceding Calculation Date), the Programme Amortisation Period and the Programme Accelerated Amortisation Period.

If a Deferred Purchase Price is recorded by the Management Company on a Monthly Payment Date, the Management Company and the Seller hereby acknowledge and agree that such Deferred Purchase Price is only a term for the payment of this portion of the Purchase Price by the Fund to the Seller and shall not constitute a ground to rescind (*resolver or rescindir*) the transfer of the corresponding Eligible Receivable. Such Deferred Purchase Price shall be added to the existing Deferred Purchase Prices which remain unpaid as of such Monthly Payment Date (if any) and therefore increase the outstanding amount of Aggregate Deferred Purchase Price.

The Fund shall pay to the Seller interest (the **DPP Interest**) on the outstanding Aggregate Deferred Purchase Price in accordance with the following provisions:

- (a) DPP Interest will be calculated by the Management Company on each Calculation Date.
- (b) The amount of DPP Interest payable to the Seller (the **Aggregate DPP Interest Amount**) will be equal to the product of:
 - (i) the relevant Seller Share Interest Rate;

- (ii) the Aggregate Deferred Purchase Price as of the preceding Monthly Payment Date; and
- (iii) the day count fraction corresponding to the ratio between (i) the actual effective days in each Interest Accrual Period and (ii) a 360-day year,

and rounding the resultant figure to the nearest cent.

For these purposes, the term while there is a Deferred Purchase Price shall be divided into consecutive interest accrual periods (each of them, an **Interest Accrual Period**) comprising the days effectively elapsed between each Monthly Payment Date, including in each Interest Accrual Period the initial Monthly Payment Date and excluding the final Monthly Payment Date. The first Interest Accrual Period shall commence on the date on which there is a Deferred Purchase Price amount and end on the immediately following Monthly Payment Date.

- (c) The Aggregate DPP Interest Amount will be paid in accordance with and subject to the Priority of Payments.
- (d) Any Aggregate DPP Interest Amounts which have not been paid to the Seller due to shortage of Available Distribution Amounts will be paid on the following Monthly Payment Date on which the Available Distribution Amounts permit said payment according to the applicable Priority of Payments. Such amounts will be paid in preference to the Aggregate DPP Interest Amounts payable on said Monthly Payment Date. The Aggregate DPP Interest Amounts owed to the Seller that remain unpaid according to the provisions of the prior paragraphs will not accrue default interest in favour of the Seller.
- (e) Any Aggregate DPP Interest Amounts not paid on the Fund Liquidation Date shall be cancelled and deemed as a final loss for the Seller.

For the purposes of this section 3.3.1.4:

Aggregate Deferred Purchase Price means, on any Calculation Date and in respect of all Purchased Receivables, the aggregate amount of all Deferred Purchase Prices which remain unpaid as of such Calculation Date.

Deferred Purchase Price means, on any Calculation Date and in respect of the Receivables transferred to the Fund on the Purchase Period immediately preceding such Calculation Date, the portion of the Purchase Price of such purchased Receivables which is not to be paid by the Fund on the following Monthly Payment Date in accordance with the applicable Priority of Payments.

Effective Purchase Price means, on any Calculation Date and in respect of the Receivables transferred to the Fund on any Purchase Period immediately preceding such Calculation Date:

- (a) during the Programme Revolving Period and the Programme Amortisation Period only, the portion of the Purchase Price of such Eligible Receivables which is to be effectively paid by the Fund on the following Monthly Payment Date in accordance with the Principal Priority of Payments and which shall be funded by the Available Principal Amount; and
- (b) during the Programme Accelerated Amortisation Period only, (i) as long as any Notes of any outstanding Note Series has not been fully redeemed, zero (0) and (ii) once all Notes of all Note Series have been redeemed in full, the portion of the Purchase Price of such Eligible Receivables which is to be effectively paid by the Fund on the following Monthly Payment Date in accordance with the Accelerated Priority of Payments and which shall be funded by the Available Distribution Amount.

Purchase Price means, on any Calculation Date and in respect of the Receivables transferred to the Fund on any Purchase Period immediately preceding such Calculation Date, an amount equal to 100% of the aggregate Outstanding Principal Balance of such Eligible Receivable as of the applicable Effective Purchase Date.

Seller Share Interest Rate means, on any Monthly Payment Date, the annual fixed interest rate which shall be calculated by the Management Company as follows:

- (a) for so long as the Class A Notes of any Note Series are outstanding, the average interest rate of all Class A Notes which are outstanding as weighted by their respective Principal Amount Outstanding on such Monthly Payment Date (taking into account the applicable swap rate plus margin for Class A Notes bearing a floating rate, if applicable);
- (b) once the Class A Notes of all Note Series have been redeemed in full and for so long as the Class B Notes of any Note Series are outstanding, the average interest rate of all Class B Notes which are outstanding as weighted by their respective Principal Amount Outstanding on such Monthly Payment Date (taking into account the applicable swap rate plus margin for Class B Notes bearing a floating rate, if applicable);
- (c) once the Class B Notes of all Note Series have been redeemed in full and for so long as the Class C Notes of any Note Series are outstanding, the average interest rate of all Class C Notes which are outstanding as weighted by their respective Principal Amount Outstanding on such Monthly Payment Date (taking into account the applicable swap rate plus margin for Class C Notes bearing a floating rate, if applicable); and
- (d) in any other cases, 1.50 per cent or any other percentage specified as such in the last Prospectus Supplement.

For these purposes, **Seller Share Interest Payable Amount** means, on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the amount equal to:

- (a) the aggregate of (i) the SICF Interest Amount and (ii) the Aggregate DPP Interest Amount, due on such Monthly Payment Date; less
- (b) any Seller Dilutions due by the Seller to the Fund on or prior to the Calculation Date (if not already received by the Fund on or prior such Calculation Date),

as calculated by the Management Company on the Calculation Date immediately preceding such Monthly Payment Date.

3.3.1.5. Minimum Purchase Amount and Minimum Portfolio Amount - Required Seller Share

- (a) Minimum Purchase Amount and Minimum Portfolio Amount

Notwithstanding any postponement or suspension of the purchase of Eligible Receivables, the Seller has undertaken to (i) transfer to the Fund Eligible Receivables in the context of Additional Transfers; and (ii) during the Programme Revolving Period and the Programme Amortisation Period, make its best efforts to transfer to the Fund Eligible Receivables in the context of Initial Transfers, for an amount at least equal to the Minimum Purchase Amount on each Purchase Date in order to meet the Minimum Portfolio Amount.

Failure by the Seller to transfer Eligible Receivables to the Fund for an amount at least equal to the Minimum Purchase Amount on each Purchase Date during the Programme Revolving Period and the Programme Amortisation Period shall neither constitute a Seller Event of Default during the Programme Revolving Period or the Programme Amortisation Period, nor necessarily cause the occurrence of the Revolving Termination Event during the Programme Revolving Period.

- (b) Breach of the Minimum Purchase Amount

On the Determination Date immediately preceding the relevant Purchase Date in connection with Initial Transfers only, the Management Company shall notify the Seller the Available Purchase Amount and the Minimum Purchase Amount and on the Confirmation Date preceding the relevant Purchase Date confirm that the Minimum Purchase Amount is met.

If the Seller or the Management Company have recorded that the Minimum Purchase Amount has not been met on the Calculation Date immediately after such Confirmation Date, the Seller shall make its best efforts to transfer additional Receivables in the context of Initial Transfers on the immediately following Purchase Date to ensure the Minimum Purchase Amount is met, such transfer to be made in

accordance with the procedure foreseen in section 3.3.1.2 of the Additional Building Block.

(c) Required Seller Share

- (i) The Required Seller Share shall never be less than six per cent (6%) of the Principal Amount Outstanding of all issued Note Series;
- (ii) on the Fund Incorporation Date, the Required Seller Share shall be equal to six per cent (6%) of the Principal Amount Outstanding of the Notes of the first Note Series issued on the Fund Incorporation Date;
- (iii) after the Fund Incorporation Date the Seller may increase or decrease the Required Seller Share as specified in the last Prospectus Supplement, taking into account however that any reduction shall be subject to the satisfaction of the following conditions:
 - (A) the condition set out in paragraph (i) above shall be complied at all times during the life of the Fund (ie. the Required Seller Share shall never be less than six per cent (6%));
 - (B) prior notice is given to the Management Company and each Relevant Rating Agencies no later than 30 calendar days prior to the effective date of such reduction;
 - (C) any reduction in the Required Seller Share will not result in the downgrade or withdrawal of the then current rating of any of the then outstanding Rated Notes by any of the Relevant Rating Agencies; and
 - (D) the reduction will not cause the occurrence of a Revolving Termination Event or an Accelerated Amortisation Event on such date.
- (iv) On any date after the Fund Incorporation Date the applicable Required Seller Share shall be that specified in the latest Prospectus Supplement.

For these purposes:

Available Purchase Amount means:

- (a) on each Determination Date during the Programme Revolving Period, the sum of:
 - (i) the product of:

- (A) The aggregate of the Note Series 20xx-yy Principal Ratio of all Notes Series having a Scheduled Amortisation Starting Date occurring after the Monthly Payment Date following such Determination Date; and
- (B) the Available Principal Collections with respect to the Collection Period immediately preceding such Determination Date;
- (ii) the Unapplied Revolving Amount standing at the credit of the Revolving Account as of close of the preceding Monthly Payment Date;
- (b) otherwise, zero (0).

Note Series 20xx-yy Principal Ratio means, on each Calculation Date, with respect to any outstanding Note Series, the percentage equal to (which percentage shall never exceed 100 per cent.):

- (a) during the Programme Revolving Period:
 - (i) the Note Series 20xx-yy Initial Principal Amount; divided by
 - (ii) the aggregate of the Note Series 20xx-yy Initial Principal Amounts of all the then outstanding Note Series multiplied by the sum of (i) 1 and (ii) the Required Seller Share; and
- (b) during the Programme Amortisation Period:
 - (i) the Note Series 20xx-yy Initial Principal Amount; divided by
 - (ii) the aggregate of the Note Series 20xx-yy Initial Principal Amounts of all the then outstanding Note Series.

The sum of all Note Series 20xx-yy Principal Ratios shall never be greater than 100 per cent.

Minimum Portfolio Amount means an amount as determined by the Management Company on any Calculation Date and equal to the product of (i) the Principal Amount Outstanding of all Note Series on the last Monthly Payment Date (taking into account any redemption of any Class of Notes of any Note Series or any further issue of Note Series, to be effective made on the next Monthly Payment Date) and (ii) the sum of:

- (a) one; and
- (b) the applicable Required Seller Share on such Calculation Date.

3.3.1.6. Priority Allocation Rule

If, at any time and for any reason whatsoever, in respect of a Client Account from which arise any Purchased Receivable(s), the Seller is still the owner of any outstanding receivable(s)

under such Client Account which are not Purchased Receivables (the **Non Purchased Receivables** and together with the Purchased Receivables arising from the same Client Account, the **Common Receivables**), the Seller and the Fund will have a joint ownership right on any payments made by the relevant Borrower with respect to such Client Account.

In such circumstance, the Seller's rights on any payments of principal, interest and any other amounts paid by the Borrower under the Non Purchased Receivables will be subordinated to the rights of the Fund to receive such payments and such amounts under the Purchased Receivables arising from the same Client Account (unless instructed by the relevant Borrower to allocate any payment to any portion of the abovementioned Receivables at the time of making the relevant payment; for instance, in a store of the Carrefour group).

As a result of the above and until the full repayment of the Purchased Receivables held by the Fund in respect of any Client Account:

- (a) the Fund shall be entitled to receive in priority, all principal and interest amounts (including any arrears and penalties thereon) received by the Servicer from the relevant Borrower and such amounts shall constitute Available Collections;
- (b) the Fund shall receive the Insurance Indemnifications received from the Insurance Companies in relation to Common Receivables and such amounts shall constitute Available Collections; and
- (c) the Seller hereby waives any rights to retain or be retransferred by the Servicer any such amounts paid by a Borrower in connection with the Common Receivables and undertakes to transfer any and all amounts received by it to the Fund.

The priority allocation rule sets out herein will apply:

- (a) to any Client Account for which a Purchased Receivable has been transferred by the Seller to the Fund;
- (b) during the Programme Revolving Period, the Programme Amortisation Period and the Programme Accelerated Amortisation Period, as from the Purchase Date of such Purchased Receivable in the context of an Initial Transfer and until the earlier of (i) the date on which all Purchased Receivables held by the Fund in respect of such Client Account is fully repaid or (ii) the last Settlement Date preceding the Fund Liquidation Date.

3.3.1.7. Contractual Documents and Files

The transfer of the Eligible Receivables in the context of Initial Transfers or Additional Transfers on any Purchase Date shall not transfer to the Fund title to the legal documents (including private legal documents) in possession of the Seller and documents which constitute the legal medium (*soporte legal*) of such Eligible Receivables, including the Credit Card Agreements (the **Contractual Documents**) as at the corresponding Purchase Date.

Notwithstanding the above, the Seller shall (i) ensure the safekeeping of the Contractual Documents relating to the Purchased Receivables, (ii) establish appropriate custody procedures and an independent internal ongoing control of such procedures, and (iii) make available promptly to the Servicer (or the Replacement Servicer, as the case may be) all such Contractual Documents that the Servicer (or the Replacement Servicer, as the case may be) may require in the exercise of its duties, including, without limitation, for the purposes of enforcing the rights of the Fund under the Eligible Receivables.

3.3.1.8. Insurance Indemnifications

The transfer of the Eligible Receivables to the Fund implies the transfer of any Insurance Indemnifications payable to the Seller under any Insurance Policies entered into by the relevant Borrower in connection with any Credit Card Agreement.

The Seller shall:

- (a) notify the Fund as soon as it becomes aware of the existence of any Insurance Indemnifications payable under the Insurance Policies; and
- (b) transfer such Insurance Indemnifications:
 - (i) firstly, to the Collections Accounts promptly and in any case within two (2) Business Days after receipt in the relevant Seller's accounts (provided that such amounts are received within banking hours on the Business Day they are received by the Seller, otherwise the following Business Day), and
 - (ii) then, once received into the Collections Account, to the General Account promptly and in any case within one (1) Business Day following receipt of the amounts into the Collections Accounts (provided that such amounts are received within banking hours on the Business Day they are received into the Collections Accounts, otherwise the following Business Day),

unless such Insurance Indemnifications have been effectively and directly credited to the General Account by the Insurance Companies.

3.3.1.9. Default of Conformity of the Receivables – Breach of Representations and Warranties – Non-Compliant Receivables

The provisions regarding the breach of representations and warranties and remedies are described in section 2.2.9 of the Additional Building Block.

3.3.1.10. Arrangements affecting the Credit Card Agreements

(a) Introduction

The terms of the Credit Card Agreements or the Standard Forms may be subject to contractual amendments between the Seller and the Borrowers, to the extent permitted by:

- (i) the applicable laws and regulations; and/or
- (ii) the provisions below.

(b) Permitted Amendments

- (i) The Seller shall be entitled to agree to any amendments to the Credit Card Agreements or the Standard Forms if such amendment (A) is the mandatory result of a final court's resolution, (B) is imposed by any competent administrative or regulatory authority, (C) affects the interest rate or the fees, the instalment due date, the instalment amount, the maximum authorised credit amount and/or implies the application of grace periods for payment of interest, to the extent permitted by the terms of such Credit Card Agreement, the usual Credit Policies and the Servicing Policies or (D) is required by applicable laws or regulations.
- (ii) Furthermore, the Seller shall be entitled to agree amendments to a Credit Card Agreement as a result of the renegotiations and compromises reached with the Borrowers in accordance with section 3.7.2.12 of the Additional Building Block.
- (iii) Other than in those cases foreseen in (i) and (ii) above, the Seller may amend the terms and conditions of any Credit Card Agreement and the Standard Forms from which the outstanding Purchased Receivables or non-transferred Eligible Receivables arise after having delivered a prior written notice for information purposes to the Management Company and the Relevant Rating Agencies (including the terms which may be subject to contractual amendments described above), provided that:
 - (A) such amendment is also applied to any comparable segment of credit card agreements owned and/or serviced by the Seller and which have the same characteristics as, or substantially similar to, the Credit Card Agreements from which the Eligible Receivables derive; and
 - (B) such amendment would not challenge the perfection of the transfer to the Fund of any outstanding Purchased Receivables nor the potential transfer of any Eligible Receivables (to be transferred to the Fund) in the context of an Additional Transfer.

The failure by the Seller to deliver a prior written notice for information purposes to the Management Company and the Relevant Rating Agencies shall not entitle the Management Company to refuse an amendment which complies with provisions above.

(c) Breach of Undertakings and Remedies

In the event that the Seller (i) amends the Credit Card Agreement or (ii) amends, waives or renegotiates the terms of any Purchased Receivables in breach of the undertakings given by itself in its capacity as Seller or Servicer (including, without limitation, in breach of the provisions in section (b) above of this section or section 3.7.2.12 of the Additional Building Block), the Seller will repurchase such Receivables, under the following conditions:

- (i) The repurchase shall be made on any Repurchase Date prior to the second Cut-Off Date following the date on which the waiver or the new terms of that Receivable are applicable (with economic effects between the Seller and the Fund from the relevant Effective Repurchase Date, from which the Seller shall be entitled to any amounts of principal, interest, fees (other than Interchange Fees), default interest (if applicable), penalties, Insurance Indemnifications and any other related payments received from the corresponding Repurchased Receivables as of the relevant Repurchase Date).
- (ii) The amount payable as a consequence of such repurchase will be equal to:
 - (A) the then aggregate Outstanding Principal Balance of each relevant Receivable (before such amendment, waiver or renegotiation) and any other outstanding Purchased Receivables arisen from the same Client Account; plus
 - (B) any accrued and unpaid outstanding interest thereon until (but excluding) the Effective Repurchase Date,

as of such Effective Repurchase Date. Payment will be effected on the immediately following Calculation Date.

If the Seller is unable to repurchase the relevant Receivables in accordance with the above, the Fund will keep the ownership of the relevant Receivables and the Seller shall indemnify the Fund in an amount equal to the amount payable under paragraph (ii) above on the applicable Repurchase Date.

Any amount paid to the Fund under these provisions will be exclusively allocated to the Fund and be credited to the General Account and form part of the Available Collections.

(d) Seller Dilutions

- (i) The Seller has undertaken to pay to the Fund all Seller Dilutions with respect to any Purchased Receivable.
- (ii) The amount of any Seller Dilution, as determined on the Determination Date by the Management Company on the basis of the Monthly Servicer Report, shall be paid by the Seller on each Calculation Date.

For these purposes:

Corrected Available Principal Collections means all amounts subject to any adjustment of the Available Principal Collections with respect to the previous Collection Periods as determined by the Management Company on the Calculation Date.

Seller Dilutions means the amount determined by the Management Company on the Determination Date and equal to (i) the Dilutions due by the Seller to the Fund plus (ii) with respect to Purchased Receivables relating to Performing Client Accounts only, the indemnity to be paid by the Seller in the event of a renegotiation of any Purchased Receivables (including the case where such renegotiation is made by SFC acting as the Servicer) equal to the forgiveness of whole or part of any Outstanding Principal Balances of such Purchased Receivables. Such amount shall be paid by the Seller to the Fund on or prior the Calculation Date.

Dilutions means, on each Determination Date, in respect of the Collection Period immediately preceding such Determination Date, the Outstanding Principal Balance of any given outstanding Purchased Receivables cancelled by the Seller (in part or in full) for the benefit of the Borrowers, as the result of any return, rebate, deduction, retention, undue restitution, legal set-off (*compensación legal*), contractual set-off (*compensation convencional*), judicial set-off (*compensation judicial*), fraudulent or counterfeit transactions, or in respect of merchandise which was refused or returned by a Borrower.

(e) Limits of the remedies

The repurchase procedure set out in the preceding paragraphs and the payment to the Fund of the Seller Dilutions shall be the only remedies available to the Management Company in the event of (i) a waiver or a renegotiation of the terms of any Receivables which would result in the breach by the Seller, in its capacity as Servicer, of its undertakings or (i) the amendment by the Seller of the Credit Card Agreements in breach of the undertakings in section 3.3.1.10 above.

3.3.1.11. Optional Repurchase Events

The Seller shall have the right (but not the obligation) to repurchase on any Repurchase Date:

- (a) all outstanding Purchased Receivables with respect to any Client Account which has become, after any Purchase Date, an Ineligible Client Account;
- (b) all outstanding Purchased Receivables with respect to any Client Account which has become, after any Purchase Date, a “*Zero Balance Client Account*”;
- (c) all outstanding Purchased Receivables with respect to any Client Accounts which have been classified as Defaulted Client Accounts or Delinquent Client Accounts;
- (d) during the Programme Revolving Period and during the Programme Amortisation Period, any outstanding Purchased Receivables deriving from Performing Client Accounts if the Outstanding Principal Balance of all outstanding Purchased Receivables deriving from Performing Client Accounts held by the Fund as of the relevant prior Cut-Off Date (taking into account for that purpose, the contemplated Receivables purchased by the Fund in the context of Initial Transfers and such contemplated repurchased by the Seller to be made on or before such Repurchase Date) were higher than the Minimum Portfolio Amount.

3.3.1.12. Repurchase Procedure

Provided that an Optional Repurchase Event referred to in paragraphs (a) to (c) of section 3.3.1.11 has occurred:

- (a) The Seller may inform the Management Company of the occurrence of such Optional Repurchase Event by delivering a written request to the Management Company on the Determination Date.
- (b) On the Selection Date, the Seller shall then select the Receivables to be retransferred on the contemplated Repurchase Date, which will include, if applicable, any other outstanding Purchased Receivables arising from the same Client Accounts so the total balance under the relevant Client Account(s) is repurchased.
- (c) On such Selection Date, the Seller shall send to the Management Company the list of the corresponding Client Accounts from which the Receivables to be repurchased derive (the **Repurchase File**).
- (d) As of the close of business on the Confirmation Date, the Seller will proceed to mark the selected receivables as Repurchased Receivables on its IT system with effect as from the start of business of the next calendar day (the **Effective Repurchase Date**).
- (e) On the Repurchase Date the Seller will deliver to the Management Company a written repurchase request (each, a **Repurchase Request**) and a file with the list of repurchased Receivables, which would serve for the calculation by the Management Company of the Aggregate Repurchase Price of the Repurchased Receivables.

Provided that the Optional Repurchase Event referred to in paragraph (d) of section 3.3.1.11 has occurred:

- (a) The Seller may inform the Management Company of the occurrence of such Optional Repurchase Event by delivering a written request to the Management Company on the Determination Date immediately preceding the contemplated Repurchase Date.
- (b) The Seller shall notify the Management Company before 12h00 (CET) on the Determination Date its intention to exercise any repurchase option and a target repurchase amount (together with any required information, if necessary) (the **Target Amount**) of Purchased Receivables to be retransferred by the Fund (the **Contemplated Repurchased Receivables**) on the Repurchase Date as contemplated in the relevant Repurchase Request (corresponding to the immediately following Purchase Date in respect of Initial Transfers).
- (c) On the Selection Date, the Seller shall select randomly the Receivables to be retransferred on the contemplated Repurchase Date, which will include, if applicable, any other outstanding Purchased Receivables arisen from the same Credit Card Agreements, provided that:
 - (i) the aggregate amount of the Repurchase Price of such Receivables shall not be greater than the Target Amount as notified by the Seller; and
 - (ii) the excess (if any) of:
 - (A) the Target Amount as notified by the Seller; over
 - (B) the expected Aggregate Repurchase Price of the Receivables selected randomly by the Sellershall not be greater than EUR 50,000.00.
- (d) On such Selection Date, the Seller shall send to the Management Company the Repurchase File.
- (e) The Management Company shall confirm on the Confirmation Date that it agrees with the selection and designation of the Purchased Receivables to be repurchased made by the Seller.
- (f) As of the close of business on the Confirmation Date, the Seller will proceed to mark the selected receivables on its IT system with effect as from the start of business of the Effective Repurchase Date.
- (g) On the Repurchase Date the Seller will deliver to the Management Company a Repurchase Request together with a file with the list of repurchased Receivables, which would serve for the calculation by the Management Company of the Aggregate

Repurchase Price of the Repurchased Receivables which must be paid by the Seller by transfer to the Fund's General Account on such Repurchase Date.

Common terms applicable to the repurchase procedures

Each Repurchase Request shall be irrevocable and binding on the Seller when delivered to the Management Company.

The Management Company shall refuse the exercise of the option by the Seller if the Repurchase Conditions Precedent set out in the next section are not met.

If the Repurchase Conditions Precedent are met, then the Management Company shall countersign the Repurchase Request in proof of its acceptance and deliver it to the Seller no later than on the Repurchase Date.

If a Repurchase Request is not accepted by the Management Company on the relevant Repurchase Date in accordance with the above, such Repurchase Request shall automatically lapse with no additional formalities. Notwithstanding any de-marking of the selected outstanding Purchased Receivables and the related Client Accounts made by the Seller in its IT system prior to the cancellation of the repurchased procedure, the Seller shall be obliged to proceed with the necessary manual adjustments and shall calculate and pay, under the supervision of the Management Company, to the Fund any amounts of Available Collections and Insurance Premia which would have been paid by it to the Fund if the repurchase procedure would not have been cancelled.

After the acceptance of the Repurchase Request by the Management Company:

- (a) the Seller shall repurchase all outstanding Receivables deriving from the relevant Client Account(s) specified in the related Repurchase File (being specified that for the avoidance of doubt any drawing which has not been transferred in the context of an Additional Transfer by the Seller to the Fund will not be subject to any repurchase);
- (b) the Seller will not be entitled to transfer new Receivable(s) in the context of Additional Transfers deriving from such Client Accounts which are the subject to the repurchase by the Seller as from the Effective Repurchase Date (unless the Seller transfers, on any further Purchase Date, new Receivables deriving from such Client Account in the context of an Initial Transfer); and
- (c) the retransfer shall have economic effects between the Seller and the Fund from the Effective Repurchase Date; therefore the Seller shall be entitled from the Effective Repurchase Date to any amounts of principal, interest, fees (other than Interchange Fees), default interest (if applicable), penalties, Insurance Indemnifications and any other related payments received from the corresponding Repurchased Receivables as of the relevant Repurchase Date. Any collection received by the Fund (if any) on or

after the Effective Repurchase Date in relation with such Repurchased Receivables will be repaid by the Fund to the Seller.

The retransfer procedure described herein may be updated or amended from time to time between the Seller and the Management Company in order to take into account any upgrade or update of the Seller's information systems, provided that (i) such update or amendment will have no adverse effect on the Fund or the rights of the noteholders or the funders of the Fund, (ii) prior written notification will be delivered by the Management Company and the Seller to the Relevant Rating Agencies. No amendment to the Deed of Incorporation of the Fund shall be required unless the amendment proposed by the Seller and the Management Company has a negative effect on the Fund or the rights of the noteholders or the funders of the Fund.

In order to achieve certainty of the date of the retransfer of the Repurchased Receivables for the purposes of article 1,526 of the Civil Code, on a monthly basis (if applicable) the Management Company will electronically forward to the CNMV the Repurchase Request signed by both the Seller and the Management together with a data file regarding the Repurchased Receivables using the CIFRADOCC/CNMV service.

Notwithstanding the above, at any time and for any reason, the Management Company is unable to use the CIFRADOCC/CNMV service, the Seller and the Management Company will appear before the Spanish Notary designated by the Seller for the purposes of raising to the status of a Spanish Public Document any repurchase of Receivables made hereunder (provided that all cost and expenses arising from any such notarisations shall be borne by the Seller).

For these purposes:

Aggregate Repurchase Price means, in relation to all the Repurchased Receivables to be repurchased on a Repurchase Date:

- (a) the aggregate of the Repurchase Prices of such Repurchased Receivables; plus
- (b) all additional, specific, direct and indirect, costs and expenses incurred by the Fund in respect of the repurchase of such Repurchased Receivables and previously approved by the Seller excluding, for the avoidance of any double counting, any item already included in the Repurchase Price.

3.3.1.13. Repurchase Conditions Precedent

The repurchase of the Contemplated Repurchase Receivables shall only occur on the Repurchase Date if the following repurchase conditions precedent (the **Repurchase Conditions Precedent**) are met:

- (a) General conditions for all Optional Repurchase Events:
 - (i) satisfaction of the Minimum Portfolio Amount Condition as of the Calculation Date;
 - (ii) no Fund Liquidation Event has occurred; and
 - (iii) the Management Company is not aware that a Seller Event of Default has occurred and is continuing.

- (b) Specific conditions for the Optional Repurchase Event referred to in paragraph (d) of section 3.3.1.11:
 - (i) such repurchase of the Contemplated Repurchased Receivables does not result in the occurrence of a Revolving Termination Event (if the Repurchase Date occurs during the Programme Revolving Period) or an Accelerated Amortisation Event (if the Repurchase Date occurs during the Programme Revolving Period or the Programme Amortisation Period); and
 - (ii) on the relevant Calculation Date, the Management Company has determined that the Residual Principal Deficiency Ledger will not be in debit on the next Monthly Payment Date after the application of the Interest Priority of Payments.

3.3.1.14. Aggregate Repurchase Price

The Aggregate Repurchase Price of the Repurchased Receivables shall be calculated by the Management Company on each Calculation Date and shall be paid by the Seller to the Fund at the latest on the Repurchase Date.

3.3.2. Optional Re-Transfer of all Purchased Receivables upon the Liquidation of the Fund

The Seller shall have the right (but not the obligation) to repurchase from the Fund all the outstanding Purchased Receivables remaining among the assets of the Fund in the context of the liquidation of the Fund following the occurrence of a Fund Liquidation Event in accordance with the terms set out in section 4.4.4 of the Registration Document.

3.3.3. Description of the rights conferred upon the Fund for the acquisition of the Receivables

The Fund, as legal holder of the Purchased Receivables will hold the rights generally recognized by applicable law and in the Purchased Receivables.

Specifically, and without limitation, the transfer of the Receivables will include all accessory rights in accordance with the provisions of article 1,528 of the Civil Code; thus, it will give the Fund the following rights as regards the Purchased Receivables:

- (a) all amounts due for the repayment of the principal of the Purchased Receivables;
- (b) all amounts due for the ordinary interest on the Purchased Receivables;
- (c) all amounts due for the default interest (if applicable) on the Purchased Receivables;
- (d) all fees due under the Credit Card Agreement (other than Interchange Fees);
- (e) all amounts received from the repurchase of Purchased Receivables by the Seller, in accordance with the provisions of section 3.3.1.11 of this Additional Building Block; and
- (f) all potential rights or indemnities in favour of the Seller including, without limitation, any Insurance Indemnifications.

All the above mentioned rights will accrue in favour of the Fund as from the Effective Purchase Date.

Subject to that set out in section 2.2 of the Additional Building Block with respect to fees charged to the Borrower and unpaid insurance premiums amounting to Drawings, any amounts corresponding to the insurance premium payable by the Borrower in connection with the Insurance Policies shall not be transferred to the Fund as the Seller does only collect them in the name and on behalf of the relevant insurance company.

For the avoidance of doubt, pursuant to section 2.2 of the Additional Building Block in case of returned purchases, any amounts to be reimbursed (including, if applicable, interest) by the Seller to the relevant Borrowers will need to be reimbursed by the Fund to the Seller on the next Settlement Date, such payment not being subject to the Priority of Payments.

3.3.4. Notification to the Borrowers and Insurance Companies

The Borrowers and the Insurance Companies shall be notified of the transfer of the Purchased Receivables as soon as practicable:

- (a) upon the occurrence of the Servicer Termination Event;
- (b) in any other circumstances where the Servicer, with the prior consent of the Management Company, considers such notification necessary or desirable for the maximisation of the recoveries under the Receivables or the Insurance Indemnifications.

In any of the scenarios described above, the Management Company shall be entitled to request the Data Protection Agent to provide the Decoding Key of the Encrypted Data File in order to be able to access to the data included therein.

The Management Company shall be entitled to notify (or cause to be notified) the Borrowers and the Insurance Companies to make all payments in relation to the Purchased Receivables

or the Insurance Indemnifications, as applicable, directly on the General Account or on any other Fund's substitute bank account held and operated by any authorised credit institution having the Account Bank Required Ratings in the event of the substitution and replacement of the Issuer Accounts Bank pursuant to the terms set out in section 3.4.5 of the Additional Building Block.

Any costs and expenses arising from the notification of the transfer of the Purchased Receivables upon the occurrence of a Servicer Termination Event shall be borne by the retiring Servicer. Notwithstanding this, in order to avoid any delays, the Management Company, at the expense of the Fund, may advance any such costs and expenses and request subsequently their reimbursement by the retiring Servicer.

Regarding such costs and expenses arising from the notification of the transfer of the Purchased Receivables according to paragraph (b) above, they shall be borne by the Fund.

In addition, if and when the Servicer is requested to confirm or state the capacity in which it is administering and servicing the Purchased Receivables and related matters by any Borrower or any third party (including a Spanish court) and to whom the Servicer is obliged by law to disclose such information, the Servicer shall confirm or state that it is acting in its capacity as servicer of the Purchased Receivables and related matters as agent for and on behalf of the Fund and not on its own behalf.

Pursuant to articles 1,527 and 1,198 of the Civil Code, until the moment of notification to the Borrowers and/or the Insurance Companies, as applicable, (i) they will be discharged of their payment obligations by paying the Seller, and (ii) the Borrowers and/or the Insurance Companies, as applicable, will have the right to set off against the Seller their payment obligations existing before the transfer and those which came into existence after the transfer until the date they were notified. If notice of the transfer is served on the Borrower and/or the Insurance Company and any of them opposes to the transfer, then the Borrower and/or the Insurance Company, as applicable, will only keep the right to set off payment obligations existing before the notice but not those which are posterior.

3.4. Explanation of the Flow of Funds

3.4.1. How the cash flow from the assets will meet the Fund's obligations to its creditors

In accordance with this section, the Fund will attend all payment obligations derived from the Notes of each Notes Series and its remaining liabilities by applying the cash flows generated by the Receivables and any other applicable rights of the Fund.

The Fund will enjoy additional protection and enhancement mechanisms that are described in this section. These mechanisms will be applied in accordance with the rules of this Base Prospectus and their purpose is to ensure that the cash flows of the Fund are sufficient to attend its payment obligations in accordance with the relevant Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

All payments of principal and interest (and arrears, if any) on the Notes of any Note Series shall be made in accordance with the rules of this Base Prospectus and the relevant Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

3.4.2. Ledgers

3.4.2.1. Principal Deficiency Ledger

During the Programme Revolving Period and the Programme Amortisation Period and with respect to any Collection Period, a principal deficiency ledger (the **Principal Deficiency Ledger**) comprising three sub-ledgers, namely the **Class A Principal Deficiency Ledger**, the **Class B Principal Deficiency Ledger** and the **Residual Principal Deficiency Ledger** respectively, shall be established by the Management Company, acting for and on behalf of the Fund in order to keep record of any shortfall or deficiency between Outstanding Principal Balances of the Performing Client Accounts, and the Principal Amount Outstanding of the Notes and the SICF Principal Amount Outstanding, subject to the allocation rule described below. During the Programme Revolving Period and the Programme Amortisation Period and with respect to any Collection Period, the Management Company shall record on any Calculation Date as debit entries in the Principal Deficiency Ledger any new Default Amount on the Purchased Receivables in respect to the previous Collection Period and the reallocation of principal receipts to payment of interest made in accordance with item (1) of the Principal Priority of Payments in the following order of priority:

- (a) firstly, to the Residual Principal Deficiency Ledger as a debit entry up to the aggregate of the sum of (i) the outstanding amount under the Seller Interest Credit Facility and (ii) the Principal Amount Outstanding of the Class C Notes on the immediately preceding Monthly Payment Date;
- (b) secondly, to the Class B Principal Deficiency Ledger up to the Principal Amount Outstanding of the Class B Notes of all Note Series on the immediately preceding Monthly Payment Date; and
- (c) thirdly, to the Class A Principal Deficiency Ledger up to the Principal Amount Outstanding of the Class A Notes of all Note Series on the immediately preceding Monthly Payment Date;

During the Programme Revolving Period and the Programme Amortisation Period, and with respect to any Collection Period, the Management Company shall record as credit entries any PDL Cure Amounts in the principal deficiency sub-ledgers in the following order of priority:

- (a) firstly, to the Class A Principal Deficiency Ledger until the debit balance thereof is reduced to zero (0);
- (b) secondly, to the Class B Principal Deficiency Ledger until the debit balance thereof is reduced to zero (0); and

- (c) thirdly, to the Residual Principal Deficiency Ledger until the debit balance thereof is reduced to zero (0).

The Management Company shall give the relevant instructions to the Issuer Accounts Bank on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period in order to, subject to the Interest Priority of Payments, ensure that the Principal Account is credited with an amount equal to the debit balance of the Principal Deficiency Ledger as of the previous Calculation Date (taking into account the debit of the above amounts) by debiting the Interest Account. Such amount then credited to the Principal Account shall be credited to the Principal Deficiency Ledger on the same date.

For these purposes:

Class A PDL Cure Amount means any amounts retained at item (5) of the Interest Priority of Payments to cure any debit balance in respect of the Class A Principal Deficiency Ledger.

Class B PDL Cure Amount means any amounts retained at item (9) of the Interest Priority of Payments to cure any debit balance in respect of the Class B Principal Deficiency Ledger.

Default Amount means, on any Calculation Date and with respect to the Client Account which has become a Defaulted Client Account during the immediately preceding Collection Period, the Outstanding Principal Balances of the Purchased Receivables of such Client Account on the Cut-Off Date preceding such Calculation Date.

PDL Cure Amounts means the sum of (i) the Class A PDL Cure Amount, (ii) the Class B PDL Cure Amount and (iii) the Residual PDL Cure Amount.

Residual PDL Cure Amount means any amounts retained at item (12) of the Interest Priority of Payment.

3.4.2.2. General Reserve Ledger

During the Programme Revolving Period and the Programme Amortisation Period, a general reserve ledger (the **General Reserve Ledger**) comprising two sub-ledgers defined as the **Class A General Reserve Ledger** and the **Class B General Reserve Ledger**, respectively, shall be established by the Management Company on the Fund Incorporation Date, in order to record on any Calculation Date the amount up to which the General Reserve Account may be drawn on the following Monthly Payment Date to make up for any shortfall to satisfy the payment of certain items of the Interest Priority of Payments.

3.4.3. Information on any credit enhancements

In order to strengthen the financial structure of the Fund, to increase the security or the regularity of the payment of the Notes, or generally to transform the financial characteristics of the Notes and to complement the management of the Fund, the Management Company on

behalf of the Fund, will enter into the transactions described below in the Base Prospectus and in the Deed of Incorporation, in accordance with applicable legal provisions.

3.4.3.1. Fund Excess Margin

Irrespective of any credit enhancement mechanisms described in this section and, if applicable, any Hedging Agreements specified in any Issuing Document, the main protection of the Note Series Noteholders derives, at any date, from the existence of an excess margin.

The excess margin is equal to the difference between (i) the interest and recoveries received under the Purchased Receivables (less the Issuer Operating Expenses and, as the case may be, the Hedging Net Amounts due to any Eligible Hedging Counterparties) and (ii) the interest amounts payable under the Notes of any Note Series (less, as the case may be, the Hedging Net Amounts due by any Eligible Hedging Counterparties).

3.4.3.2. Credit Enhancement of the Notes of any Note Series

In addition to the Fund's excess margin and the protection offered by the General Reserve:

- (a) credit enhancement for the Class A Notes of each Notes Series will be provided by the subordination of payments on the Class B Notes and the Class C Notes of the corresponding Notes Series during the Programme Revolving Period and the Programme Amortisation Period, and, by the subordination of payments on the Class B Notes and the Class C Notes of all Notes Series during the Programme Accelerated Amortisation Period;
- (b) credit enhancement for the Class B Notes of each Notes Series will be provided by the subordination of payments on the Class C Notes of the corresponding Notes Series during the Programme Revolving Period and the Programme Amortisation Period, and, by the subordination of payments on the Class C Notes of all Notes Series during the Programme Accelerated Amortisation Period.
- (c) additional credit enhancement for the Notes of any Note Series will be provided:
 - (i) by the full subordination of all payments on the Seller Interest Credit Facility during the Programme Amortisation Period and the Programme Accelerated Amortisation Period,
 - (ii) by the overcollateralization in the form of additional aggregate outstanding principal balance from the Purchased Receivables transferred to the Fund and funded through a Deferred Purchase Price mechanism during the Programme Revolving Period, the Programme Amortisation Period and the Programme Accelerated Amortisation Period.

3.4.3.3. Subordination of Class B Notes

Pursuant to the Deed of the Incorporation the rights of the holders of Class B Notes to receive payments of principal and interest shall be subordinated to the rights of the holders of the Class A Notes of the same Note Series to receive payments of principal and interest. The purpose of this subordination is to provide support for, without prejudice to the rights attached to the Class B Notes, the payments of amounts of principal and interest to the holders of the Class A Notes.

Such subordination consists in the right granted to the holders of the Class A Notes of any Note Series to receive on each Payment Date during the Programme Revolving Period and the Programme Amortisation Period:

- (a) any amount of interest in priority to any amounts of interest payable to the holders of the Class B Notes of such Notes Series; and
- (b) any amount of principal in priority to any amounts of principal payable to the holders of the Class B Notes of such Notes Series,

provided that during the Programme Accelerated Amortisation Period the holders of the Class B Notes of any Note Series will not receive any payment of interest or principal for so long as the Class A Notes of all Note Series have not been redeemed in full.

3.4.3.4. Subordination of Class C Notes

Pursuant to the Deed of the Incorporation the rights of the holders of Class C Notes to receive payments of principal and interest shall be subordinated to the rights of the holders of the Class A Notes and the Class B Notes of the same Note Series to receive payments of principal and interest. The purpose of this subordination is to provide support for, without prejudice to the rights attached to the Class C Notes, the payments of amounts of principal and interest to the holders of the Class A Notes and the Class B Notes.

Such subordination consists in the right granted to the holders of the Class A Notes and the Class B Notes of any Note Series to receive on each Payment Date during the Programme Revolving Period and the Programme Amortisation Period:

- (a) any amount of interest in priority to any amounts of interest payable to the holders of the Class C Notes of such Notes Series; and
- (b) any amount of principal in priority to any amounts of principal payable to the holders of the Class C Notes of such Notes Series,

provided that during the Programme Accelerated Amortisation Period the holders of the Class C Notes of any Note Series will not receive any payment of interest or principal for so long as the Class A Notes and the Class B Notes of all Note Series have not been redeemed in full.

3.4.3.5. Subordination of the Seller Interest Credit Facility

Pursuant to the Deed of the Incorporation, during the Programme Amortisation Period and the Programme Accelerated Amortisation Period the rights of the Seller Interest Subordinated Facility Provider to receive payments (i) of principal are subject to the full redemption of the Notes of all Note Series and (ii) of interest are subordinated to the payments of the Notes of any Note Series.

Such subordination consists in the right granted to the holders of the Class A Notes, the Class B Notes and the Class C Notes of any Note Series to receive on each Payment Date during the Programme Amortisation Period and the Programme Accelerated Amortisation Period:

- (a) any amount of interest in priority to any amounts of interest payable to the Seller Interest Subordinated Facility Provider under the Seller Interest Credit Facility; and
- (b) any amount of principal in priority to any amounts of principal payable to the Seller Interest Subordinated Facility Provider under the Seller Interest Credit Facility,

provided that in either case the Seller Interest Subordinated Facility Provider will not receive any payment principal for so long as all the Class A Notes, the Class B Notes and the Class C Notes of all Notes Series have not been redeemed in full.

3.4.3.6. Subordination of the Deferred Purchase Price

Pursuant to the Deed of the Incorporation, during the Programme Amortisation Period and the Programme Accelerated Amortisation Period, the payment of the Aggregate DPP Interest Amount is subordinated to the payment of interest of the Notes of any Note Series.

Furthermore, during the Programme Revolving Period and the Programme Amortisation Period the right of the Seller to receive payments of the Aggregate Deferred Purchase Price remaining unpaid on the preceding Monthly Payment Date is subordinated to the payment of interest of the Notes of any Note Series and, in certain circumstances, the payment of principal of the Notes of any Note Series.

In addition, during the Programme Accelerated Amortisation Period the rights of the Seller to receive payments (i) of the Aggregate Deferred Purchase Price are subject to the full redemption of the Notes of all Note Series and (ii) of Aggregate DPP Interest Amount are subordinated to the payments of the Notes of any Note Series.

3.4.3.7. General Reserve

- (a) Introduction

On the Fund Incorporation Date, the Seller as General Reserve Subordinated Facility Provider shall provide to the Fund a subordinated facility (the **General Reserve Subordinated Facility**) to fund the general reserve (the **General Reserve**) which

shall operate as a credit enhancement mechanism for the purpose of supporting the Notes.

The General Reserve will comprise two sub-ledgers: the Class A General Reserve Ledger and the Class B General Reserve Ledger. The credit balance of these ledgers may be applied towards payment of interest of the Class A Notes and Class B Notes, among other possible uses according to the relevant Priority of Payments.

The main terms and conditions of the General Reserve Subordinated Facility are described in section 3.4.4.2 of the Additional Building Block.

(b) Establishment of the General Reserve

On the Fund Incorporation Date, the Fund shall request an initial drawdown under the General Reserve Subordinated Facility for an amount equal to the General Reserve Required Amount as calculated by the Management Company on the first Disbursement Date.

The General Reserve Subordinated Facility Provider shall make the initial drawdown available to the Fund on the first Notes Series Issue Date, for same day-value, by crediting the amount of the initial drawdown into the General Reserve Account.

The amount of the General Reserve will be adjusted in the amount required for its balance to match the General Reserve Required Amount in each Monthly Payment Date in order to take into account any new issuance or redemption of Notes Series.

(c) Purpose and allocation of the General Reserve

The General Reserve will be used in accordance with and subject to the relevant Priority of Payments by the Management Company, acting for and on behalf of the Fund, to satisfy the obligations of the Fund.

On each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the General Reserve Account shall be debited in accordance with and subject to the Interest Shortfall Priority of Payments.

On each Monthly Payment Date during the Programme Accelerated Amortisation Period, the Management Company shall give the instructions to the Issuer Accounts Bank to credit the General Account with the credit balance standing on the General Reserve Account in order to make any of the payments set out in items (1), (2) and (3) of the Accelerated Priority of Payments.

Except in the circumstances specified in the preceding paragraphs, the amounts standing to the credit of the General Reserve Account shall not be part of the Available Distribution Amount and shall neither be applied to make any payment due

in accordance with and subject to the applicable Priority of Payments, nor to guarantee any Borrower's payment default under the relevant Purchased Receivables.

(d) General Reserve Required Amount

On any Issue Date when a Notes Series is issued and as of close of each Monthly Payment Date during the Programme Revolving Period, the Programme Amortisation Period and the Programme Accelerated Amortisation Period, the amount standing to the credit of the General Reserve Account shall at least be equal to the sum of the Class A General Reserve Required Amount and the Class B General Reserve Required Amount (provided that all amounts of interest received from the General Reserve Account and standing, as the case may be, to the credit of the General Reserve Account, shall not be taken into account) (the **General Reserve Required Amount**).

The Management Company shall always ensure that the credit balance of the General Reserve Account is equal on the first Note Series Issue Date following the Fund Incorporation Date and thereafter on each Monthly Payment Date (or on each Issue Date on which a Note Series is issued, as the case may be) to the applicable General Reserve Required Amount.

For such purposes, on each Calculation Date the Management Company shall determine the estimated balance of the General Reserve Account and the General Reserve Required Amount on the immediately following Monthly Payment Date (or the applicable Issue Date, as the case may be).

(e) Increase of the credit balance of the General Reserve Account

If the Management Company determines on any Calculation Date that the balance of the General Reserve Account will be less than the General Reserve Required Amount on the next Monthly Payment Date:

the Management Company shall give the relevant instructions to the Issuer Accounts Bank, on each Monthly Payment Date and to the extent that no Note Series is issued by the Fund on such Monthly Payment Date, to credit the General Reserve Account with the General Reserve Replenishment Amount in accordance with the applicable Priority of Payments (provided, for the avoidance of doubt, no drawdown under the General Reserve Subordinated Facility may be made in this case).

If the Management Company determines on any Calculation Date corresponding to an Issue Date when a Note Series is issued that the balance of the General Reserve Account will be less than the General Reserve Required Amount on such Issue Date, the Management Company shall give the relevant instructions to the General Reserve Subordinated Facility Provider, to credit the General Reserve Account with a drawdown under the General Reserve Subordinated Facility for an amount equivalent

to the General Reserve Increase Amount taking into account, the Initial Principal Amount of the Notes to be issued on such Issue Date.

(f) Decrease of the credit balance of the General Reserve Account

If on any Calculation Date the Management Company determines that the estimated balance of the General Reserve Account will be higher than the General Reserve Required Amount on the corresponding Monthly Payment Date, the Management Company shall calculate the General Reserve Decrease Amount and shall give the relevant instructions to the Issuer Accounts Bank to debit on the Monthly Payment Date the General Reserve Account in such amount which:

- (i) firstly, will be used to repay any principal outstanding under the General Reserve Subordinated Facility on such Monthly Payment Date;
- (ii) secondly, provided that there are no amounts of principal or interest outstanding under the General Reserve Subordinated Facility, to be considered as Available Interest Amount,

in either case such repayment being not subject to the relevant Priority of Payments.

(g) Final Release of the General Reserve Amount on the Fund Liquidation Date

On the Fund Liquidation Date, an amount equal to the part of the General Reserve Amount not applied on such date will be used to repay any principal outstanding under the General Reserve Subordinated Facility on such date, such repayment being not subject to the relevant Priority of Payments.

For these purposes:

Class A General Reserve Required Amount means:

- (a) on the first Notes Issue Disbursement Date following the Fund Incorporation Date, an amount equal to EUR 5,640,000;
- (b) on any Issue Date when a new Note Series is issued, an amount as specified in the last Prospectus Supplement;
- (c) on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the maximum between:
 - (i) the product of:
 - (A) 1.20 per cent. (or any other percentage indicated in the last Prospectus Supplement); and

- (B) the sum of the Principal Amount Outstanding of the Class A Notes of all Note Series (taking into account the Class A Notes of any Note Series to be issued and/or to be redeemed on such Monthly Payment Date);
- (ii) the Class A General Reserve Minimum Amount;
- (d) on any Monthly Payment Date during the Programme Accelerated Amortisation Period, the Class A General Reserve Minimum Amount,

provided that all amounts of interest received from the General Reserve Amount and standing, as the case may be, to the credit of the General Reserve Account, shall not be taken into account.

Class A General Reserve Replenishment Amount means, on any Monthly Payment Date on which no new Note Series is issued by the Fund, the difference (if positive) between (i) the Class A General Reserve Required Amount and (ii) the credit balance of the Class A General Reserve Ledger on such Monthly Payment Date (before the application of the applicable Priority of Payments).

Class B General Reserve Required Amount means:

- (a) on the first Notes Issue Disbursement Date following the Fund Incorporation Date, an amount equal to zero (0);
- (b) on any Issue Date when a new Note Series is issued, an amount as specified in the last Prospectus Supplement;
- (c) on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the maximum between:
 - (i) the product of:
 - (A) the following applicable percentage:
 - (aa) 0.50 per cent. (or any other percentage indicated in the last Prospectus Supplement) if the Class A Notes of all Note Series have not been redeemed in full; or
 - (bb) 1.00 per cent. (or any other percentage indicated in the last Prospectus Supplement) if the Class A Notes of all Note Series have been fully redeemed;

and

- (B) the sum of the Principal Amount Outstanding of the Class B Notes of all Note Series (including Principal Amount Outstanding of the Class B Notes of any Note Series to be issued but excluding Principal

Amount Outstanding of the Class B Notes of any Note Series to be redeemed on such Monthly Payment Date);

- (ii) the Class B General Reserve Minimum Amount;
- (d) on any Monthly Payment Date during the Programme Accelerated Amortisation Period, zero (0),

provided that all amounts of interest received from the General Reserve Amount and standing, as the case may be, to the credit of the General Reserve Account, shall not be taken into account.

Class B General Reserve Replenishment Amount means, on any Monthly Payment Date on which no new Note Series is issued by the Fund, the difference (if positive) between (i) the Class B General Reserve Required Amount and (ii) the credit balance of the Class B General Reserve Ledger on such Monthly Payment Date (before the application of the applicable Priority of Payments).

General Reserve Decrease Amount means, on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the minimum between (a) and (b):

- (a) being equal to the positive difference (if any) on such Monthly Payment Date between:
 - (i) (x) the credit balance of the General Reserve Account (before application of the Priority of Payments on such Monthly Payment Date and excluding the Financial Incomes) less (y) the amount of the use made under the General Reserve Account on such Monthly Payment Date in accordance with items (b) and (c) of the Interest Shortfall Priority of Payments; and
 - (ii) the applicable General Reserve Required Amount on such Monthly Payment Date.
- (b) being equal to the outstanding amount of the General Reserve Subordinated Facility on such Monthly Payment Date (before application of the Priority of Payments on such Monthly Payment Date).

The General Reserve Decrease Amount shall be equal to zero (0) during the Programme Accelerated Amortisation Period.

General Reserve Increase Amount means, on any Monthly Payment Date during the Programme Revolving Period when a new Note Series is issued, the amount that the Seller shall credit to the General Reserve Account in order to increase the credit balance of the General Reserve Account up to the General Reserve Required Amount as determined by the Management Company.

Class A General Reserve Minimum Amount means, on any Monthly Payment Date, an amount equal to the product of:

- (a) 0.50 per cent (or any other percentage indicated in the last Prospectus Supplement); and
- (b) the sum of the Initial Principal Amount of the Class A Notes of all Note Series on such date (including the Initial Principal Amount of the Class A Notes of any Note Series to be issued but excluding the Initial Principal Amount of the Class A Notes of any Note Series to be redeemed on such Monthly Payment Date), provided that as from the date on which the Class A Notes of all Note Series have fully redeemed, such amount shall be equal to zero (0).

Class B General Reserve Minimum Amount means on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period (only), an amount equal to the product of:

- (a) the following applicable percentage:
 - (i) 0.20 per cent. (or any other percentage indicated in the last Prospectus Supplement) if the Class A Notes of all Note Series have not been redeemed in full; or
 - (ii) 0.70 per cent. (or any other percentage indicated in the last Prospectus Supplement) if the Class A Notes of all Note Series have been fully redeemed;

and

- (b) the sum of the Initial Principal Amount of the Class B Notes of all Note Series on such date (including the Initial Principal Amount of the Class B Notes of any Note Series to be issued but excluding the Initial Principal Amount of the Class B Notes of any Note Series to be redeemed on such Monthly Payment Date), provided that as from the date on which all Class B Notes of all Note Series have fully redeemed, such amount shall be equal to zero (0).

General Reserve Shortfall Amount means, as calculated in respect of each Monthly Payment Date:

- (a) During the Programme Revolving Period and the Programme Accelerated Amortisation Period, the positive difference between (i) and (ii):
 - (i) is equal to the aggregate amount of all uses made under the General Reserve Account in accordance with the relevant Priority of Payments since the Fund Incorporation Date (including any use to be made as the case may be on such Monthly Payment Date);

- (ii) is equal to the sum of:
 - (A) the aggregate amount of all General Reserve Replenishment Amounts made since the Fund Incorporation Date (including any General Reserve Replenishment Amount to be made as the case may be on such Monthly Payment Date); and
 - (B) the aggregate amount of all General Reserve Shortfall Amounts effectively repaid to the General Reserve Subordinated Facility Provider since the Fund Incorporation Date (excluding the General Reserve Shortfall Amount to be repaid as the case may be on such Monthly Payment Date).
- (b) During the Programme Accelerated Amortisation Period, the outstanding amount of the General Reserve Subordinated Facility on such Monthly Payment Date (before the application of the Priority of Payments on such Monthly Payment Date).

3.4.3.8. Commingling Reserve

- (a) Introduction

On the Fund Incorporation Date, the Seller as Commingling Reserve Subordinated Facility Provider shall provide the Fund a subordinated facility (the **Commingling Reserve Subordinated Facility**) to fund the commingling reserve (the **Commingling Reserve**) up to the Commingling Reserve Required Amount as a credit enhancement mechanism to mitigate the commingling risk.

The main terms and conditions of the Commingling Reserve Subordinated Facility are described in section 3.4.4.3 of the Additional Building Block.

- (b) Establishment of the Commingling Reserve

On the Fund Incorporation Date, the Fund shall request an initial drawdown under the Commingling Reserve Subordinated Facility for an amount equal to the Commingling Reserve Required Amount (calculated in accordance with section “*Commingling Reserve Required Amount*” below).

The Commingling Reserve Subordinated Facility Provider shall make the initial drawdown available to the Fund on the first Notes Series Issue Date following the Fund Incorporation Date, for same day-value, by crediting the amount of the initial drawdown into the Commingling Reserve Account.

On each Calculation Date, the Management Company shall verify that the credit balance of the Commingling Reserve Account is equal to the applicable Commingling Reserve Required Amount on the next Monthly Payment Date (or the applicable Issue Date, as the case may be) and, if necessary, adopt the measures

required to credit the account in order to achieve the Commingling Reserve Required Amount.

(c) Purpose and Allocation of the Commingling Reserve

The Commingling Reserve will be used and applied by the Management Company to satisfy the obligations of the Fund following a breach by the Servicer of its payment obligations.

In such case:

- (i) the Commingling Reserve Amount will be immediately used by the Management Company by debiting the Commingling Reserve Account and applied to satisfy the obligations of the Fund by crediting the Interest Account and Principal Account up to the amount of any unpaid Available Collections; and
- (ii) provided that the Commingling Reserve Subordinated Facility Provider is also the Servicer), the Management Company will be entitled to set-off the claim of the Commingling Reserve Subordinated Facility Provider for repayment under the Commingling Reserve Subordinated Facility against the amount of the Commingling Reserve Subordinated Facility Provider (as Servicer) breached financial obligations, up to the lowest of (i) the unpaid amount and (ii) the amount then standing to the credit of the Commingling Reserve Account before any use is made to satisfy the obligations of the Fund on such date, and to apply the corresponding funds as part of the Available Collections in accordance with the Priority of Payments on the immediately following Monthly Payment Date.

Except in the circumstances specified above, the amounts standing to the credit of the Commingling Reserve Account shall not be part of the Available Distribution Amount and shall neither be applied to make any payment due in accordance with and subject to the applicable Priority of Payments, nor to guarantee any Borrower's payment default under the relevant Purchased Receivables.

(d) Commingling Reserve Required Amount

The Commingling Reserve Required Amount shall be calculated by the Management Company on the basis of the latest information provided to it by the Servicer. Such calculation shall be made on each Calculation Date.

The Management Company shall always ensure that the credit balance of the Commingling Reserve Account is equal to the applicable Commingling Reserve Required Amount determined by it (provided that all amounts of interest received and

standing, as the case may be, to the credit of the Commingling Reserve Account, shall not be taken into account) and, if necessary, adopt the measures required in order to achieve the Commingling Reserve Required Amount.

For these purposes:

Commingling Reserve Required Amount means:

- (i) on the first Notes Issue Disbursement Date following the Fund Incorporation Date, an amount equal to EUR 9,100,000; and
- (ii) on any Issue Date when a new Note Series is issued, an amount as specified in the last Prospectus Supplement; and
- (iii) on any Settlement Date, as long as any Notes of any outstanding Note Series has not been fully redeemed, the aggregate of:
 - (A) the maximum of 1.5 per cent. and the last three-month rolling average of Monthly Prepayment Rates (or 1.5 per cent. for the first two Settlement Dates), multiplied by the product between (i) the Outstanding Principal Balances of the Purchased Receivables as of the preceding Cut-Off Date and (ii) the Investor Share as of the Calculation Date immediately preceding such Settlement Date; and
 - (B) the maximum of 3.0 per cent. and the last three-month rolling average of Monthly Non-Direct Debit Payments Rates (or 3.0 per cent. for the first two Settlement Dates) multiplied by the product of (i) the aggregate sum of the Instalments scheduled to be received by the Servicer not by direct debit on the immediately succeeding Collection Period and (ii) the Investor Share, both as of the Calculation Date immediately preceding such Settlement Date.

being specified that:

- the formula and the minimum percentage of referred to in paragraph (b) above may be updated by the Seller and the Management Company according to the historical performances of the Purchased Receivables recorded by the Seller, subject to the prior written notice in a reasonable time to the Relevant Rating Agencies and provided that such update shall not result in the downgrade or the withdrawal of the then current ratings of the then outstanding Rated Notes by any of the Relevant Rating Agencies;
- the Commingling Reserve Required Amount will be equal to zero (0) once the Rated Notes have been redeemed in full.

Commingling Reserve Shortfall Amount means, as calculated in respect of each Monthly Payment Date, the positive difference between (i) and (ii):

- (i) is equal to the aggregate amount of all uses made under the Commingling Reserve Account in accordance with the Programme Document since the Fund Incorporation Date (including any use to be made as the case may be on such Monthly Payment Date);
- (ii) is equal to the sum of:
 - (A) the aggregate of all amounts the Fund previously failed to receive and for which an use of the Commingling Reserve had been made by debit from the Commingling Reserve Account since the Fund Incorporation Date up to such Monthly Payment Date (included)
 - (B) the aggregate amount of all Commingling Reserve Shortfall Amounts effectively repaid to the Commingling Reserve Subordinated Facility Provider since the Fund Incorporation Date (excluding the Commingling Reserve Shortfall Amount to be repaid as the case may be on such Monthly Payment Date).

being specified that the Commingling Reserve Shortfall Amount should be equal to 0 for so long as the Management Company does not receive any Monthly Servicer Report or other documentary evidence.

Investor Share means, on any Calculation Date, the ratio between:

- (i) the aggregate of the Principal Amount Outstanding of all outstanding Note Series on the last Monthly Payment Date (taking into account any redemption of any Class of Notes of any Note Series or any further issue of Note Series, to be made on or before the next immediately Monthly Payment Date);
- (ii) the minimum between:
 - (A) the sum of:
 - (I) the Outstanding Principal Balances of the Purchased Receivables (excluding any Non-Compliant Receivables) under the Performing Client Accounts as of the immediately prior Cut-Off Date to such Calculation Date; plus
 - (II) the Outstanding Principal Balances of the Purchased Receivables transferred in the context of Initial Transfers on the Purchase Date prior to the Calculation Date; minus
 - (III) the Outstanding Principal Balances of any outstanding Purchased Receivables (other than those deriving from

Defaulted Client Accounts or Non-Compliant Client Accounts) repurchased by the Seller on such Calculation Date;

- (B) the Principal Amount Outstanding of all Note Series as of the Monthly Payment Date immediately following such Calculation Date (taking into account any redemption or issuance of Note Series to be made between on or before the next Monthly Payment Date), multiplied by the sum of (i) one and (ii) the Required Seller Share.

Monthly Non-Direct Debit Payment Rate means as calculated in respect of each Calculation Date, the ratio between:

- (i) the Non-Direct Debit Payment collected on the Performing Purchased Receivables during the Collection Period immediately preceding such Calculation Date; and
- (ii) the Outstanding Principal Balance of the Performing Purchased Receivables as of the immediately preceding Cut-Off Date.

Monthly Prepayment Rate means as calculated in respect of each Calculation Date, the ratio between:

- (i) the Prepaid Amount collected on the Performing Purchased Receivables during the Collection Period immediately preceding such Calculation Date; and
- (ii) the Outstanding Principal Balance of the Performing Purchased Receivables as of the second immediately preceding Cut-Off Date.

Non-Direct Debit Payment means, on any Calculation Date, in respect of the Collection Period immediately preceding such Calculation Date, the aggregate of the non-direct debit payments (excluding Insurance Premia) effectively paid with respect of the Performing Client Accounts in relation to the relevant Collection Period.

Prepaid Amount means, on any Calculation Date, in respect of the Collection Period immediately preceding such Calculation Date, the aggregate of the principal prepayments effectively paid with respect of the Performing Client Accounts in relation to the relevant Collection Period.

- (e) Adjustments of the Commingling Reserve

On each Calculation Date, the Management Company will determine the Commingling Reserve Required Amount to be drawn under or repaid to, as the case may be, the Commingling Reserve Subordinated Facility on the immediately

following Settlement Date (or the immediately following Issue Date when a new Note Series is issued, as the case may be) or Monthly Payment Date respectively.

The balance of the Commingling Reserve shall be adjusted on each Settlement Date, Issue Date (when a new Note Series is issued) or Monthly Payment Date (as applicable) and shall be always equal to the applicable Commingling Reserve Required Amount. The Management Company shall ensure that the credit balance of the Commingling Reserve Account shall always be equal to the applicable Commingling Reserve Required Amount.

Increase of the credit balance of the Commingling Reserve Account

If the Management Company determines on any Calculation Date that the balance of the Commingling Reserve Account will be below the applicable Commingling Reserve Required Amount on the next Settlement Date (or the immediately Issue Date, when a new Note Series is issued), the Management Company shall request an advance under the Commingling Reserve Subordinated Facility in an amount equal to Commingling Reserve Increase Amount to be credited in the Commingling Reserve Account on the next Settlement Date (or the Issue Date respectively).

Decrease of the credit balance of the Commingling Reserve Account

If the Management Company determines on any Calculation Date that the estimated balance of the Commingling Reserve Account will be exceeding the applicable Commingling Reserve Required Amount on the next Monthly Payment Date, the Management Company shall calculate:

- (A) the Commingling Reserve Decrease Amount and shall give the relevant instructions to the Issuer Accounts Bank to debit the Commingling Reserve Account in such amount which will be used to repay any principal outstanding under the Commingling Reserve Subordinated Facility on such Monthly Payment Date, such repayment not being subject to the relevant Priority of Payments; and
- (B) the Commingling Reserve Shortfall Amount and shall give the relevant instructions to the Issuer Accounts Bank to debit the Interest Account (or, during the Programme Accelerated Amortisation Period, the General Account) in such amount which will be used to repay any principal outstanding under the Commingling Reserve Subordinated Facility on such Monthly Payment Date, subject to the relevant Priority of Payments.

Notwithstanding the above, if the Management Company does not receive any Monthly Servicer Report, it shall be entitled to retain any amount that should be used to repay the Commingling Reserve Subordinated Facility in the Commingling Reserve Account until the date on which Management Company shall receive from the Servicer (or any replacement servicer) the Monthly Servicer Report or other documentary evidence which demonstrates to the satisfaction of the Management Company that there are no remaining amounts which should be transferred by the

Servicer to the Fund in respect of all Available Collections it received during all Collection Periods for which no Monthly Servicer Report had been prepared by the Servicer and/or sent to the Fund by the Servicer.

If the Management Company has ultimately received the Monthly Servicer Report(s) and/or the abovementioned satisfactory documentary evidence, the Management Company shall make the necessary reconciliations and determine the amount to be, as the case may be:

- (i) debited from the Commingling Reserve Account and credited to the Principal Account and the Interest Account (as applicable) for the purpose to be applied as Available Collections; or
- (ii) (a) in respect of the Commingling Reserve Decrease Amount, debited from the Commingling Reserve Account and repaid directly to the Seller (being specified that such repayment not being subject to the relevant Priority of Payments) or (b) in respect of the Commingling Reserve Shortfall Amount, debited from the Interest Account or, during the Programme Accelerated Amortisation Period, the General Account, unless (and only for so long as the Servicer is the Seller):
 - (A) a Servicer Termination Event has occurred and is continuing and no replacement servicer has been appointed by the Management Company in accordance with section 3.7.2.15 of the Additional Building Block; or
 - (B) the Borrowers have not been notified of the transfer of the Purchased Receivables in accordance with section 3.7.2.15 of the Additional Building Block,

provided that, in any case, the Management Company shall retain from that repayment any amount due by the Servicer on such day to maintain the Commingling Reserve at an amount equal to the Commingling Reserve Required Amount applicable on such day.

- (iii) debited from the General Account and credited to the Commingling Reserve Account in order to compensate any amount the Fund previously failed to receive and for which an use of the Commingling Reserve had been made by debit from the Commingling Reserve Account.

Final Release of the Commingling Reserve Account

On the Fund Liquidation Date, subject to the full redemption of the Notes, the satisfaction of all Servicer's obligations (including, but not limited to, with respect to the collection and administration of the Purchased Receivables) and that no amounts of principal or interest are outstanding under the Commingling Reserve Subordinated

Facility, an amount equal to the part of the Commingling Reserve Amount not applied on such date will be used to repay any principal outstanding under the Commingling Reserve Subordinated Facility on such date, such not repayment being subject to the relevant Priority of Payments.

For these purposes:

Commingling Reserve Amount means, on any date, the credit balance of the Commingling Reserve Account.

Commingling Reserve Increase Amount means, on any Settlement Date, the positive difference between the applicable Commingling Reserve Required Amount and the Commingling Reserve Amount.

3.4.3.9. Security over the Collections Accounts

In order to mitigate the commingling risk and in addition to the Commingling Reserve, on the Fund Incorporation Date and for so long as the Seller is the Servicer, SFC as Servicer has agreed to grant to the Fund a pledge over its *in rem* rights in respect of all sums due to the Fund and deposited from time to time in each Collections Accounts (including the interest accrued from time to time on such amounts (if any) and all claims and rights of SFC (as account holder) under each Collections Accounts Bank Agreement) as security for the Secured Obligations (as defined below) (the **Pledge**). The Collections Accounts will be used exclusively in accordance with and for the purposes set out in section 3.7.2.7 of the Additional Building Block.

The Pledge will be granted under the collections accounts security document granted on 7 April 2017 (**Collections Accounts Security Document**).

As long as the Collections Accounts Bank has not received a Stop Instruction Notice from the Management Company (acting on behalf of the Fund) (unless a Release Notice is received by the Collections Accounts Bank from the Management Company (acting on behalf of the Fund) in respect of such Stop Instruction Notice (with a copy being also sent to the Servicer)):

- (a) the Servicer shall be entitled to instruct the Collections Accounts Banks to carry out the relevant credit instructions of the amounts payable by the Borrowers under the Credit Card Agreements;
- (b) the Servicer shall give, on each Business Day (no later than 3pm.), any necessary instructions to the Collections Accounts Banks to ensure that the Available Collections standing to the credit of the Collections Accounts are wired on the immediately following Business Day to the credit of the General Account;

- (c) the Servicer is entitled to give the instructions on each Business Day to the Collections Accounts Banks to debit any Collections Accounts with an amount equal to such Insurance Premia paid by the Borrowers under the Purchased Receivables and to be transferred to the Insurance Companies; and
- (d) the Management Company shall not be entitled to give any debit or credit instruction to the Collections Accounts Banks.

On the earlier of (i) the receipt by the Management Company of a notification from the Servicer of the occurrence of a Potential Servicer Termination Event or (ii) the Management Company becoming aware of the occurrence of a Potential Servicer Termination Event, the Management Company (acting on behalf of the Fund) may serve a Stop Instruction Notice to the Collections Accounts Banks, with copy to the Servicer. Upon receipt by the Collections Accounts Bank of a Stop Instruction Notice (and unless a Release Notice in respect of such Stop Instruction Notice is received by the Collections Accounts Bank from the Management Company (acting on behalf of the Fund) (with a copy being also sent to the Servicer)):

- (a) subject to (b) below, the Servicer shall no longer be entitled to give instructions to the Collections Accounts Banks in respect of the Collections Accounts;
- (b) the Servicer shall remain entitled to instruct the Collections Accounts Banks to carry out the relevant credit instructions of the amounts payable by the Borrowers under the Credit Card Agreements;
- (c) any automatic transfer (if any) of the credit balance of the Collections Accounts to the credit of the General Account put in place at the request of the Servicer shall be discontinued;
- (d) subject to (b) above, the Collections Accounts will be operated by the Management Company only (and/or by any person designated by the Management Company);
- (e) the Management Company (and/or by any person designated by the Management Company) shall instruct the Collections Accounts Banks to automatically transfer to the General Account the credit balance of the Collections Accounts as well as any funds received daily thereafter as from the start of the Stop Instruction Notice until a Release Notice is served.

If the Management Company is satisfied that the Potential Servicer Termination Event mentioned in the Stop Instruction Notice is remedied within the corresponding cure period (if any) and no other event which could result in a Potential Servicer Termination Event has occurred, the Management Company (acting on behalf of the Fund) shall send a Release Notice to the Collections Accounts Banks, with copy to the Servicer. Forthwith upon receipt by the Collections Accounts Bank of a Release Notice delivered by the Management Company (acting on behalf of the Fund) and without prejudice to the right of the Management Company to send further Stop Instruction Notices to the Collections Accounts Banks, with copy to the Servicer:

- (a) the Servicer shall be again authorised to operate any Collections Accounts by giving credit and debit instructions to the Collections Accounts Banks (in accordance with the provisions above); and
- (b) any automatic transfer (if any) of the credit balance of the Collections Accounts to the credit of the General Account put in place at the request of the Servicer and discontinued in accordance with the above shall be resumed.

The Management Company (acting in the name and on behalf of the Fund) shall be entitled to enforce the Pledge upon the occurrence of an Enforcement Event (as defined below), by using the credit balance from each Collections Accounts only to the extent necessary in order to ensure that all the outstanding amounts under the Secured Obligations are irrevocably and fully satisfied, any remaining surplus being repaid to SFC.

The Pledge will only be discharged once all the Secured Obligations are unconditionally and irrevocably paid and discharged in full.

Furthermore, in accordance with the Collections Accounts Security Document, the Servicer shall grant at its own expense, a deed (*escritura*) of irrevocable power of attorney (the **Irrevocable Power of Attorney**) in favour of the Management Company, acting in the name of the Fund, in relation to the Pledge in order to ensure compliance with the undertakings assumed by virtue of the Collections Accounts Security Document.

For these purposes:

Curable Events means:

- (a) any breach by the Servicer of any of its material non-monetary obligations (other than the failure to provide the Monthly Servicer Report to the Management Company) under any Programme Document to which it is a party (except if the breach is due to force majeure).
- (b) any of the representations or warranties made or given by the Servicer under any Programme Document to which it is a party or in any certificate delivered pursuant to the Programme Documents to which it is a party is materially false or incorrect in any material respect.
- (c) that the Servicer has not provided the Management Company with the Monthly Servicer Report on two consecutive Monthly Reporting Dates (except if the breach is due to force majeure).

Enforcement Event means the occurrence of a Servicer Termination Event which is continuing and has not been cured within the relevant cure period.

Non-Curable Event means:

- (a) any breach by the Servicer of its obligations to transfer monies to the General Account on the Business Day following the date on which such monies are received by the Seller.
- (b) subject to (a) above, any breach by the Servicer of any of its monetary obligations when due under any Programme Document to which it is a party (except if the breach is due to force majeure).
- (c) the occurrence of any of the following events in respect of the Servicer:
 - (i) The Servicer is unable or admits 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.
 - (ii) Except as provided below, any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) a declaration of insolvency (*concurso*), winding up, intervention, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Servicer;
 - (B) a composition, compromise, assignment or arrangement with any creditor of the Servicer being owed more than €15,000,000 or (ii) a number of creditors of the Servicer being owed in aggregate more than €15,000,000, in either case, by reason of actual or anticipated financial difficulties;
 - (C) the appointment of a liquidator, administrator (judicial or otherwise) compulsory manager or other similar officer in respect of the Servicer or any of its assets;
 - (D) the revocation, withdrawal or suspension by the Bank of Spain of the license of the Servicer as an EFC or the taking of any disciplinary, resolution, recapitalisation or recovery action against the Servicer pursuant to legislation implementing Directive 2014/59/EU of the Parliament and of the Council, of 15 May 2014, in any jurisdiction which has a material negative effect on the ability of the Servicer to perform its obligations under any Programme Document; or
 - (E) any analogous procedure or step is taken in any jurisdiction,

provided however that no such event would have occurred if any petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

- (d) at any time (i) it is or becomes unlawful for the Servicer to perform or comply with any or all of its material obligations under the Servicing Agreement or (ii) any or all of its material obligations under the Servicing Agreement are not, or cease to be, legal, valid and binding (including as a result of any act, omission, failure, default or misconduct of the Servicer).

Potential Servicer Termination Event means the occurrence of

- (a) a Non-Curable Event;
- (b) a Curable Event which has not been cured within one (1) Business Day of the day on which the Servicer has served the relevant notification to the Management Company or, if earlier, the day on which the Management Company is aware of it.

Release Notice means the notice to be delivered by the Management Company (acting on behalf of the Fund) to the Collections Accounts Banks whereby, amongst others, the Servicer shall resume to be entitled to give any debit or credit instruction in respect of the Collections Accounts.

Secured Obligations means all payment obligations (whether present or future, actual or contingent) of the Servicer to the Fund pursuant to and in relation to any Programme Documents to which the Servicer is a party whether in principal, interests, costs, charges, expenses and ancillary costs, including enforcement costs.

Stop Instruction Notice means the notice to be delivered by the Management Company (acting on behalf of the Fund) to the Collections Accounts Banks whereby, amongst others, the Servicer shall no longer be entitled to give any debit instruction in respect of the Collections Accounts.

3.4.4. Details of any subordinated debt financing

The Subordinated Facilities Providers will grant the Fund the Subordinated Facilities, the main terms and conditions whereof are described below.

For these purposes, **Subordinated Facilities Providers** means (i) the Commingling Reserve Subordinated Facility Provider, (ii) the Expenses Subordinated Facility Provider, (iii) the General Reserve Subordinated Facility Provider and (iv) the Seller Interest Credit Facility Provider.

3.4.4.1. Expenses Subordinated Facility

The Expenses Subordinated Facility Provider will grant a subordinated facility (the **Expenses Subordinated Facility**) to the Fund in accordance with the provisions of the Expenses Subordinated Facility Agreement (the **Expenses Subordinated Facility Agreement**) that the Management Company will use to fund the Initial Expenses and the Note Series Issue Expenses (the **Fund Non-Operative Expenses**).

The Expenses Subordinated Facility is of a subordinated nature, such that the interest and principal amounts owed to the Expenses Subordinated Facility Provider will be subject, as the case may be, to the applicable Priority of Payments set out in section 3.4.7.2 of this Additional Building Block.

The aggregate maximum amount of the Expenses Subordinated Facility is up to EUR 750,000, corresponding to the Initial Expenses and the Note Series Issue Expenses in connection with the first Notes Series issued by the Fund (the **Maximum Expenses Subordinated Facility Amount**).

Notwithstanding the above, further to any drawdown request, the Expenses Subordinated Facility Provider undertakes to, and the Management Company, acting in the name and on behalf of the Fund, agrees to, increase the Maximum Expenses Subordinated Facility Amount to make available any amounts required to fund the Note Series Issue Expenses in connection with the issue of further Note Series by the Fund during the Programme Revolving Period, being specified that:

- (a) the issue of further Note Series by the Fund during the Programme Revolving Period and the amount of the related Note Series Issue Expenses shall be subject to prior approval by the Seller;
- (b) such increase shall be made without the need to obtain the prior consent from the Noteholders or other funders of the Fund; and
- (c) the failure to fund an amount equal to the Note Series Issue Expenses on or prior the relevant Issue Date of such Note Series is an early termination event of the issue of a Note Series pursuant to section 4.4.7.1 of the Registration Document.

The amount of the Expenses Subordinated Facility will be drawn through as many drawdowns as may be required during the Availability Period. The Availability Period shall commence on the Fund Incorporation Date and shall end on the last day of the Programme Revolving Period (for these purposes, the **Availability Period**).

On the Fund Incorporation Date, the Management Company shall request an initial drawdown under the Expenses Subordinated Facility to fund the Initial Expenses and the Note Series Issue Expenses of the first Notes Series. The Expenses Subordinated Facility Provider shall make such initial drawdown available to the Fund on the first Note Series Disbursement Date, for same day-value, by crediting its amount into the General Account.

Additionally, and during the Availability Period (to the extent that a new Note Series will be issued by the Fund on the following Issue Dates), the Management Company shall request an additional drawdown under the Expenses Subordinated Facility in an amount equal to the Notes Series Issue Expenses in connection with the forthcoming Note Series as calculated by the Management Company and agreed by the Seller. The drawdown request shall need to be delivered on or prior to the Calculation date before the Issue Date of the new Notes Series.

The drawdown amount will be credited in the General Account no later than the relevant Issue Date.

The Fund shall repay the amounts made available to it under the Expenses Subordinated Facility on each Monthly Payment Date by an amount equal to the Available Distribution Amount after deducting the amounts ranking ahead of it in the relevant Priority of Payments (the **Expenses Facility Principal Amount**). Moreover, the Fund shall repay principal under the Expenses Subordinated Facility on the first Monthly Payment Date following the date of each drawdown in an amount (if any) equal to the excess of the amount of the relevant drawdown over the amount of the relevant Fund Non-Operative Expenses actually incurred or committed by the Fund in relation to the relevant Note Series. Such payment shall be made to the Expenses Subordinated Facility Provider directly, without application of any Priority of Payments.

Principal amounts repaid will be available for subsequent drawdowns up to the Maximum Expenses Subordinated Facility Amount in connection with the issue of further Notes Series exclusively.

Any Expenses Facility Principal Amounts due under the Expenses Subordinated Facility which have not been paid to the Expenses Subordinated Facility Provider due to shortage of Available Distribution Amounts will be paid on the following Monthly Payment Date on which the Available Distribution Amounts permit said payment according to the applicable Priority of Payments. Such deferred Expenses Facility Principal Amounts will be paid at the same rank but in preference to the Expenses Facility Principal Amounts payable in relation to the Expenses Subordinated Facility on said Monthly Payment Date. The Expenses Facility Principal Amounts owed to the Expenses Subordinated Facility Provider that remains unpaid according to the provisions of the prior paragraphs will not accrue default interest in favour of the Expenses Subordinated Facility Provider.

The amounts outstanding under the Expenses Subordinated Facility shall accrue interest. Such interest will be calculated on the basis of an annual interest rate, which will be EONIA + 0,02% (provided that the interest rate cannot be lower than 0%) (the **Expenses Facility Interest Amount**).

For these purposes, **EONIA** means , in respect of each Interest Accrual Period (as defined below), the rate equal to the overnight rate as calculated by the ECB and appearing on the Relevant Screen Page two (2) TARGET2 Business Days before the date on which such Interest Accrual Period begins.

The term of the Expenses Subordinated Facility shall be divided into consecutive interest accrual periods (each of them, an **Interest Accrual Period**) comprising the days effectively elapsed between each Monthly Payment Date, including in each Interest Accrual Period the initial Monthly Payment Date and excluding the final Monthly Payment Date. The first Interest Accrual Period shall commence on the Fund Incorporation Date and end on the immediately following Monthly Payment Date.

The Expenses Facility Interest Amount will be settled on each Monthly Payment Date, and will be calculated on the following basis: (i) the actual effective days in each Interest Accrual Period and (ii) a 360 day year. The Expenses Facility Interest Amount will be paid on each Monthly Payment Date in accordance with and subject to the Priority of Payments.

Any Expenses Facility Interest Amount due under the Expenses Subordinated Facility which have not been paid to the Expenses Subordinated Facility Provider due to shortage of Available Distribution Amounts will be paid on the following Monthly Payment Date on which the Available Distribution Amounts permit said payment according to the applicable Priority of Payments. Such deferred Expenses Facility Interest Amount will be paid at the same rank but in preference to the Expenses Facility Interest Amount payable in relation to the Expenses Subordinated Facility on said Monthly Payment Date. The Expenses Facility Interest Amount owed to the Expenses Subordinated Facility Provider that remains unpaid according to the provisions of the prior paragraphs will not accrue default interest in favour of the Expenses Subordinated Facility Provider.

The Expenses Subordinated Facility shall be repaid by the Fund in full on the Fund Liquidation Date and subject to the full payment of any amounts ranking in higher priority pursuant to applicable Priority of Payments. Any amount under the Expenses Subordinated Facility not paid on the Fund Liquidation Date shall be cancelled and deemed as a final loss for the Expenses Subordinated Facility Provider.

The Expenses Subordinated Facility Agreement shall end on the earlier of:

- (a) the Fund Liquidation Date; or
- (b) as the case may be, the Monthly Payment Date on which all the amounts due (either as principal or interest) under the Expenses Subordinated Facility are satisfied and no further drawdowns are permitted thereunder.

3.4.4.2. General Reserve Subordinated Facility

The General Reserve Subordinated Facility Provider will grant a General Reserve Subordinated Facility to the Fund in accordance with the provisions of the General Reserve Subordinated Facility Agreement (the **General Reserve Subordinated Facility Agreement**) that the Management Company will use to fund the General Reserve.

The General Reserve Subordinated Facility is of a subordinated nature, such that the interest amounts owed to the General Reserve Subordinated Facility Provider may be subject to the relevant Priority of Payments set out in section 3.4.7.2 of this Additional Building Block.

The maximum amount of the General Reserve Subordinated Facility is up to EUR 5,640,000, corresponding to the General Reserve Required Amount as of the first Notes Issue Disbursement Date as calculated by the Management Company (the **Maximum General Reserve Subordinated Facility Amount**).

Notwithstanding the above, further to any drawdown request, the General Reserve Subordinated Facility Provider undertakes to, and the Management Company, acting in the name and on behalf of the Fund, agrees to, increase the Maximum General Reserve Subordinated Facility Amount to the extent required in order to make available any amounts required to fund any General Reserve Increase Amount in the context of the issue of further Note Series approved by the Seller during the Programme Revolving Period, being specified that:

- (a) such increase shall be made without the need to obtain the prior consent from the Noteholders or any other funders of the Fund; and
- (b) the failure to fund the General Reserve up to the General Reserve Required Amount on the Issue Date of the relevant Note Series is an early termination event of the issue of a Note Series pursuant to section 4.4.7.1 of the Registration Document.

In addition, the General Reserve Subordinated Facility Provider and the Management Company, acting in the name and on behalf of the Fund, may agree to voluntarily increase the Maximum General Reserve Subordinated Facility Amount from time to time in order to make available additional drawdowns under the General Reserve Subordinated Facility to avoid any downgrade or withdrawal of the rating of the then outstanding Rated Notes by any Relevant Rating Agency.

The General Reserve Subordinated Facility Provider and the Management Company, acting in the name and on behalf of the Fund, may agree to decrease the maximum General Reserve Subordinated Facility Amount from time to time during the Programme Revolving Period without the need to obtain the prior consent from the Noteholders or any other funders of the Fund, subject to the satisfaction of the following conditions:

- (a) such decrease shall not cause a repayment or a prepayment of any drawdown previously made under the General Reserve Subordinated Facility;
- (b) prior notice is given by the Management Company to each Relevant Rating Agencies no later than thirty (30) calendar days prior to the effective date of such decrease;
- (c) any decrease will not result in the downgrade or withdrawal of the then current rating of any of the then outstanding Rated Notes by any of the Relevant Rating Agencies; and
- (d) the decrease will not cause the occurrence of a Revolving Termination Event or an Accelerated Amortisation Event.

The amount of the General Reserve Subordinated Facility will be drawn through as many drawdowns as may be required during the Availability Period in connection with the issue of further Note Series only. The Availability Period shall commence on the Fund Incorporation Date and shall end on the last day of the Programme Revolving Period (for these purposes, the **Availability Period**).

On the Fund Incorporation Date, the Management Company shall request an initial drawdown under the General Reserve Subordinated Facility for an amount of EUR 5,640,000. The amount of the initial drawdown will be equal to the General Reserve Required Amount as of the first Notes Issue Disbursement Date, as calculated by the Management Company. The General Reserve Subordinated Facility Provider shall make the initial drawdown available to the Fund on the first Notes Issue Disbursement Date, for same day-value, by crediting the amount of the initial drawdown into the General Reserve Account.

Additionally, and during the Availability Period, if the Management Company determines on any Calculation Date that the balance of the General Reserve Account will be below the General Reserve Required Amount on the next Issue Date on which a Note Series is issued by the Fund, the Management Company shall request an additional drawdown under the General Reserve Subordinated Facility in respect of the amount of the General Reserve Increase Amount. The drawdown request shall need to be delivered on or prior to the Calculation Date preceding such Issue Date. The General Reserve Increase Amount will be credited in the General Reserve Account.

The Fund shall repay the amounts made available to it under the General Reserve Subordinated Facility on each Monthly Payment Date during the Programme Revolving Period or the Programme Amortisation Period by an amount equal to the applicable General Reserve Decrease Amount (as determined by the Management Company on the relevant Calculation Date) on the relevant Monthly Payment Date, such repayment being not subject to the applicable Priority of Payments.

For the avoidance of doubt, no General Reserve Decrease Amount shall be repaid during the Programme Accelerated Amortisation Period.

Any General Reserve Shortfall Amount due under the General Reserve Subordinated Facility will be paid on each Monthly Payment Date in accordance with the relevant Priority of Payments. The General Reserve Shortfall Amount will not accrue interest or default interest in favor of the General Reserve Subordinated Facility Provider.

Principal under the General Reserve Subordinated Facility shall be repaid by the Fund on the Fund Liquidation Date in an amount equal to the part of the General Reserve Amount. Any principal amount under the General Reserve Subordinated Facility not paid on the Fund Liquidation Date pursuant to the preceding paragraphs shall be cancelled and deemed as a final loss for the General Reserve Subordinated Facility Provider.

Principal amounts repaid will be available for subsequent drawdown up to the Maximum General Reserve Subordinated Facility Available Amount in connection with the issue of further Note Series or to avoid any downgrade or withdrawal of the rating of the then outstanding Rated Notes by any Relevant Rating Agency.

The amounts outstanding under the General Reserve Subordinated Facility shall accrue interest. Such interest will be calculated on the basis of an annual interest rate, which will be

EONIA + 0,02% (provided that the interest rate cannot be lower than 0%.) (the **General Reserve Interest Amount**).

The term of the General Reserve Subordinated Facility shall be divided into consecutive interest accrual periods (each of them, an **Interest Accrual Period**) comprising the days effectively elapsed between each Monthly Payment Date, including in each Interest Accrual Period the initial Monthly Payment Date and excluding the final Monthly Payment Date. The first Interest Accrual Period shall commence on the Fund Incorporation Date and end on the immediately following Monthly Payment Date.

The General Reserve Interest Amount will be settled on each Monthly Payment Date, and will be calculated on the following basis: (i) the actual effective days in each Interest Accrual Period and (ii) a 360 day year. The General Reserve Interest Amount will be paid on each Monthly Payment Date in accordance with the relevant Priority of Payments.

Any General Reserve Interest Amounts due under the General Reserve Subordinated Facility which have not been paid to the General Reserve Subordinated Facility Provider due to shortage of Available Distribution Amounts will be paid on the following Monthly Payment Date on which the Available Distribution Amounts permit said payment according to the applicable Priority of Payments. Such deferred amounts will be paid on the same rank but in preference to the General Reserve Interest Amounts payable in relation to the General Reserve Subordinated Facility on said Monthly Payment Date. The General Reserve Interest Amounts owed to the General Reserve Subordinated Facility Provider that remains unpaid according to the provisions of the prior paragraphs will not accrue default interest in favour of the General Reserve Subordinated Facility Provider.

Any General Reserve Interest Amount under the General Reserve Subordinated Facility not paid on the Fund Liquidation Date shall be cancelled and deemed as a final loss for the General Reserve Subordinated Facility Provider.

The General Reserve Subordinated Facility Agreement shall end on the earlier of:

- (a) the Fund Liquidation Date; or
- (b) as the case may be, the Monthly Payment Date on which all the amounts due (either as principal or interest) under the General Reserve Subordinated Facility are satisfied and no further drawdowns are permitted thereunder.

3.4.4.3. Commingling Reserve Subordinated Facility

The Commingling Reserve Subordinated Facility Provider will grant a Commingling Reserve Subordinated Facility in accordance with the provisions of the Commingling Reserve Subordinated Facility Agreement (the **Commingling Reserve Subordinated Facility Agreement**) that the Management Company will use to fund the Commingling Reserve.

The Commingling Reserve Subordinated Facility is of a subordinated nature, such that the interest amounts owed to the Commingling Reserve Subordinated Facility Provider will be subject to the relevant Priority of Payments set out in section 3.4.7.2 of this Additional Building Block.

The total amount of the Commingling Reserve Subordinated Facility will be EUR €30,000,000.00 (the **Maximum Commingling Reserve Subordinated Facility Amount**).

Notwithstanding the above, further to any drawdown request, the Commingling Reserve Subordinated Facility Provider undertakes to, and the Management Company, acting in the name and on behalf of the Fund agrees to, increase the Maximum Commingling Reserve Subordinated Facility Amount to the extent required in order to make available any amounts required to fund any Commingling Reserve Increase Amount during the Availability Period, being specified that:

- (a) no prior consent from the Noteholders or any other funders of the Fund will be required; and
- (b) the failure to fund the Commingling Reserve up to the Commingling Reserve Required Amount on the Issue Date of the relevant Note Series is an early termination event of the issue of a Note Series pursuant to section 4.4.7.1 of the Registration Document.

In addition, the Commingling Reserve Subordinated Facility Provider and the Management Company, acting in the name and on behalf of the Fund, may agree to decrease the Maximum Commingling Reserve Subordinated Facility Amount from time to time without the need to obtain the prior consent from the Noteholders or any other funders of the Fund, subject to the satisfaction of the following conditions:

- (a) such decrease shall not cause a repayment or a prepayment of any drawdown previously made under the Commingling Reserve Subordinated Facility;
- (b) prior notice is given by the Management Company to each Relevant Rating Agencies no later than thirty (30) calendar days prior to the effective date of such decrease;
- (c) any decrease will not result in the downgrade or withdrawal of the then current rating of any of the then outstanding Rated Notes by any of the Relevant Rating Agencies; and
- (d) the decrease will not cause the occurrence of a Revolving Termination Event or an Accelerated Amortisation Event.

The amount of the Commingling Reserve Subordinated Facility will be drawn through as many drawdowns as may be required during the Availability Period. The Availability Period shall commence on the Fund Incorporation Date and shall end on the Fund Liquidation Date (for these purposes, the **Availability Period**).

On the Fund Incorporation Date, the Management Company shall request an initial drawdown under the Commingling Reserve Subordinated Facility for an amount of EUR 9,100,000. The amount of the initial drawdown will be equal to the Commingling Reserve Required Amount, as of the first Notes Issue Disbursement Date as calculated by the Management Company. The Commingling Reserve Subordinated Facility Provider shall make the initial drawdown available to the Fund on the first Notes Issue Disbursement Date for same day-value, by crediting the amount of the initial drawdown into the Commingling Reserve Account

Additionally, and during the Availability Period, if the Management Company determines on any Calculation Date on the basis of the information provided to it by the Servicer that the balance of the Commingling Reserve Account will be below the applicable Commingling Reserve Required Amount on the relevant Settlement Date or Issue Date when a new Note Series is issued, as the case may be, the Management Company shall request on such Calculation Date an additional drawdown under the Commingling Reserve Subordinated Facility in an amount equal to Commingling Reserve Increase Amount to be credited in the Commingling Reserve Account on the next Settlement Date (and/or, if applicable, on the Issue Date when a new Note Series is issued).

If the Management Company determines on a Calculation Date that the estimated balance of the Commingling Reserve Account will be exceeding the applicable Commingling Reserve Required Amount on the next Monthly Payment Date, the Management Company shall calculate:

- (a) the Commingling Reserve Decrease Amount and shall give the relevant instructions to the Issuer Accounts Bank to debit the Commingling Reserve Account in such amount which will be used to repay any principal outstanding under the Commingling Reserve Subordinated Facility on such Monthly Payment Date, such repayment not being subject to the relevant Priority of Payments; and
- (b) the Commingling Reserve Shortfall Amount and shall give the relevant instructions to the Issuer Accounts Bank to debit the Interest Account (or, during the Programme Accelerated Amortisation Period, the General Account) in such amount which will be used to repay any principal outstanding under the Commingling Reserve Subordinated Facility on such Monthly Payment Date, subject to the relevant Priority of Payments.

Notwithstanding the above, if the Management Company does not receive any Monthly Servicer Report, it shall be entitled to retain any amount that should be used to repay the Commingling Reserve Subordinated Facility in the Commingling Reserve Account until the date on which Management Company shall receive from the Servicer (or any replacement servicer) the Monthly Servicer Report or other documentary evidence which demonstrates to the satisfaction of the Management Company that there are no remaining amounts which should be transferred by the Servicer to the Fund in respect of all Available Collections it received during all Collection Periods for which no Monthly Servicer Report had been prepared by the Servicer and/or sent to the Fund by the Servicer.

If the Management Company has ultimately received the Monthly Servicer Report(s) and/or the abovementioned satisfactory documentary evidence, the Management Company shall make the necessary reconciliations and determine the amount to be, as the case may be:

- (a) debited from the Commingling Reserve Account and credited to the Principal Account and the Interest Account (as applicable) for the purpose to be applied as Available Collections; or
- (b) (x) in respect of the Commingling Reserve Decrease Amount, debited from the Commingling Reserve Account and repaid directly to the Seller (being specified that such repayment not being subject to the relevant Priority of Payments) or (y) in respect of the Commingling Reserve Shortfall Amount, debited from the Interest Account or, during the Programme Accelerated Amortisation Period, the General Account, unless (and only for so long as the Servicer is the Seller):
 - (i) a Servicer Termination Event has occurred and is continuing and no replacement servicer has been appointed by the Management Company in accordance with section 3.7.2.15 of the Additional Building Block; or
 - (ii) the Borrowers have not been notified of the transfer of the Purchased Receivables in accordance with section 3.7.2.15 of the Additional Building Block,

provided that, in any case, the Management Company shall retain from that repayment any amount due by the Commingling Reserve Subordinated Facility Provider on such day to maintain the Commingling Reserve at an amount equal to the Commingling Reserve Required Amount applicable on such day.

- (c) debited from the General Account and credited to the Commingling Reserve Account in order to compensate any amount the Fund previously failed to receive and for which an use of the Commingling Reserve had been made by debit from the Commingling Reserve Account.

The Fund may re-borrow any part of the Commingling Reserve Subordinated Facility which is repaid up to the Maximum Commingling Reserve Facility Available Amount.

Principal under the Commingling Reserve Subordinated Facility shall be repaid by the Fund on the Fund Liquidation Date subject to the repayment in full of the Notes of any Notes Series. Any amount under the Commingling Reserve Subordinated Facility not paid pursuant to the preceding paragraphs shall be cancelled and deemed as a final loss for the Commingling Reserve Subordinated Facility Provider.

The amounts outstanding under the Commingling Reserve Subordinated Facility shall accrue interest. Such interest will be calculated on the basis of an annual interest rate, which will be EONIA + 0,02% (provided that the interest rate cannot be lower than 0%.) (the **Commingling Reserve Interest Amount**).

The term of the Commingling Reserve Subordinated Facility shall be divided into consecutive interest accrual periods (each of them, an **Interest Accrual Period**) comprising the days effectively elapsed between each Monthly Payment Date, including in each Interest Accrual Period the initial Monthly Payment Date and excluding the final Monthly Payment Date. The first Interest Accrual Period shall commence on the first Note Series Issue Date and end on immediately following Monthly Payment Date.

The Commingling Reserve Interest Amount will be settled on each Payment Date, and will be calculated on the following basis: (i) the actual effective days in each Interest Accrual Period and (ii) a 360 day year. The Commingling Reserve Interest Amount will be paid on each Monthly Payment Date in accordance with the Priority of Payments.

Any Commingling Reserve Interest Amount due under the Commingling Reserve Subordinated Facility which have not been paid to the Commingling Reserve Subordinated Facility Provider due to shortage of Available Distribution Amounts will be paid on the following Monthly Payment Date on which the Available Distribution Amounts permit said payment according to the applicable Priority of Payments. Such deferred amounts will be paid on the same rank but in preference to the Commingling Reserve Interest Amount payable in relation to the Commingling Reserve Subordinated Facility on said Monthly Payment Date. The Commingling Reserve Interest Amounts owed to the Commingling Reserve Subordinated Facility Provider that remain unpaid according to the provisions of the prior paragraphs will not accrue default interest in favour of the Commingling Reserve Subordinated Facility Provider.

Any Commingling Reserve Interest Amount not paid upon termination of the Commingling Reserve Subordinated Facility Agreement shall be cancelled and deemed as a final loss for the Commingling Reserve Subordinated Facility Provider.

The Commingling Reserve Subordinated Facility Agreement shall end on the Fund Liquidation Date.

3.4.4.4. Seller Interest Credit Facility

The Seller Interest Credit Facility Provider will make available a seller interest facility (the **Seller Interest Credit Facility**) in accordance with the provisions of the Seller Interest Credit Facility Agreement (the **Seller Interest Credit Facility Agreement**) that the Management Company will use to:

- (a) with regards to the purchase of the initial portfolio of Eligible Receivables on the Fund Incorporation Date:
 - (i) to finance in part (together with any Notes Series issued on the Fund Incorporation Date) the purchase of the initial portfolio of Eligible Receivables (in the context of the first Initial Transfer) from the Seller; or

- (ii) if the Note Series to be issued on the Fund Incorporation Date are early terminated in accordance with section 4.4.7.1 of the Registration Document (other than the occurrence of the event foreseen in paragraph (d)(i) of such section 4.4.7.1), to finance in full the purchase of the initial portfolio of Eligible Receivables from the Seller.
- (b) on any Settlement Date (other than the Fund Incorporation Date) during the Programme Revolving Period:
 - (i) to finance in full or in part the purchase of Receivables (either in the context in Initial Transfers or Additional Transfers) from the Seller on any Purchase Date; and/or
 - (ii) to redeem existing Note Series.

On each Calculation Date, the Management Company will determine the SICF Drawing Amount and the amount to be, as the case may be, drawn under the Seller Interest Credit Facility or repaid to the Seller Interest Credit Facility Provider.

The Seller Interest Credit Facility is of a subordinated nature during the Programme Amortisation Period and the Programme Accelerated Amortisation Period, such that the principal and interest amounts owed to the Seller Interest Credit Facility Provider will be subject to the relevant Priority of Payments set out in section 3.4.7.2 of this Additional Building Block.

The total amount of the Seller Interest Credit Facility will be EUR two billion (€2,000,000,000) (the **Maximum Seller Interest Credit Facility Amount**).

Notwithstanding the above, further to any drawdown request, the Seller Interest Credit Facility Provider undertakes to, and the Management Company, acting in the name and on behalf of the Fund, agrees to, increase the Maximum Seller Interest Credit Facility Amount to the extent required in order to make available additional drawdowns under the Seller Interest Credit Facility to fund any SICF Drawing Amount during the Programme Revolving Period, being specified that:

- (a) such increase shall be made without the need to obtain the prior consent from the Noteholders or any other funders of the Fund; and
- (b) a failure by the Seller Interest Credit Facility Provider to make available the Seller Interest Credit Facility for an amount equal to the SICF Drawing Amount on any Settlement Date after the Fund Incorporation Date shall constitute a Revolving Termination Event.

In addition, the Seller Interest Credit Facility Provider and the Management Company, acting in the name and on behalf of the Fund may decrease the Maximum Seller Interest Credit Facility Amount from time to time without the need to obtain the prior consent from the

Noteholders or any other funders of the Fund, subject to the satisfaction of the following conditions:

- (a) such decrease shall not cause a repayment or a prepayment of any drawdown previously made under the Seller Interest Credit Facility;
- (b) the Maximum Seller Interest Credit Facility Amount will be at least equal to EUR 1,000,000,000;
- (c) prior notice is given by the Management Company to each Relevant Rating Agencies no later than thirty (30) calendar days prior to the effective date of such decrease;
- (d) any decrease will not result in the downgrade or withdrawal of the then current rating of any of the then outstanding Rated Notes by any of the Relevant Rating Agencies; and
- (e) the decrease will not cause the occurrence of a Revolving Termination Event or an Accelerated Amortisation Event.

The amount of the Seller Interest Facility will be drawn through as many drawdowns as may be required during the Availability Period. The Availability Period shall commence on the Fund Incorporation Date and shall end on the last day of the Programme Revolving Period (the **Availability Period**).

The Fund may request a drawdown under the Seller Interest Credit Facility on the Disbursement Date of the first Note Series issued by the Fund, and thereafter on any Calculation Date for an amount up to (the **Seller Interest Credit Facility Drawing Amount** or the **SICF Drawing Amount**):

- (a) during the Programme Revolving Period and if the Residual Principal Deficiency Ledger is not in debit at the preceding Calculation Date, the minimum between (i) and (ii) where:
 - (i) the SICF Required Drawdown Amount on such Settlement Date; and
 - (ii) the SICF Maximum Drawable Amount on such Settlement Date;
- (b) during the Programme Revolving Period (if the Residual Principal Deficiency Ledger is in debit at the preceding Calculation Date), the Programme Amortisation Period and the Programme Accelerated Amortisation Period, zero (0).

For these purposes:

Asset-Liability Mismatch Amount means on any Calculation Date, the positive difference between (a) and (b) where:

- (a) is the aggregate of (i), (ii), (iii), (iv) and (v) below:

- (i) the Outstanding Principal Balances of the Purchased Receivables (excluding any Non-Compliant Receivables) under the Performing Client Accounts as of the immediately prior Cut-Off Date to such Calculation Date; plus
 - (ii) the Outstanding Principal Balances of the Purchased Receivables transferred in the context of Initial Transfers on the Purchase Date prior to the Calculation Date (included); minus
 - (iii) the Outstanding Principal Balances of any outstanding Purchased Receivables (other than those deriving from Defaulted Client Accounts or Non-Compliant Client Accounts) repurchased by the Seller on such Calculation Date; plus
 - (iv) the Unapplied Revolving Amount (if any) that will be credited to the Revolving Account on the Monthly Payment Date after such Calculation Date; plus
 - (v) the amounts that will be standing to the credit of the Principal Account on the Monthly Payment Date after such Calculation Date (including any amount retained on the Principal Account and recorded in the Principal Distribution Ledger on such Monthly Payment Date).
- (b) is the aggregate of the Principal Amount Outstanding of all Notes of all Note Series (taking account any principal payments to be made with respect to the Note Series to be amortised or any Note Series to be issued) on or prior to the Monthly Payment Date after such Calculation Date.

SICF Required Drawdown Amount means on any Settlement Date, the positive difference as calculated on the previous Calculation Date between (a) and (b) where:

- (a) the Asset-Liability Mismatch Amount; and
- (b) the SICF Principal Amount Outstanding (taking into account any repayment to be made on such Monthly Payment Date following such Settlement Date) on such Settlement Date.

SICF Maximum Drawable Amount means on any Settlement Date, the positive difference between (a) and (b) where:

- (a) is the Maximum Seller Interest Credit Facility Amount; and
- (b) is SICF Principal Amount Outstanding (taking into account any repayment to be made on such Monthly Payment Date following such Settlement Date) on such Settlement Date.

Each Drawdown request (other than the one to be made on the Disbursement Date of the first Note Series issued by the Fund) shall need to be delivered no later than on the Calculation Date preceding the relevant Settlement Date

The Seller Interest Credit Facility Provider shall make the drawdowns available to the Fund on the Disbursement Date of the first Note Series and thereafter (i) on each Settlement Date, for same day-value, by set off if the drawdown is used to finance in full or in part the purchase of Receivables or (ii) on each Settlement Date, for same day-value by crediting the amount of the Drawdowns into the Principal Account if the drawdown is used to redeem existing Note Series.

The Fund shall repay the Seller Interest Credit Facility made to it in accordance with the applicable Priority of Payments on each Monthly Payment Date by an amount equal to (the **Seller Interest Credit Facility Amortisation Amount** or the **SICF Amortisation Amount**):

- (a) on any Monthly Payment Date during the Programme Revolving Period and if the Residual Principal Deficiency Ledger is not in debit as determined on the preceding Calculation Date, the lesser between:
 - (i) the positive difference between the SICF Principal Amount Outstanding on the preceding Monthly Payment Date (after the application of the Priority of Payments) and the product of (x) Required Seller Share and (y) the Principal Amount Outstanding of all Note Series (taking into account any redemption or issuance of Note Series to be made between on or before the next Monthly Payment Date); and
 - (ii) the positive difference between:
 - (A) the Available Principal Amount; and
 - (B) the sum of:
 - I. the Investor Available Amortisation Amount determined on the preceding Calculation Date;
 - II. the maximum between the Effective Purchase Price and the aggregate of the Note Series 20xx-yy Available Purchase Amounts with respect to such Monthly Payment Date;
 - III. any SICF Drawing Amount drawn under the Seller Credit Interest Facility on such the Settlement Date preceding such Monthly Payment Date; and
 - IV. as the case may be, the amount credited to the Interest Account pursuant to item (1) of the Principal Priority of Payments;

- (b) on any Monthly Payment Date during the Programme Revolving Period and if the Residual Principal Deficiency Ledger is in debit on the preceding Calculation Date, zero (0); and
- (c) on any Monthly Payment Date during the Programme Amortisation Period or the Programme Accelerated Amortisation Period:
 - (i) for so long as all Notes of all Note Series have not been redeemed in full: zero (0); and
 - (ii) upon redemption in full of the Notes of all Note Series: the SICF Principal Amount Outstanding as of close of the immediately preceding Monthly Payment Date.

Any SICF Amortisation Amount due under the Seller Interest Credit Facility which has not been paid to the Seller Interest Credit Facility Provider due to shortage of Available Distribution Amounts will be paid on the following Monthly Payment Date on which the Available Distribution Amounts permit said payment according to the applicable Priority of Payments. Such deferred amounts will be paid on the same rank but in preference to the SICF Amortisation Amount payable in relation to the Seller Interest Credit Facility on said Monthly Payment Date. The SICF Amortisation Amounts owed to the Seller Interest Credit Facility Provider that remain unpaid according to the provisions of the prior paragraphs will not accrue default interest in favour of the Seller Interest Credit Facility Provider.

The Seller Interest Credit Facility shall be repaid by the Fund on the Fund Liquidation Date and subject to the full payment of any amounts ranking in higher priority pursuant to applicable Priority of Payments. Any amount under the Seller Interest Credit Facility not paid on the Fund Liquidation Date shall be cancelled and deemed as a final loss for the Seller Interest Credit Facility Provider.

Any SICF Amortisation Amounts repaid will be available for subsequent drawdowns up to the Maximum Seller Interest Credit Facility Amount.

The SICF Principal Amount Outstanding under the Seller Interest Credit Facility shall accrue interest as from the relevant Drawdown date until the relevant Drawdown is repaid in an amount calculated by the Management Company on the Calculation Date and equal to the product of (the **Seller Interest Credit Facility Interest Amount** or **SICF Interest Amount**):

- (a) the relevant Seller Share Interest Rate;
- (b) the SICF Principal Amount Outstanding as of the preceding Monthly Payment Date; and
- (c) the day count fraction corresponding to the ratio between (i) the actual effective days in each Interest Accrual Period and (ii) a 360-day year,

and rounding the resultant figure to the nearest cent.

For these purposes, **Seller Share Interest Rate** means, on any Monthly Payment Date, the annual fixed interest rate which shall be calculated by the Management Company as follows:

- (a) for so long as the Class A Notes of any Note Series are outstanding, the average interest rate of all Class A Notes which are outstanding as weighted by their respective Principal Amount Outstanding on such Monthly Payment Date (taking into account the applicable swap rate plus margin for Class A Notes bearing a floating rate, if applicable);
- (b) once the Class A Notes of all Note Series have been redeemed in full and for so long as the Class B Notes of any Note Series are outstanding, the average interest rate of all Class B Notes which are outstanding as weighted by their respective Principal Amount Outstanding on such Monthly Payment Date (taking into account the applicable swap rate plus margin for Class B Notes bearing a floating rate, if applicable);
- (c) once the Class B Notes of all Note Series have been redeemed in full and for so long as the Class C Notes of any Note Series are outstanding, the average interest rate of all Class C Notes which are outstanding as weighted by their respective Principal Amount Outstanding on such Monthly Payment Date (taking into account the applicable swap rate plus margin for Class C Notes bearing a floating rate, if applicable); and
- (d) in any other cases, 1.50 per cent or any other percentage specified as such in the last Prospectus Supplement.

The term of the Seller Interest Credit Facility shall be divided into consecutive interest accrual periods (each of them, an **Interest Accrual Period**) comprising the days effectively elapsed between each Monthly Payment Date, including in each Interest Accrual Period the initial Monthly Payment Date and excluding the final Monthly Payment Date. The first Interest Accrual Period shall commence on the Disbursement Date of the first Note Series issued by the Fund and end on the immediately following Monthly Payment Date.

The Fund shall pay the SICF Interest Amount as part of the Seller Share Interest Payable Amount on each Monthly Payment Date during the Programme Revolving Period, the Programme Amortisation Period and the Programme Accelerated Amortisation Period in accordance with the Priority of Payments as calculated by the Management Company on the Calculation Date immediately preceding such Monthly Payment Date.

Any SICF Interest Amount due under the Seller Interest Credit Facility which has not been paid to the Seller Interest Credit Facility Provider due to shortage of Available Distribution Amounts, will be paid on the following Monthly Payment Date on which the Available Distribution Amounts permit said payment according to the applicable Priority of Payments. Such deferred SICF Interest Amounts will be paid on the same rank but in preference to the

SICF Interest Amounts payable in relation to the Seller Interest Credit Facility on said Monthly Payment Date. The SICF Interest Amounts owed to the Seller Interest Credit Facility Provider that remain unpaid according to the provisions of the prior paragraphs will not accrue default interest in favour of the Seller Interest Credit Facility Provider. Any SICF Interest Amounts under the Seller Interest Credit Facility not paid on the Fund Liquidation Date shall be cancelled and deemed as a final loss for the Seller Interest Credit Facility Provider.

The Seller Interest Credit Facility Agreement shall end on the earlier of

- (a) the Fund Liquidation Date; or
- (b) as the case may be, the Payment Date on which all the amounts due (either as principal or interest) under the Seller Interest Credit Facility are satisfied and no further drawdowns are permitted thereunder.

For these purposes, **Seller Interest Credit Facility Principal Amount Outstanding** or **SICF Principal Amount Outstanding** means, on any date, the principal amount outstanding of all SICF Drawing Amounts made under the Seller Interest Credit Facility.

3.4.5. Parameters for the investment of temporary liquidity surpluses and a description of the parties responsible for such investment

3.4.5.1. Opening of the Issuer Accounts by the Fund. Account Bank Agreement

On the Fund Incorporation Date the Management Company, acting in the name and on behalf of the Fund, will enter into an account bank agreement (the **Account Bank Agreement**) with the Issuer Accounts Bank whereby it will open the name of the Fund with the Issuer Accounts Bank the following bank accounts (the **Issuer Accounts**): (i) the General Account, (ii) the Principal Account, (iii) the Interest Account, (iv) the Revolving Account, (v) the General Reserve Account, (vi) the Commingling Reserve Account, (vii) the Spread Account and (viii), with respect to any Hedging Agreement entered into between the Fund and any Eligible Hedging Counterparty, the relevant Hedging Collateral Accounts.

The purpose of the Account Bank Agreement is to set out the terms and conditions of the opening of the Issuer Accounts in the books of the Issuer Accounts Bank and the operation of such accounts.

At any time after the Fund Incorporation Date, the Management Company may request from time to time the Issuer Accounts Bank to open, in its books and in the Fund's name, additional Issuer Accounts which may be necessary or advisable for the performance by the Fund of its rights and obligations under the Programme Documents. No amendment to the Deed of Incorporation of the Fund shall be required unless the opening of such additional Issuer Accounts has a negative effect on the Fund or the rights of the noteholders or the funders of the Fund. Such additional Issuer Accounts shall be operated in accordance with the terms of this section 3.4.5.

In addition, the Management Company, acting in the name and on behalf of the Fund, may effect netting arrangements between the amounts to be credited and debited in the Issuer Accounts (other than the Hedging Collateral Accounts) or, effect the transfers between the Issuer Accounts before the dates established on the following sections in order to facilitate the operational aspects of the Issuer Accounts and the payments to be made or received by the Fund.

The common terms applicable to all the Issuer Accounts are described in section 3.4.5.10 below.

3.4.5.2. General Account

- (a) As per the instructions of the Management Company, the amounts that are to be credited in the General Account include, but are not limited to, the following:
 - (i) on any relevant date during the Programme Revolving Period, the Programme Amortisation Period and the Programme Accelerated Amortisation Period, with any amount of Available Collections standing to the credit of the Collection Accounts (or directly transferred by the Seller, the Servicer from its other collection accounts or by the Borrowers or by the Insurance Companies) in accordance with the Servicing Agreement and the Collections Accounts Security Document;
 - (ii) on any Issue Date during the Programme Revolving Period, with any drawdown under the Expenses Subordinated Facility
 - (iii) on or prior each Calculation Date, with the Seller Dilutions (if any) to be paid by the Seller to the Fund;
 - (iv) on or prior each Calculation Date, with the Aggregate Repurchase Price upon the exercise by the Seller to repurchase certain outstanding Purchased Receivables the Aggregate Repurchase Price upon the exercise by the Seller to repurchase certain outstanding Purchased Receivables
 - (v) on or prior each Monthly Payment Date during the Programme Accelerated Amortisation Period, with any amounts standing to the credit of the Revolving Account, the Principal Account, the Interest Account (the General Reserve Account and the Spread Account (if any) before the application of the applicable Accelerated Priority of Payments;
 - (vi) on any relevant date, with the Financial Income (if any);
 - (vii) on or prior to the Fund Liquidation Date, with the Reference Repurchase Price of the then outstanding Purchased Receivables, as the case may be; and

- (viii) with any other amounts to be received from time to time by the Fund pursuant to the Programme Documents and which are not allocated in any other Issuer Account.
- (b) As per the instructions of the Management Company, the amounts that are to be debited in the General Account include, but are not limited to, the following:
- (i) on each Settlement Date during the Programme Revolving Period and the Programme Amortisation Period by any amount required to be transferred on such date to the Principal Account or the Interest Account, as applicable
 - (ii) on each Monthly Payment Date during the Programme Accelerated Amortisation Period, by any amount payable out of the monies standing to the credit of the General Account, pursuant to the Accelerated Priority of Payments; and
 - (iii) on any date during the Programme Revolving Period, by any amount for the payment of any Fund Non-Operative Expenses.

For these purposes, **Financial Income** means the income generated (if any) on the credit balances of the Issuer Accounts (except the Hedging Collateral Account(s), if any). The interest accrued and credited into Hedging Collateral Account(s) (if any) will be transferred to the relevant Hedging Counterparty in accordance with the relevant Hedging Agreement.

3.4.5.3. Principal Account

- (a) As per the instructions of the Management Company, the amounts that are to be credited in the Principal Account include, but are not limited to, the following:
- (i) on each Disbursement Date with the net proceeds of the issue by the Fund of any Note Series;
 - (ii) on the first Notes Series Disbursement Date and thereafter on each Settlement Date during the Programme Revolving Period, with the amount of the Drawdowns under the Seller Interest Credit Facility;
 - (iii) on each Settlement Date during the Programme Revolving Period and the Programme Amortisation Period, with the Available Principal Collections received (or estimated by the Management Company on the basis of the last Monthly Servicer Report) during the immediately preceding Collection Period by debit of the General Account;
 - (iv) on each Settlement Date during the Programme Revolving Period and the Programme Amortisation Period, with all monies standing to the credit of the Revolving Account;

- (v) on or prior to each Settlement Date, with the Seller Dilutions by debit of the General Account;
 - (vi) on any Settlement Date, the portion of the Aggregate Repurchase Price credited to the General Account corresponding to the Outstanding Principal Balance of the Repurchased Receivables with respect to Client Accounts other than Defaulted Client Accounts in respect of a Repurchase Date immediately preceding such Monthly Payment Date;
 - (vii) on or prior each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, with the amounts credited to the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger and the Residual Principal Deficiency Ledger, respectively, by debit of the Interest Account in accordance with the Interest Priority of Payments, as calculated by the Management Company on the Calculation Date preceding such Monthly Payment Date;
 - (viii) on each Settlement Date, with any amount required to be transferred to form part of the Available Principal Collections from the Commingling Reserve Account in the event of a breach by the Servicer of its obligations during the immediately preceding Collection Period;
 - (ix) on or prior each Monthly Payment Date during the Programme Revolving Period, with the amounts referred to in item (20) of the Interest Priority of Payments; and
 - (x) on each Settlement Date during the Programme Revolving Period and the Programme Amortisation Period, with the Spread Amount Ledger from the Spread Account.
- (b) As per the instructions of the Management Company, the amounts that are to be debited in the Principal Account include, but are not limited to, the following:
- (i) on the Disbursement Date of the first Notes Series issued after the Fund Incorporation Date, by the Purchase Price due by the Fund to the Seller under the Master Receivables Sale and Purchase Agreement with respect to the Receivables purchased on the Fund Incorporation Date;
 - (ii) on each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, by any amounts payable out of the monies standing to the credit of the Principal Account, pursuant to the Principal Priority of Payments; and
 - (iii) in full, on or prior each Monthly Payment Date during the Programme Accelerated Amortisation Period, by the transfer of all monies standing to its credit to the General Account.

3.4.5.4. Interest Account

- (a) As per the instructions of the Management Company, the amounts that are to be credited in the Interest Account include, but are not limited to, the following:
- (i) on each Settlement Date during the Programme Revolving Period and the Programme Amortisation Period, with the remaining portion of the Available Collections (received or estimated by the Management Company on the basis of the last Monthly Servicer Report) with respect to the immediately preceding Collection Period by debit of the General Account after crediting the amount referred to in item (a)(iii) of sub-section "*Principal Account*" to the Principal Account;
 - (ii) on each Settlement Date during the Programme Revolving Period and the Programme Amortisation Period, the Financial Income;
 - (iii) on each Settlement Date during the Programme Revolving Period and the Programme Amortisation Period, with the remaining part of the Aggregate Repurchase Price (after crediting the amount referred to in item (a)(vi) of sub-section "*Principal Account*" to the Principal Account);
 - (iv) On each Settlement Date during the Programme Revolving Period and the Programme Amortisation Period, with the Class C Spread Amount from the Spread Account;
 - (v) on or prior to any relevant Monthly Payment Date, with the Hedging Net Amount (if any) received by the Fund from any relevant Hedging Counterparty (or replacement hedging counterparty) and the Hedging Collateral Account Surplus (if any);
 - (vi) on or prior each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, with the amounts referred to in the Interest Shortfall Priority of Payments;
 - (vii) on or prior each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, with the amounts referred to in item (1) and (9) of the Principal Priority of Payments; and;
 - (viii) on each Settlement Date, with any amount required to be transferred to form part of the Available Interest Collections from the Commingling Reserve Account in the event of a breach by the Servicer of its obligations during the immediately preceding Collection Period.
- (b) As per the instructions of the Management Company, the amounts that are to be debited in the Interest Account include, but are not limited to, the following:

- (i) on each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, by any amounts payable out of the monies standing to the credit of the Interest Account, pursuant to the Interest Priority of Payments; and
- (ii) in full, on or prior each Monthly Payment Date during the Programme Accelerated Amortisation Period, by the transfer of all monies standing to its credit to the General Account.

3.4.5.5. Revolving Account

- (a) As per the instructions of the Management Company, the Revolving Account shall be credited on each Monthly Payment Date during the Programme Revolving Period, with the Unapplied Revolving Amount (if any), by debit of the Principal Account in accordance with the Principal Priority of Payments.
- (b) As per the instructions of the Management Company, the amounts that are to be debited in the Revolving Account include, but are not limited to, the following:
 - (i) in full, on each Settlement Date during the Programme Revolving Period and the Programme Amortisation Period, by the transfer of all monies (if any) standing to its credit to the Principal Account; and
 - (ii) in full, on each Settlement Date during the Programme Accelerated Amortisation Period, by the transfer of all monies (if any) standing to its credit to the General Account.

For these purposes, **Unapplied Revolving Amount** means, on any Calculation Date:

- (a) during the Programme Revolving Period:
 - (i) if the Minimum Portfolio Amount Condition is satisfied, an amount equal to zero (0);
 - (ii) otherwise, an amount equal to the minimum between:
 - (A) the positive difference between:
 - (I) the Minimum Portfolio Amount; and
 - (II) the aggregate of:
 - i. the Outstanding Principal Balances of the Purchased Receivables (excluding any Non-Compliant Receivables) under the Performing Client Accounts as of the immediately prior Cut-Off Date to such Calculation Date; plus

- ii. the Outstanding Principal Balances of the Purchased Receivables transferred in the context of Initial Transfers on the Purchase Date prior to the Calculation Date (included); minus
 - iii. the Outstanding Principal Balances of any outstanding Purchased Receivables (other than Non-Compliant and Defaulted Client Accounts) repurchased by the Seller on such Calculation Date;
 - (B) the positive difference between:
 - (I) the aggregate of the Note Series 20xx-yy Available Purchase Amounts; and
 - (II) the maximum between (i) the Effective Purchase Price of the Receivables sold by the Seller and (ii) the Purchase Price of all Receivables (in the context of Initial Transfers and/or Additional Transfers, as applicable) sold and transferred by the Seller on the Purchase Period preceding such Monthly Payment Date;
- (b) during the Programme Amortisation Period and the Programme Accelerated Amortisation Period, an amount equal to zero (0).

3.4.5.6. General Reserve Account

- (a) As per the instructions of the Management Company, the amounts that are to be credited in the General Reserve Account include, but are not limited to, the following:
 - (i) on or prior the first Note Series Disbursement Date after the Fund Incorporation Date, with the applicable General Reserve Required Amount by the General Reserve Subordinated Facility Provider;
 - (ii) on each Monthly Payment Date, with the General Reserve Replenishment Amount (if any) by debiting, as applicable, the Interest Account or the General Account, subject to and in accordance with the applicable Priority of Payments; and
 - (iii) on any Issue Date on which a Note Series is issued by the Fund, the General Reserve Increase Amount.
- (b) As per the instructions of the Management Company, the amounts that are to be debited in the General Reserve Account include, but are not limited to, the following:
 - (i) on or prior each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, by any amount to be

credited to the Interest Account in accordance with and subject to the Interest Shortfall Priority of Payments;

- (ii) on each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, with the General Reserve Decrease Amount which will be directly returned to the General Reserve Subordinated Facility Provider (without such payments being subject to the Priority of Payments); and
- (iii) in full, on or prior to each Monthly Payment Date during the Programme Accelerated Amortisation Period, by the transfer of all monies (if any) standing to its credit to the General Account before application of the applicable Priority of Payments.

3.4.5.7. Spread Account

- (a) As per the instructions of the Management Company, the Spread Account shall be credited on each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, with the required amounts by debit of the Interest Account in accordance with the Interest Priority of Payments in order for the credit balance of the Spread Account to be at least equal to the aggregate of the Class C20xx-yy Required Spread Amount applicable on such Monthly Payment Date.
- (b) As per the instructions of the Management Company, the amounts that are to be debited from the Spread Account include, but are not limited to, the following:
 - (i) on or prior each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, (aa) with the Class C Spread Amount to be credited in the Interest Account and/or (bb) with the aggregate of all amounts recorded in the Class C20xx-yy Spread Amount Ledgers to be credited in the Interest Account in accordance with, and subject to, the Interest Shortfall Priority of Payments and/or on the Principal Account in accordance with, and subject to, the Principal Priority of Payments; and
 - (ii) in full, on or prior each Monthly Payment Date during the Programme Accelerated Amortisation Period, by the transfer of all monies (if any) standing to its credit to the General Account before application of the applicable Priority of Payments.

For these purposes:

Class C Spread Amount means, on any Monthly Payment Date, the aggregate amount of all Class C20xx-yy Spread Amount as determined by the Management Company.

Class C20xx-yy Required Spread Amount means, with respect to the Class C20xx-yy Notes of a Note Series (if applicable), on any Monthly Payment Date, the amount set out in

the corresponding Issuing Document (and, as the case may be, calculated by the Management Company). For clarification purposes, the Class C2017-01 Required Spread Amount with respect to the Class C2017-01 Notes issued on the Fund Incorporation Date will be equal to zero (0).

Class C20xx-yy Spread Amount means, on any Calculation Date in respect of the Class C20xx-yy Notes, the positive difference between:

- (a) the amount recorded in the Class C20xx-yy Spread Amount Ledger on the Monthly Payment Date immediately preceding such Calculation Date; and
- (b) the Class C20xx-yy Required Spread Amount on the Monthly Payment Date immediately preceding such Calculation Date.

Class C20xx-yy Spread Amount Ledger means, with respect to the Class C20xx-yy Notes of a Note Series (if applicable), the ledger which shall be established for such Class C20xx-yy Notes by the Management Company, acting for and on behalf of the Fund, in order to record on any Calculation Date the amount up to which the Spread Account may be drawn on the following Monthly Payment Date to make up for any shortfall to satisfy the payment of certain items of the Interest Priority of Payments in accordance with the Interest Shortfall Priority of Payments.

3.4.5.8. Commingling Reserve Account

- (a) As per the instructions of the Management Company, the Commingling Reserve Account shall be credited on or before the first Notes Issue Disbursement Date following the Fund Incorporation Date, and then on each Settlement Date (and as the case may be, on each Issue Date when a new Note Series is issued) with the advances under the Commingling Reserve Subordinated Facility
- (b) As per the instructions of the Management Company, the amounts that are to be debited in the Commingling Reserve Account include, but are not limited to, the following:
 - (i) on any Settlement Date, the Servicer has failed to transfer the whole or part of the Available Collections onto the General Account, the Management Company shall immediately debit the Commingling Reserve Account and shall immediately credit the Principal Account and Interest Account up to the amount of such unpaid Available Collections;
 - (ii) on each Monthly Payment Date, with the Commingling Reserve Decrease Amount in accordance with and subject to the Commingling Reserve Subordinated Facility Agreement, such payment not being subject to the Priority of Payments in accordance with section 3.4.4.3 of the Additional Building Block; and

- (iii) on the Fund Liquidation Date and subject to the full redemption of the Notes, and to the satisfaction of all Servicer's obligations under section 3.7.2 of the Additional Building Block (including, but not limited to, with respect to the collection and administration of the Purchased Receivables), with any amount standing to the credit of the Commingling Reserve Account (if any) which shall be used to repay the Commingling Reserve Subordinated Facility.

3.4.5.9. Hedging Collateral Accounts

A Hedging Collateral Account shall be opened in the books of the Issuer Accounts Bank in respect of each Eligible Hedging Counterparty on (or before, if possible) the entry into the relevant Hedging Agreement between the Fund and the relevant Eligible Hedging Counterparty.

Each Hedging Collateral Account will comprise (i) a Hedging Collateral Cash Account when collateral is posted in the form of cash by any of the Hedging Counterparties to the Fund pursuant to the terms of the relevant Hedging Agreement and (ii) a Hedging Collateral Securities Account when collateral is posted in the form of eligible securities by any of the Hedging Counterparties to the Fund pursuant to the terms of relevant Hedging Agreement.

The cash standing from time to time to the credit of each Hedging Collateral Cash Account will accrue interest at a rate equal to that applied to the rest of Issuer Accounts (as described in section 3.4.5.10 below) and the Financial Income (if any) will be paid directly to each relevant Hedging Counterparty (without such payment being subject to the Priority of Payments).

As per the instructions of the Management Company, each Hedging Collateral Account will be credited from time to time with collateral transferred by the relevant Hedging Counterparty in accordance with the terms of the relevant Hedging Agreement and shall be debited with such amounts as are due to be paid in accordance with the Hedging Collateral Account Priority of Payments. The funds or securities credited to each Hedging Collateral Account and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not form part of Available Distribution Amount (other than in the circumstances set out in the Hedging Collateral Account Priority of Payments below) and accordingly, are not available to fund general distributions of the Fund. The funds contained in each Hedging Collateral Account shall not be commingled with any other funds from any party other than the relevant Hedging Counterparty.

In the event that a Hedging Counterparty is replaced by a replacement hedging counterparty, any Replacement Hedging Premium received by the Fund from the replacement hedging counterparty shall be paid into the relevant Hedging Collateral Account and shall be used to pay any Hedging Senior Termination Payment or Hedging Subordinated Termination Payment (as the case may be) due to the relevant original Hedging Counterparty in accordance with the Hedging Collateral Account Priority of Payments.

In the event that any Hedging Agreement is early terminated and the relevant Hedging Counterparty owes a Hedging Counterparty Termination Amount to the Fund, such Hedging Counterparty Termination Amount shall be credited to the relevant Hedging Collateral Account and such Hedging Counterparty Termination Amount together with the funds or securities standing to the credit of the relevant Hedging Collateral Account shall be liquidated to fund the payment of the Replacement Hedging Premium to the replacement hedging counterparty in accordance with the Hedging Collateral Account Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

For these purposes:

Hedging Collateral Account Surplus means the surplus remaining (if any) in any Hedging Collateral Account, following satisfaction in full of all amounts owing to the relevant outgoing Hedging Counterparty, in accordance with the Hedging Collateral Account Priority of Payments.

Hedging Counterparty Termination Amount means, with respect to a Hedging Agreement, on any date, the aggregate of the early termination amount due and payable by the relevant Hedging Counterparty to the Fund as a result of an Event of Default or a Termination Event (in each case as defined in the relevant Hedging Agreement).

Hedging Senior Termination Payment means in relation to any Hedging Agreement, the sum of any termination payments due and payable by the Fund to the relevant Eligible Hedging Counterparty under such Hedging Agreement other than as a result of the occurrence of (a) an Event of Default or (b) a Termination Event (in each case (a) and (b) as defined in the relevant Hedging Agreement), where the Eligible Hedging Counterparty is not the Defaulting Party or the Affected Party, as applicable (in each case as defined in the relevant Hedging Agreement).

Hedging Subordinated Termination Payment means in relation to any Hedging Agreement, the sum of any termination payments due and payable by the Fund to the relevant Eligible Hedging Counterparty under such Hedging Agreement as a result of the occurrence of (a) an Event of Default or (b) a Termination Event (other than a Tax Event, Illegality or Force Majeure) (in each case (a) and (b) as defined in the relevant Hedging Agreement) where the Eligible Hedging Counterparty is the Defaulting Party or the Affected Party, as applicable (in each case as defined in the relevant Hedging Agreement).

Replacement Hedging Premium means, in relation to any Hedging Agreement, the amount that the Fund or a replacement hedging counterparty would be liable to pay to the other party to such Hedging Agreement if the Fund and such replacement hedging counterparty entered into a replacement hedging agreement further to an early termination of such Hedging Agreement.

3.4.5.10. Common Terms applicable to the Issuer Accounts

- (a) Services provided

The Issuer Accounts Bank will provide to the Fund all of the customary services relating to the maintenance and administration of the Issuer Accounts, in accordance with common banking practices.

(b) Wire transfer

The Issuer Accounts shall be exclusively operated by way of wire transfer. No chequebook nor debit or credit card shall be issued.

(c) On-Line Access

The Issuer Accounts Bank undertakes to grant to the Management Company (i) an on-line access allowing them to consult, on a daily basis, the balance of each Issuer Account and the details of all transactions made on each Issuer Account and (ii) a mailing of the printout monthly account statements.

(d) Allocations and distributions in the Issuer Accounts. Negative Balance

The Issuer Accounts will not be allowed to have a negative balance to the detriment of the Fund. The balances in the Issuer Accounts will remain as available cash.

The allocations and distributions shall be exclusively carried out by the Management Company and the Paying Agent, respectively, to the extent of the monies standing from time to time to the credit balance of the Issuer Accounts in such manner that no Issuer Account shall have a debit balance after applying the relevant Priority of Payments set out in section 3.4.7.2 of the Additional Building Block.

(e) Interests

The Fund Available Cash standing from time to time to the credit of each of Issuer Accounts (excluding, for the avoidance of doubt, any Hedging Collateral Account in relation to any Hedging Counterparty) shall not be subject to cash management services or invested in investment support.

The Fund Available Cash standing from time to time to the credit of each Issuer Accounts shall accrue interest at a rate equal to zero per cent (0%).

(f) No set-off

The Issuer Accounts Bank shall not be entitled to set-off the resulting positive balances due to the Fund out of the Issuer Accounts with any other claims that the Issuer Accounts Bank could have against the Fund and/or any other third parties.

(g) Eligible Accounts Bank. Account Bank Required Ratings

The Issuer Accounts Bank will be required at all times to be an Eligible Institution. Should the Accounts Bank cease to be an Eligible Institution an Issuer Accounts

Bank Termination Event shall occur with the effects set out in paragraph 3.4.5.10(j) below.

For these purposes:

Eligible Institution means a depository institution organised under the laws of any state which is a member of the European Union which complies with (i) the Account Bank Required Ratings with respect to the Issuer Accounts Bank and (ii) with the Collection Account Bank Required Ratings with respect to the Collections Accounts Banks, and is authorised to take deposits in Spain.

Account Bank Required Ratings means in respect of any entity the ratings at least equal to:

- (i) assuming the Relevant Rating Agency with respect to any Rated Notes of any Note Series is DBRS, a public rating of at least A (senior long term) or A (high) (critical obligations rating) by DBRS or, in the absence of a public rating, at least two of the following ratings from two of the following rating agencies:
 - (A) a short-term rating of at least F-2 and a long-term rating of at least A by Fitch;
 - (B) a short-term rating of at least A-2 and a long-term rating of at least A by Standard & Poor's;
 - (C) a short-term rating of at least P-2 and a long-term rating of at least A2 by Moody's; and
- (ii) assuming the Relevant Rating Agency with respect to any Rated Notes of any Note Series is Fitch: F-1 by Fitch with respect to the short-term Issuer Default Rating (IDR) of such entity or A- by Fitch with respect to the long-term Issuer Default Rating (IDR) of such entity; and
- (iii) assuming the Relevant Rating Agency with respect to any Rated Notes of any Note Series is Moody's: P-2 by Moody's with respect to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity; and
- (iv) assuming the Relevant Rating Agency with respect to any Rated Notes of any Note Series is S&P: any applicable ratings specified in the last Prospectus Supplement,

or such other debt rating as determined to be applicable or agreed by each Relevant Rating Agency from time to time and specified in the last Prospectus Supplement.

The Issuer Accounts Bank shall promptly notify the Management Company, acting in the name and on behalf of the Fund (and the Management Company shall promptly give notice thereof to the Seller), if the Accounts Bank ceases to be an Eligible Institution.

(h) Resignation by the Issuer Accounts Bank

The Issuer Accounts Bank may, at any time upon not less than ninety (90) calendar days' written notice (or such shorter time as may be agreed between the Issuer Accounts Bank and the Management Company), notify the Management Company in writing that it wishes to cease to be the Issuer Accounts Bank.

Upon receipt of an early termination notice, the Management Company will appoint a new Fund's account bank (a **New Issuer Accounts Bank**) provided that the following conditions are met (the **Issuer Accounts Bank Substitution Requirements**):

- (i) The New Issuer Accounts Bank:
 - (A) is a credit institution duly authorised to provide banking services in Spain;
 - (B) is an Eligible Institution having at least the Account Bank Required Ratings;
 - (C) has, in the Management Company's opinion, extensive experience and a proven operational track record in functions similar to those described in in section 3.4.5 of the Additional Building Block;
 - (D) in the Management Company's opinion can assume in substance the rights and obligations of the Issuer Accounts Bank; and
 - (E) shall have agreed with the Management Company to perform the duties and obligations of the Issuer Accounts Bank;
- (ii) the Relevant Rating Agencies shall have been given prior notice of such substitution and such substitution shall not entail the downgrade or withdrawal of any of the ratings then assigned by the Relevant Rating Agencies to the Notes; and
- (iii) such substitution is made in compliance with the then applicable laws and regulations.

The costs and taxes that may be incurred in as a consequence of the resignation of the Issuer Accounts Bank and its substitution will be on account of the Issuer Accounts Bank. Notwithstanding this, in order to avoid any delays, the Management Company, at the expense of the Fund, may advance any such costs and expenses and request subsequently their reimbursement by the Issuer Accounts Bank.

The resignation by the Issuer Accounts Bank shall not take any effect until the appointment of the New Issuer Accounts Bank is effective. The termination by the Issuer Accounts Bank of the performance of its functions, as well as the appointment of the New Issuer Accounts Bank will be notified by the Management Company to the Relevant Rating Agencies and, if applicable, the CNMV.

Upon termination of its appointment, the Issuer Accounts Bank shall deliver to the Management Company all documents, monies and securities belonging to the Fund and within its power as a result of the duties entrusted in accordance with the provisions in this section 3.4.5.

(i) Voluntary Substitution

The Management Company is entitled to substitute the Issuer Accounts Bank, provided that it notifies the Issuer Accounts Bank in writing at least thirty (30) calendar days in advance of the envisaged termination date and provided that the Issuer Accounts Bank Substitution Requirements are met.

All costs incurred in the voluntary substitution of when necessary as Issuer Accounts Bank by decision of the Management Company will be for the account of the Fund.

The substitution of the Issuer Accounts Bank shall take any effect until the appointment of the New Issuer Accounts Bank is effective. The termination by the Issuer Accounts Bank of the performance of its functions in this in this section 3.4.5, as well as the appointment of the New Issuer Accounts Bank will be notified by the Management Company to the Relevant Rating Agencies and, if applicable, the CNMV.

(j) Issuer Accounts Bank Termination Events

Upon the occurrence of an Issuer Accounts Bank Termination Event, the Management Company shall appoint a New Issuer Accounts Bank within thirty (30) calendar days after the occurrence of such Issuer Accounts Bank Termination Event and provided that the New Issuer Accounts Bank meets the Issuer Accounts Bank Substitution Requirements.

The Issuer Accounts Bank shall promptly notify the Management Company, acting in the name and on behalf of the Fund (and the Management Company shall promptly give notice thereof to the Seller), if the Issuer Accounts Bank ceases to be an Eligible Institution.

All the costs incurred in the transfer of the Issuer Accounts to another Eligible Institution will be paid by the replaced Accounts Bank or the Fund if such replaced Issuer Accounts Bank is unable to bear such costs.

Issuer Accounts Bank Termination Event means any of the following events:

- (i) any material representation or warranty made by the Issuer Accounts Bank under any Programme Document to which it is a party is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within five (5) Business Days after the Management Company has given notice thereof to the Issuer Accounts Bank or (if sooner) the Issuer Accounts Bank has knowledge of the same, provided that the Management Company, at its discretion, certifies that it is material and prejudicial to the interests of the Noteholders;
- (ii) the Issuer Accounts Bank has failed to comply with any of its material obligations under any Programme Document to which it is a party unless such breach is capable of remedy and is remedied within five (5) Business Days after the Management Company has given notice thereof to the Issuer Accounts Bank or (if sooner) the Issuer Accounts Bank has knowledge of the same, provided that the Management Company, at its discretion, certifies that it is material and prejudicial to the interests of the Noteholders;
- (iii) an Insolvency Event occurs in respect of the Issuer Accounts Bank;
- (iv) at any time it is or becomes unlawful for the Issuer Accounts Bank to perform or comply with any or all of its material obligations under any Programme Document to which it is a party or any or all of its material obligations under any Programme Document to which it is a party are not, or cease to be, legal, valid and binding;
- (v) any failure by the Issuer Accounts Bank to make any payment under any Programme Documents to which it is a party, when due, except if such failure is due to technical or administrative reasons and is remedied within five (5) Business Days after such failure; or
- (vi) the Issuer Accounts Bank ceases to be an Eligible Institution.

3.4.6. How payments are collected in respect of the assets

3.4.6.1. Frequency of payments

In accordance with the provisions of section 3.7.2 of the Additional Building Block, the Servicer (or, if applicable, the Replacement Servicer) will, without prejudice to the provisions therein, take all necessary actions to manage the collection of all amounts payable by the Borrowers arising from the Purchased Receivables.

The Servicer will diligently ensure that the payments which must be made by the Borrowers are collected in accordance with the contractual terms and conditions of the respective Credit Card Agreements.

3.4.7. Order of priority of payments made by the issuer

3.4.7.1. Sources and application of funds on the Disbursement Date of the first Notes Series issued on the Fund Incorporation Date

The sources and application of the amounts available to the Fund on the Disbursement Date of the first Notes Series issued on the Fund Incorporation Date will be as follows:

- (a) **Sources:** The Fund will have funds available from the following sources:
- (i) proceeds from the subscription of the Notes of the first Note Series by the Noteholders;
 - (ii) initial drawdown under the Expenses Subordinated Facility;
 - (iii) initial drawdown under the General Reserve Subordinated Credit Facility;
 - (iv) initial drawdown under the Commingling Reserve Subordinated Credit Facility; and
 - (v) initial drawdown under the Seller Interest Credit Facility.
- (b) **Application:** The Fund, in turn, will apply the abovementioned funds for the following items:
- (i) payment of the Purchase Price of any Receivables transferred to the Fund in the context of Initial Transfers;
 - (ii) payment of the Initial Expenses and the Note Series Issue Expenses in connection with the first Note Series;
 - (iii) credit the General Reserve Account up to the Initial General Reserve Required Amount; and
 - (iv) credit the Commingling Reserve Account up to the Commingling Reserve Required Amount.

3.4.7.2. Source and application of funds beginning on the first Payment Date and until the last Payment Date or the liquidation of the Fund, exclusive

From the Fund Incorporation Date until the total repayment of the Notes, the source and application of payments of the Fund will be as described below.

Available Distribution Amount: Source

The **Available Distribution Amount** that the Fund has on each Monthly Payment Date, for the distribution of the pertinent amounts to the Noteholders and to the rest of the Fund's creditors for the payment of the relevant amounts, will be equal to:

- (a) on each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period: the aggregate of the Available Principal Amount and the Available Interest Amount; and
- (b) on each Monthly Payment Date during the Programme Accelerated Amortisation Period: the balance standing to the credit of the General Account (after the transfer of any amounts standing to the credit of the Revolving Account, the Principal Account, the Interest Account, the General Reserve Account and the Spread Account but before the application of the Accelerated Priority of Payments).

For these purposes:

Available Interest Amount means, on each Monthly Payment Date and without double counting, the amount standing at the credit of the Interest Account prior to giving effect to the relevant Priority of Payments and equal to the aggregate of:

- (a) any amount recorded on the Interest Distribution Ledger in accordance with section 4.8.8.3 of the Securities Note to be paid by the Fund on such Monthly Payment Date (excluding any amounts recorded on such Interest Distribution Ledger for the purpose of payment on any subsequent Monthly Payment Date(s));
- (b) the remaining portion of the Available Collections (after transfer of the Available Principal Collections on the Principal Account) credited to the Interest Account with respect to the Collection Period immediately preceding such Monthly Payment Date;
- (c) the Hedging Net Amount and the Hedging Collateral Account Surplus (if any) received by the Fund pursuant to the Hedging Agreement(s);
- (d) the Financial Income credited to the Issuer Accounts (excluding those from the Hedging Collateral Account(s), if any);
- (e) (i) the remaining portion of the Aggregate Repurchase Price with respect to any Performing Client Account and (ii) the Aggregate Repurchase Price with respect to any Defaulted Client Account in respect of a Repurchase Date immediately preceding such Monthly Payment Date;
- (f) the Class C Spread Amount determined by the Management Company on the Calculation Date immediately preceding such Monthly Payment Date; and
- (g) subject to paragraph (a) above, any other amounts standing to the credit of the Interest Account as of the close of the immediately preceding Monthly Payment Date (after the application of the relevant Priority of Payments),

provided that if the Servicer has failed to provide the Management Company with the Monthly Servicer Report within two (2) Business Days after the relevant Monthly Reporting

Date the Management Company shall adjust the Available Interest Amount upon receipt of the relevant Monthly Servicer Report on or prior to the relevant Calculation Date.

Available Principal Amount means, on any Monthly Payment Date and without double counting the amount standing at the credit of the Principal Account prior to giving effect to the relevant Priority of Payments and equal to the aggregate of:

- (a) any amount recorded on the Principal Distribution Ledger in accordance with section 4.8.8.3 of the Securities Note to be paid by the Fund on such Monthly Payment Date (excluding any amounts recorded on such Principal Distribution Ledger for the purpose of payment on any subsequent Monthly Payment Date(s));
- (b) the Available Principal Collections with respect to the Collection Period immediately preceding such Monthly Payment Date;
- (c) the PDL Cure Amounts credited to the Principal Account by debit of the Interest Account in accordance with the Interest Priority of Payments;
- (d) the aggregate of the Note Series 20xx-yy Initial Principal Amounts (if any) of all Note Series issued on the Issue Date immediately preceding such Monthly Payment Date after the Fund Incorporation Date;
- (e) any SICF Drawing Amount drawn under the Seller Credit Interest Facility on the Settlement Date preceding such Monthly Payment Date;
- (f) the Unapplied Revolving Amount standing at the credit of the Revolving Account on the preceding Monthly Payment Date (after the application of the relevant Priority of Payments);
- (g) the Seller Dilutions (if any) paid on or prior to the Calculation Date by the Seller to the Fund in accordance with section 3.3.1.10 of the Additional Building Block;
- (h) the portion of the Aggregate Repurchase Price which corresponds to the Outstanding Principal Balances of the Repurchased Receivables with respect to Client Accounts other than Defaulted Client Accounts in respect of a Repurchase Date immediately preceding such Monthly Payment Date;
- (i) subject to paragraph (a) above, any other amounts standing to the credit of the Principal Account as of the close of the immediately preceding Monthly Payment Date (after the application of the relevant Priority of Payments),

provided that if the Servicer has failed to provide the Management Company with the Monthly Servicer Report within two (2) Business Days after the relevant Monthly Reporting Date the Management Company shall adjust the Available Principal Amount upon receipt of the relevant Monthly Servicer Report on or prior to the relevant Calculation Date.

Available Collections means, on each Calculation Date, in respect of any Collection Period immediately preceding such Calculation Date, an amount equal to the aggregate of:

- (a) the total aggregate amounts collected by the Servicer from the Borrowers (including scheduled and unscheduled payments of principal, interest, arrears, late payments, Recoveries, and penalties) with respect to the Purchased Receivables during the Collection Period but excluding for the avoidance of doubt any insurance premium;
- (b) any Insurance Indemnifications paid to the Seller under the Insurance Policies;
- (c) any Non-Compliant Repurchase Amount (or, as the case may be, any equivalent indemnity paid by the Seller to the Fund);
- (d) any amount to be debited by the Management Company from the Commingling Reserve Amount on that Settlement Date;

plus or minus, as the case may be, the Corrected Available Collections, provided that the credit balance of the General Account is sufficient to enable such adjustments.

Available Principal Collections means, on any Calculation Date, in respect of the Collection Period immediately preceding such Calculation Date, the part of the Available Collections corresponding to:

- (a) the aggregate of the principal payments (including any prepayments) effectively paid with respect of the Performing Client Accounts in relation to the relevant Collection Period;
- (b) any amount which is corresponding to a principal component due to the Fund and to be debited by the Management Company from the Commingling Reserve Amount on the Settlement Date following such Calculation Date;
- (c) the aggregate of the principal component to be received on the Calculation Date in connection with any Non-Compliant Repurchase Amount (or any part of the equivalent indemnity paid by the Seller to the Fund) with respect to any Performing Client Account;
- (d) the portion of the Insurance Indemnifications paid by any insurance company to the Seller in respect of Performing Client Accounts only and which corresponds to principal (other than any amounts referred to in (a) above) during the relevant Collection Period;

plus or minus, as the case maybe, any Corrected Available Principal Collections provided that the credit balance of the Principal Account is sufficient to enable such adjustments.

Available Distribution Amount: Application

The Management Company shall give instructions to the Issuer Accounts Bank to ensure that during the Programme Revolving Period, the Programme Amortisation Period or the Programme Accelerated Amortisation Period the relevant order of priority (the **Priority of Payments**) shall be carried out on a timely basis in relation to payments of expenses, principal, interest and any other amounts then due, to the extent of the available funds at the relevant date of payment.

During the Programme Revolving Period and the Programme Amortisation Period the priorities of payments are (i) the Interest Priority of Payments, (ii) the Interest Shortfall Priority of Payments and (iii) the Principal Priority of Payments.

During the Programme Accelerated Amortisation Period, the priority of payments is the Accelerated Priority of Payments.

Priority of Payments during the Programme Revolving Period and the Programme Amortisation Period

During the Programme Revolving Period and the Programme Amortisation Period the Management Company will, on each Monthly Payment Date (such Monthly Payment Date may also be a Quarterly Payment Date, a Semi-Annual Payment Date or an Annual Payment Date) apply the Available Distribution Amount in accordance with the following Priority of Payments, as determined by the Management Company pursuant to the provisions of subparagraphs (a) and (b) debajo de:

(a) Interest Priority of Payments:

On each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the Management Company will apply the Available Interest Amount towards the following (i) payments from the Interest Account and (ii) retentions on the Interest Distribution Ledger associated with the Interest Account, as the case may be, in the following order of priority (the **Interest Priority of Payments**) but, in each case, only to the extent that all payments and retentions of sums of a higher priority due to be paid or provided for on such Monthly Payment Date have been made in full.

- (1) to the payment on a *pari passu* and *pro rata* basis of the Issuer Operating Expenses (other than those payable under item (13) below);
- (2) to the payment (or retention, as the case may be) on a *pari passu* and *pro rata* basis of the relevant amounts referred to in items (i), (ii) or (iii) below, as applicable, in the following order of priority:
 - (i) as long as any Class A Note of any Note Series remains outstanding:

- (x) any Class A Monthly Hedging Net Amounts (if any); and
 - (y) any Class A Hedging Senior Termination Payments (to the extent that such Hedging Senior Termination Payments have not been paid in accordance with the Hedging Collateral Account Priority of Payments);
 - (ii) once the Class A Notes of all Note Series have been redeemed in full and as long as any Class B Note of any Note Series remains outstanding:
 - (x) any Class B Monthly Hedging Net Amounts; and
 - (y) any Class B Hedging Senior Termination Payments (to the extent that such Hedging Senior Termination Payments have not been paid in accordance with the Hedging Collateral Account Priority of Payments); or
 - (iii) once the Class A Notes and the Class B Notes of all Note Series have been redeemed in full and as long as any Class C Note of any Note Series remains outstanding:
 - (x) any Class C Monthly Hedging Net Amounts; and
 - (y) any Class C Hedging Senior Termination Payments (to the extent that such Hedging Senior Termination Payments have not been paid in accordance with the Hedging Collateral Account Priority of Payments);
- (3) to the payment or retention, as the case may be, on the same rank of any amounts referred to in item (i) and (ii) below:
 - (i) the relevant Monthly Interest Amount due and payable by the Fund as applicable:
 - (A) as long as any Class A Note of any Note Series remains outstanding, to pay or retain, as the case may be, on a *pari passu* and *pro rata* basis, the Class A Notes Monthly Interest Amounts;
 - (B) once all Class A Notes of all Note Series have been redeemed in full and as long as any Class B Note (if any) of any Note Series remains outstanding, to pay or retain, as the case may be, on a *pari passu* and *pro rata* basis, the Class B Notes Monthly Interest Amounts; and

- (C) once all Class A Notes and Class B Notes of all Note Series have been redeemed in full and as long as any Class C Note (if any) of any Note Series remains outstanding, to pay or retain, as the case may be, on a *pari passu* and *pro rata* basis, the Class C Notes Monthly Interest Amounts;
 - (ii) during the Programme Revolving Period (only), to the payment on a *pari passu* and *pro rata* basis of any Seller Share Interest Payable Amount;
- (4) to credit the General Reserve Account in an amount equal to the Class A General Reserve Replenishment Amount;
- (5) as long as any Class A Note of any Note Series remains outstanding, to the transfer of all amounts of the Class A Principal Deficiency Ledger by debit of the Interest Account and credit of the Principal Account until the debit balance of the Class A Principal Deficiency Ledger is reduced to zero (0);
- (6) to the extent not already paid or retained in accordance with item (2)(ii) above, to the payment (or retention, as the case may be) on a *pari passu* and *pro rata* basis of:
 - (i) any Class B Monthly Hedging Net Amounts; and
 - (ii) any Class B Hedging Senior Termination Payments (to the extent that such Hedging Senior Termination Payments have not been paid in accordance with the Hedging Collateral Account Priority of Payments);
- (7) to the extent not already paid or retained in accordance with item 3(i)(B), to the payment (or retention, as the case may be) on a *pari passu* and *pro rata* of any Class B Notes Monthly Interest Amounts;
- (8) to credit the General Reserve Account with an amount equal to the Class B General Reserve Replenishment Amount;
- (9) as long as any Class B Note of any Note Series remains outstanding, to the transfer of all amounts of the Class B Principal Deficiency Ledger by debit of the Interest Account and credit of the Principal Account until the debit balance of the Class B Principal Deficiency Ledger is reduced to zero (0);
- (10) to the extent not already paid or retained in accordance with item (2)(iii) above, to the payment (or retention, as the case may be) on a *pari passu* and *pro rata* basis of:
 - (i) any Class C Monthly Hedging Net Amounts; and

- (ii) any Class C Hedging Senior Termination Payments (to the extent that such Hedging Senior Termination Payments have not been paid in accordance with the Hedging Collateral Account Priority of Payments);
- (11) to the extent not already paid or retained in accordance with item 3(i)(C), to the payment or retention, as the case may be, on a *pari passu* and *pro rata* basis of any Class C Notes Monthly Interest Amounts;
- (12) to the transfer of all amounts of the Residual Principal Deficiency Ledger by debit of the Interest Account and credit of the Principal Account until the debit balance of the Residual Principal Deficiency Ledger is reduced to zero (0);
- (13) to the payment of the Servicer Fee to the extent the Servicer and the Seller are the same entity or belong to the same group;
- (14) as long as any Class C Notes of any Note Series remains outstanding, to the deposit into the Spread Account for the relevant Class C20xx-yy Notes (if applicable) up to the aggregate Class C20xx-yy Required Spread Amounts;
- (15) during the Programme Amortisation Period (only), to the payment on a *pari passu* and *pro rata* basis of any Seller Share Interest Payable Amount;
- (16) to the payment on a *pari passu* and *pro rata* basis of any Hedging Subordinated Termination Payments (if any) under the relevant Hedging Agreements in the following order of priority:
 - (i) firstly, the Class A Hedging Subordinated Termination Amount (if any);
 - (ii) secondly, the Class B Hedging Subordinated Termination Amount (if any); and
 - (iii) thirdly, the Class C Hedging Subordinated Termination Amount (if any),in each case, to the extent that such Hedging Subordinated Termination Payments have not been paid in accordance with the Hedging Collateral Account Priority of Payments;
- (17) to the payment on a *pari passu* and *pro rata* basis of (i) the General Reserve Interest Amount and (ii) Commingling Reserve Interest Amount;
- (18) to the payment of any Expenses Facility Interest Amount;

- (19) to the repayment on a *pari passu* and *pro rata* basis of: (i) Expenses Facility Principal Amount under the Expenses Subordinated Facility Agreement; (ii) the General Reserve Shortfall Amount under the General Reserve Subordinated Facility Agreement; and (iii) Commingling Reserve Shortfall Amount under the Commingling Reserve Subordinated Facility Agreement;
- (20) to the payment of the Aggregate Deferred Purchase Price remaining unpaid on the preceding Monthly Payment Date;
- (21) to the payment of the remaining credit balance on the Interest Account (but excluding the amounts retained above) to the Seller as Variable Fee.

In case the Available Interest Amount is not sufficient to fully fund the amounts referred to in paragraphs (a) to (e) below, the Management Company will give the following instructions to the Issuer Accounts Bank, in the following order of priority (the **Interest Shortfall Priority of Payments**):

- (a) firstly, in relation to the Relevant Class of Notes, to debit the relevant Hedging Collateral Account subject to, and in accordance with, the Hedging Collateral Account Priority of Payments, to pay or retain (as the case may be) any Monthly Interest Amount due in respect of such Relevant Class of Notes and referred to in the Interest Priority of Payments;
- (b) secondly, by debiting the General Reserve Account up to the credit balance of the Class A General Reserve Ledger to pay on a sequential basis any amounts referred to in items (1), (2)(i) and (3)(i)(A) above, as long as any Class A Note of any Note Series remains outstanding;
- (c) thirdly, by debiting the General Reserve Account up to the credit balance of the Class B General Reserve Ledger to pay on a sequential basis any amounts referred to in items (1), (2)(ii), (3)(i)(B), (6) and (7) above, as long as any Class B Note of any Note Series remains outstanding;
- (d) fourthly, to debit the Spread Account up to the credit balance of the Class C20xx-yy Spread Amount Ledger to pay on a sequential basis any amounts referred to in items (3)(i)(C), (10) and (11) of the Interest Priority of Payments; and
- (e) fifthly, by debiting the Principal Account in accordance with item (1) of the Principal Priority of Payments to pay on a sequential basis any amounts referred to in items (1) to (3)(i)(A), (3)(i)(B), and (3)(i)(C) of the Interest Priority of Payments.

(b) Principal Priority of Payments:

On each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the Management Company will apply the Available Principal Amount towards the following (i) payments from the Principal Account and (ii) retentions on the Principal Distribution Ledger associated with the Principal Account, as the case may be, in the following order of priority (the **Principal Priority of Payments**) but, in each case, only to the extent that all payments, debits and retentions of sums of a higher priority due to be paid, debited or retained on such Monthly Payment Date have been made in full:

- (1) to the payment (or retention, as the case may be), of the amounts referred to in item (e) of the Interest Shortfall Priority of Payments;
- (2) to the payment (or retention, as the case may be) on a *pari passu* and *pro rata* basis of amounts referred to in items (a) and (b) below and, with respect to amounts referred to in item (a), subject to sub-items (i), (ii) or (iii):
 - (a) the relevant Monthly Amortisation Amount:
 - (i) as long as any Class A Note of any Note Series in their Note Series Amortisation Period remains outstanding, the Class A Notes Monthly Amortisation Amount (if any); or
 - (ii) once the Class A Notes of all Note Series in their Note Series Amortisation Period have been redeemed in full and as long as any Class B Note of the same Note Series remains outstanding, the Class B Notes Monthly Amortisation Amount (if any); or
 - (iii) once the Class A Notes and the Class B Note of all Note Series in their Note Series Amortisation Period have been redeemed in full and as long as any Class C Note of the same Note Series remains outstanding, the Class C Notes Monthly Amortisation Amount (if any).
 - (b) during the Programme Revolving Period (only), the SICF Amortisation Amount less any Seller Dilution due by the Seller to the Fund not already received by the Fund on or prior the relevant Calculation Date and not deducted from the Seller Share Interest Payable Amount on such Monthly Payment Date;
- (3) to the extent not already paid or retained in accordance with item 2(a)(ii) and once the Class A Notes of a given Note Series in its Note Series Amortisation Period have been redeemed in full, payment (or retention, as the case may be)

on a *pari passu* and *pro rata* basis of the Class B Notes Monthly Amortisation Amount to the Class B Notes of the same Note Series (if any);

- (4) to the extent not already paid or retained in accordance with item 2(a)(iii) and once the Class A Notes and the Class B Note of a given Note Series in its Note Series Amortisation Period have been redeemed in full, payment (or retention as the case may be) on a *pari passu* and *pro rata* basis of the Class C Notes Monthly Amortisation Amount to the Class C Notes of the same Note Series (if any);
- (5) during the Programme Revolving Period (only), payment in the following order of priority of:
 - (A) the Effective Purchase Price of the Eligible Receivables (in the context of the Initial Transfers and/or Additional Transfers) purchased by the Fund on such date; and
 - (B) the Aggregate Deferred Purchase Price (to the extent not already paid in full in accordance with item (20) of the Interest Priority of Payment);
- (6) during the Programme Revolving Period (only), transfer of the Unapplied Revolving Amount to the Revolving Account;
- (7) during the Programme Amortisation Period (only), payment in the following order of priority of:
 - (A) the Effective Purchase Price of the Eligible Receivables (in the context of the Initial Transfers and/or Additional Transfers) purchased by the Fund on such date; and
 - (B) the Aggregate Deferred Purchase Price (to the extent not already paid in full in accordance with item (20) of the Interest Priority of Payment);
- (8) during the Programme Amortisation Period (only) and once all Notes of all Notes Series have been redeemed in full, payment of the SICF Amortisation Amount, less any Seller Dilution due by the Seller to the Fund not already received by the Fund on or prior the relevant Calculation such Determination Date and not deducted from the Seller Share Interest Payable Amount on such Monthly Payment Date; and
- (9) until the redemption in full of all Notes of all Note Series and the repayment in full of the Seller Interest Credit Facility, retention on the Principal Account of any remaining amounts to be applied as Available Principal Amount on the following Monthly Payment Date and once all Notes of all Note Series and all

Seller Interest Credit Facility have been redeemed in full, transfer of any remaining amounts to the Interest Account to be applied as Available Interest Amount on the following Monthly Payment Date.

By way of exception to the Principal Priority of Payments, in case that on any Monthly Payment Date and in relation to the Class C Notes of any Note Series:

- (i) the sum of (a) the Class C Notes Monthly Amortisation Amount of the Class C20xx-yy Notes of such Note Series and (b) the Class C20xx-yy Spread Amount, is equal or greater to the Class C20xx-yy Principal Amount Outstanding; and
- (ii) the Class A20xx-yy Notes and the Class B20xx-yy Notes of the same Note Series have been redeemed in full,

the payment of the Class C Notes Monthly Amortisation Amount of the Class C20xx-yy Notes of such Note Series referred to in item (4) of the Principal Priority of Payments shall be made by debiting the Spread Account up to its credit balance and in an amount equal to the Class C20xx-yy Spread Amount Ledger.

Priority of Payments during the Programme Accelerated Amortisation Period

During the Programme Accelerated Amortisation Period, the Management Company will apply, on each Monthly Payment Date, the Available Distribution Amount towards the following payments or debits in the following order of priority (the **Accelerated Priority of Payments**) but in each case only to the extent that all payments or debits of a higher priority have been made in full:

- (1) to the payment on a *pari passu* and *pro rata* basis of the Issuer Operating Expenses;
- (2) to the payment on a *pari passu* and *pro rata* basis of:
 - (i) any Class A Monthly Hedging Net Amounts (if any); and
 - (ii) any Class A Hedging Senior Termination Payments (to the extent that such Hedging Senior Termination Payments have not been paid in accordance with the Hedging Collateral Account Priority of Payments);
- (3) to the payment on *pari passu* and *pro rata* basis of the Class A Notes Monthly Interest Amounts;
- (4) to credit the General Reserve Account in an amount equal to the Class A General Reserve Replenishment Amount;

- (5) redemption in full of all Class A Notes of all Note Series on a *pari passu* and *pro rata* basis;
- (6) to the payment on a *pari passu* and *pro rata* basis of:
 - (i) any Class B Monthly Hedging Net Amounts (if any); and
 - (ii) any Class B Hedging Senior Termination Payments (to the extent that such Hedging Senior Termination Payments have not been paid in accordance with the Hedging Collateral Account Priority of Payments);
- (7) to the payment on *pari passu* and *pro rata* basis of the Class B Notes Monthly Interest Amounts;
- (8) redemption in full of all Class B Notes of all Note Series on a *pro rata* and *pari passu* basis;
- (9) to the payment on a *pari passu* and *pro rata* basis of:
 - (i) any Class C Monthly Hedging Net Amounts (if any); and
 - (ii) any Class C Hedging Senior Termination Payments (to the extent that such Hedging Senior Termination Payments have not been paid in accordance with the Hedging Collateral Account Priority of Payments);
- (10) to the payment on a *pari passu* and *pro rata* basis of the Class C Notes Monthly Interest Amounts;
- (11) redemption in full of all Class C Notes of all Note Series on a *pro rata* and *pari passu* basis;
- (12) payment in the following order of priority of:
 - (i) the Effective Purchase Price of the Eligible Receivables (in the context of Additional Transfers only) purchased by the Fund on such date; and
 - (ii) the Aggregate Deferred Purchase Price;
- (13) to the payment on a *pari passu* and *pro rata* basis of any Hedging Subordinated Termination Payments in the following order of priority:
 - (i) firstly, the Class A Hedging Subordinated Termination Amount;

- (ii) secondly, the Class B Hedging Subordinated Termination Amount;
and
 - (iii) thirdly, the Class C Hedging Subordinated Termination Amount;
- in each case, to the extent that such Hedging Subordinated Termination Payments have not been paid in accordance with the Hedging Collateral Account Priority of Payments;
- (14) to the payment on a *pari passu* and *pro rata* basis of any Seller Share Interest Payable Amount;
 - (15) to the payment of the Servicer Fee to the extent the Servicer and the Seller are the same entity or belong to the same group;
 - (16) repayment in full of unpaid interest and principal under the Seller Interest Credit Facility;
 - (17) in or towards satisfaction on *pari passu* and *pro rata* basis of: (i) the General Reserve Interest Amount and (ii) the Commingling Reserve Interest Amount.
 - (18) to the payment of any Expenses Facility Interest Amount;
 - (19) to the repayment on a *pari passu* and *pro rata* basis of: (i) Expenses Facility Principal Amount under the Expenses Subordinated Facility Agreement; (ii) the General Reserve Shortfall Amount under the General Reserve Subordinated Facility Agreement; and (iii) Commingling Reserve Shortfall Amount under the Commingling Reserve Subordinated Facility Agreement;
 - (20) to the payment of the remaining credit balance on the Interest Account as Variable Fee.

Hedging Collateral Account Priority of Payments

Amounts standing to the credit of each Hedging Collateral Account will not be available for the Fund to make payments to the Noteholders and any other creditor of the Fund, but will be applied only in the following circumstances (the **Hedging Collateral Account Priority of Payments**):

- (a) prior to the occurrence or designation of an Early Termination Date (as defined under the relevant Hedging Agreement) in respect of the relevant Hedging Agreement, solely in or towards payment or transfer of:
 - (i) any return of Collateral (as defined under the relevant Hedging Agreement) to the relevant hedging counterparty pursuant to the terms of the relevant Hedging Agreement;

- (ii) any interest or other revenues relating to any securities or cash comprising Collateral (as defined under the relevant Hedging Agreement); and
 - (iii) any return of Collateral (as defined under the relevant Hedging Agreement) to the relevant Hedging Counterparty upon a transfer or novation of its obligations under the relevant Hedging Agreement to a replacement hedging counterparty, on any day (whether or not such day is a Payment Date), directly to the aforesaid Hedging Counterparty;
- (b) upon or immediately following the designation of an Early Termination Date in respect of the relevant Hedging Agreement where:
- (i) such Early Termination Date has been designated following an Event of Default (as defined in the relevant Hedging Agreement) in respect of which the relevant Hedging Counterparty is the Defaulting Party or a Termination Event (each as defined in the relevant Hedging Agreement) (other than a Tax Event, Illegality or Force Majeure) in respect of which the relevant Hedging Counterparty is an Affected Party (as defined in the relevant Hedging Agreement); and
 - (ii) the Fund enters into a replacement Hedging Agreement on or about the early termination date;
 - (iii) on the later of the day on which such replacement Hedging Agreement is entered into and the day on which such Replacement Hedging Premium (if any) payable to the Fund has been received (in each case, whether or not such day is a Payment Date), in the following order of priority:
 - (B) first, in or towards payment of any Replacement Hedging Premium (if any) payable by the Fund to a replacement hedging counterparty in order to enter into a replacement Hedging Agreement with the Fund with respect to the relevant Hedging Agreement being novated or terminated;
 - (C) second, in or towards payment of any Hedging Subordinated Termination Payment due to the relevant outgoing Hedging Counterparty; and
 - (D) third, only following satisfaction in full of all amounts owing to the relevant outgoing Hedging Counterparty, on such day, any Hedging Collateral Account Surplus to be transferred to the Interest Account, which will form part of the Available Interest Amounts;
- (c) following the designation of an early termination date in respect of the relevant Hedging Agreement where:

- (i) such Early Termination Date has been designated following an Event of Default (as defined in the Hedging Agreement) in respect of which the relevant Hedging Counterparty is the Defaulting Party or a Termination Event (as defined in the relevant Hedging Agreement) (other than a Tax Event, Illegality or Force Majeure) in respect of which the relevant Hedging Counterparty is an Affected Party (as defined in the relevant Hedging Agreement); and
 - (ii) the Fund is unable to enter into a replacement Hedging Agreement on or about the early termination date, on any day (whether or not such day is a Payment Date) in or towards payment of any Hedging Subordinated Termination Payment due to the relevant outgoing Hedging Counterparty;
- (d) following the designation of an Early Termination Date in respect of the relevant Hedging Agreement where such Early Termination Date has been designated otherwise than as a result of one of the events specified under paragraphs (b) and (c) above, on any day (whether or not such day is a Payment Date) in or towards payment of any Hedging Senior Termination Payments due to the relevant outgoing Hedging Counterparty;
- (e) following payment of any amounts due pursuant to paragraphs (c) and (d) above, if amounts remain standing to the credit of the relevant Hedging Collateral Account, such amounts may be applied only in accordance with the following provisions:
 - (i) firstly, on any day (whether or not such day is a Payment Date), in or towards payment of any Replacement Hedging Premium (if any) payable by the Fund to a replacement hedging counterparty in order to enter into a replacement Hedging Agreement with the Fund with respect to the relevant Hedging Agreement being terminated;
 - (ii) secondly, on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, in or towards payment or retention (as the case may be) on a *pari passu* and *pro rata* basis of any Monthly Interest Amount due on such Monthly Payment Date in respect of the Class of Notes of the relevant Note Series of the Affected Note (the **Relevant Class of Notes**), subject to, and in accordance with, the Interest Shortfall Priority of Payments;
 - (iii) thirdly, on any Monthly Payment Date (i) during the Programme Accelerated Amortisation Period or (ii) during the Programme Revolving Period and the Programme Amortisation Period but only after redemption in full of all Notes of the Relevant Class of Notes, any surplus would constitute the Hedging Collateral Account Surplus, which will be credited to the Interest Account and form part of the Available Interest Amounts.

3.4.7.3. Payments in arrears

If on any relevant Monthly Payment Date, the Available Distribution Amount is not sufficient to pay, transfer to another Issuer Account, redeem any amount then due and payable or to be transferred or to be redeemed or retain any amount, such unpaid amount shall constitute arrears which will become due and payable by the Fund on the next following Monthly Payment Date, at the same rank, but in priority to the payment of the amounts of same nature in the applicable Priority of Payments and such amounts in arrears shall not bear interest.

3.4.7.4. Variable fee

On each Monthly Payment Date, the Seller will be entitled to receive a variable fee (the **Variable Fee**) on each Monthly Payment Date and equal to the Available Distribution Amounts remaining on such Monthly Payment Date after payment or retention of all other amounts payable or retainable by the Fund in accordance with the applicable Priority of Payments.

Once the Fund has been liquidated and all the payments have been made pursuant to the Accelerated Priority of Payments set out in section 3.4.7.2 of the Additional Building Block, if there is any remaining amount, such remaining amount will also be paid to the Seller as Variable Fee. In the event that such remaining amount is not a liquid amount (totally or partially), and consists of Receivables subject to court or out-of-court proceedings initiated as a result of the payment default or otherwise by the corresponding Borrower, both the continuation of such proceedings and the outcome thereof will be in favour of the Seller. For such purposes, if necessary, the Management Company and the Seller shall enter into the documents required to ensure the succession of the Seller in the position of the Fund in any such proceedings.

In the event that the Variable Fee is subject to any taxation, the Seller shall bear any such taxation and the Fund will not be required to make any increased payments to compensate such taxation.

3.4.7.5. Fund Expenses

The Fund will pay the Initial Expenses, the Note Series Issue Expenses, the Ordinary Expenses and the Extraordinary Expenses that accrue throughout its life.

(a) Non-operative expenses of the Fund (the **Fund Non-Operative Expenses**)

The Fund Non-Operative Expenses shall be composed by the Initial Expenses and the Note Series Issue Expenses (as these terms are defined below).

(i) Initial Expenses

The estimate of the initial expenses (the **Initial Expenses**) incurred in the incorporation of the Fund is detailed in section 6 of the Securities Note.

The Initial Expenses will be paid out of the proceeds of the Expenses Subordinated Facility and without being subject to the Priority of Payments.

(ii) Note Series Issue Expenses

Any expenses incurred in connection with the issue of the Notes of any Notes Series, including the execution and filing of any Issuing Document and any fees and costs payable in connection therewith –i.e. CNMV, IBERCLEAR, AIAF/MARF, Rating Agencies fees, legal fees, etc.- (the **Note Series Issue Expenses**) will be paid (i) firstly, with the Expenses Subordinated Facility and without being subject to the Priority of Payments and (ii) secondly, provided that there are no sufficient available undrawn amounts under the Expenses Subordinated Facility, as an Extraordinary Expense in accordance with the below.

The Note Series Issue Expenses in connection with each Notes Series will be determined before the issue corresponding Notes Series takes place and will be disclosed in the Issuing Document on the occasion of each Notes Series.

Although the actual value of Note Series Issue Expenses for any Note Series issuance cannot be determined in advance (as it will depend among other unknown factors, on the Note Series 20xx-yy Initial Principal Amount) an amount of EUR 100,000 is provided as an estimate of said expenses in which the Fund could incur per EUR 100,000,000 of issued Notes at any given time in the future.

(b) Expenses throughout the life of the Fund (the **Issuer Operating Expenses**)

The Issuer Operating Expenses shall be composed by the Ordinary Expenses and the Extraordinary Expenses (as these terms are defined below).

Ordinary Expenses

Ordinary Expenses shall be those which are necessary for the regular operation of the Fund that may or will accrue in the Fund, including:

- (i) taxes (including administrative fees);
- (ii) remuneration of the Management Company;
- (iii) remuneration of the Paying Agent;
- (iv) Servicer Fee;
- (v) remuneration of the Auditor of the Fund;

- (vi) remuneration of the auditor or third party expert appointed for the annual audit of the portfolio of Receivables pooled at the Fund;
- (vii) expenses that may arise from mandatory administrative verifications (including, without limitation, CNMV, AIAF, MARF and IBERCLEAR fees), registrations and authorizations not included in the Initial Expenses;
- (viii) fees payable to PCS in connection with the Notes of any Note Series receiving the PCS Label (if applicable);
- (ix) fees payable in connection with the European Data Warehouse;
- (x) fees payable to the Relevant Ratings Agencies for monitoring and maintaining the rating of the Notes;
- (xi) expenses relating to the Notes bookkeeping, involving their representation by the book-entry system, any admission-related expenses that arise from time to time, and the maintenance of all of the above, not included in the Initial Expenses;
- (xii) the expenses incurred in the redemption of the Notes (i.e. IBERCLEAR); and
- (xiii) the expenses incurred in the announcements and notifications relative to the Fund and/or the Notes.

The Management Company will send instructions to the Paying Agent for the payment of all the Fund Ordinary Expenses that accrue throughout its life, and will be paid to their respective beneficiaries pursuant to the relevant Priority of Payments.

Although the actual amount of Ordinary Expenses cannot be determined in advance as it will depend among other on fixed and variable factors linked to the Outstanding Principal Balance of the Purchased Receivables, an amount of EUR 10,000,000 is provided as an estimate of said yearly expenses in which the Fund could incur in the future.

Extraordinary Expenses

Extraordinary Expenses shall include:

- (i) expenses that are incurred in liquidating the Fund;
- (ii) expenses arising from the preparation and formal execution of the amendment of the Deed of Incorporation and of the Fund's Agreements, Prospectus Supplement as well as for the execution of additional contracts.
- (iii) the expenses necessary for the enforcement of the Receivables and those derived from the necessary recovery actions;

- (iv) all fees, costs, expenses and taxes required to be paid in order to preserve the existence of the Fund or to maintain it in good standing or to comply with the applicable legislation;
- (v) any expenses incurred in case of termination of the issue of a Notes Series;
- (vi) extraordinary audit and legal advice expenses; and
- (vii) in general, any other extraordinary expenses incurred by the Fund or by the Management Company, on behalf of and for the account of the same.

The Management Company will send instructions to the Paying Agent for the payment of all the Fund Extraordinary Expenses that accrue throughout its life, and will be paid to their respective beneficiaries pursuant to the relevant Priority of Payments (or, if the date on which they fall due is not a Payment Date, if necessary, without following the relevant Priority of Payments on the date on which they fall due).

3.4.8. Other arrangements upon which payments of interest and principal to investors and to the lender under the Subordinated Facilities are dependent

3.4.8.1. Hedging Agreements

General

The Receivables to be purchased by the Fund bear an adjustable fixed interest rate while the Class A Notes and/or the Class B Notes and/or the Class C Notes of any Note Series may bear a floating rate of interest as specified in the relevant the Issuing Document.

Consequently, the Fund may be exposed to interest rate risk which may be hedged through the setting of a Maximum Interest Rate to the relevant Notes or with any Class A Hedging Agreement on the issue of any Class A Floating Rate Notes, any Class B Hedging Agreement on the issue of any Class B Floating Rate Notes and any Class C Hedging Agreement on the issue of any Class C Floating Rate Notes entered into between the Fund, represented by the Management Company, and any Eligible Hedging Counterparties.

If the interest rate exposure of the Fund in relation to any Class of Notes of any Note Series is to be hedged by the entering into a Hedging Agreement in respect of the relevant Class of Notes of a Note Series (the **Hedged Notes**), the Management Company, on behalf of the Fund, will enter into one or more Hedging Agreements with Eligible Hedging Counterparties, as specified in the relevant Issuing Document in respect of the Hedged Notes. It is expected that the Hedging Agreements will be interest rate swaps, but other financial derivatives agreements (eg. interest rate collar, interest rate cap) may be entering into for hedging purposes by the Management Company, on behalf of the Fund, depending on the conditions of the financial markets at the time the Hedged Notes are issued.

The Hedging Agreements will each be documented by means of (i) a master netting agreement in the form of the 2002 ISDA Master Agreement (Multicurrency-Cross Border), as published by the International Swaps and Derivatives Association, Inc., (an **ISDA Master Agreement**) the schedule and the credit support annex thereto (an **ISDA Credit Support Annex**), together with the confirmation setting out the terms of each hedging transaction, (ii) a Contrato Marco de Operaciones Financieras (a **CMOF Master Agreement**) in its 2013 version (or any other version as selected by the Management Company), as prepared by the Spanish Bankers Association (*Asociación Española de Banca*) and the Spanish Savings Banks Association (*Confederación Española de Cajas de Ahorros*), together with its Annex I, the credit support annex thereto (*Anexo III – Acuerdo de Realización de Cesiones en Garantía*) (the **CMOF Credit Support Annex**, and together with the ISDA Credit Support Annex, the **Credit Support Annex**) and the confirmation setting out the terms of each Hedging Agreement, or (iii) any other financial transactions master netting documentation which the Management Company deems suitable for the relevant Hedging Agreement.

The Management Company may, on behalf of the Fund, (i) enter into master netting agreements (together with the applicable Credit Support Annexes or any other equivalent credit support agreements) to hedge one or more Notes Series, in which case a master netting agreement may cover more than one hedging transaction and therefore hedge various series of Hedged Notes; (ii) enter into specific individual master netting agreements in respect of each series of Hedged Notes, in which case the Fund may enter into multiple Hedging Agreements in order to hedge individual (or specific groups of) series of Hedged Notes, or (iii) enter into a combination of the foregoing, as decided by the Management Company, on behalf of the Fund, on a case by case basis.

Payments under the Hedging Agreements

If the relevant hedging transactions entered into under the Hedging Agreements are interest rate swap transactions (**IRSS**), the basic structure of the hedging transactions to be entered into by the Fund is expected to be as follows:

- (a) The Eligible Hedging Counterparties will pay to the Fund on the payment dates specified in the relevant transaction confirmations, an amount calculated by reference to the Reference Rate payable on the Hedged Notes.
- (b) The Eligible Hedging Counterparties will receive from the Fund on, on the payment dates specified in the relevant transactions confirmations, , an amount calculated with reference to a fixed rate.
- (c) Netting between the foregoing fixed and floating payments will apply, in accordance with the terms specified below and pursuant to the Hedging Agreements.
- (d) The applicable notional amount for the relevant IRSSs will be the aggregate Principal Amount Outstanding of the Hedged Notes on each Payment Date or, otherwise, as set out in the relevant transaction confirmations.

- (e) The Calculation Agent (as defined in the Hedging Agreement) under the Hedging Agreements shall be set out in the relevant Hedging Agreements.
- (f) The fixed rate payable by the Fund under each IRS shall be as agreed between the Management Company, on behalf of the Fund, and the applicable Eligible Hedging Counterparties and shall be set out in the relevant transaction confirmation.
- (g) Where any Hedging Net Amount is due to be paid by the relevant Eligible Hedging Counterparty, the Eligible Hedging Counterparty will make the relevant payment to the Fund on the payment date set out in the relevant transaction confirmation.
- (h) Where the Hedging Net Amount is due to be paid by the Fund, the Fund will make the relevant payment to the relevant Eligible Hedging Counterparty on the payment date set out in the relevant transaction confirmation but subject to and in accordance with the Interest Priority of Payments.

Early Termination

The occurrence of certain termination events and events of default shall be set out in each Hedging Agreement which may cause the termination of such Hedging Agreement prior to its stated termination date, and which may include, among others, the following **Additional Termination Events** (as such term shall be defined in the relevant Hedging Agreements):

- (a) Amendments to the provisions of Section 17 of the Deed of Incorporation of the Fund (and as described in Section 3.4.7 of the Additional Building Block) without the prior written consent of the Eligible Hedging Counterparty, such that the Funds' obligations to the Eligible Hedging Counterparty under the Hedging Agreement are further contractually subordinated to Fund's obligations to any other party.
- (b) If any of the Programme Documents is amended without the Hedging Counterparty's prior written consent, where the Eligible Hedging Counterparty reasonably determines that such amendment would have a material adverse effect on its interests as a result of materially adversely affecting the timing, amount, enforceability or priority in respect of any payment, delivery or any other contractual rights of the Eligible Hedging Counterparty under the Hedging Agreement or any other relevant Programme Document.
- (c) The occurrence in respect of the Fund of an Accelerated Amortisation Event.
- (d) The notice by the Management Company that it will proceed to liquidate or extinguish the Fund pursuant to the provisions set out in Section 4.4.3 of the Registration Document.

In addition, a Hedging Agreement may be terminated by either of the Management Company, on behalf of the Fund, or the relevant Eligible Hedging Counterparty in circumstances affecting the other party which may include circumstances where:

- (a) the other party is in default by reason of failure to make payments;
- (b) the other party breaches certain other obligations under the Hedging Agreement (other than payment obligations); or
- (c) the other party is insolvent or falls under any of the events classified as bankruptcy or insolvency events under the relevant Hedging Agreement, subject to certain exceptions applicable in respect of the Fund.

Moreover, a Hedging Agreement may also be terminated by either of the Management Company, on behalf of the Fund, or the relevant Eligible Hedging Counterparty, in the event that:

- (a) it becomes unlawful under any applicable law (including without limitation the laws of any country in which payment, delivery or compliance is required by either party) for a party to the relevant Hedging Agreement to make or receive payments or deliveries or to comply with any other material obligation under the relevant Hedging Agreement;
- (b) by reason of force majeure or act of state (so long as the force majeure or act of state is beyond the control of such party) occurring after a transaction is entered into, a party to the relevant Hedging Agreement is prevented from performing its payment obligations, from receiving any payments or deliveries or otherwise performing any material obligations under the relevant Hedging Agreement; or
- (c) a party to the relevant Hedging Agreement is obliged to gross up payments following any withholding or deduction for or on account of any taxes or it receives a payment in respect of which an amount is required to be deducted or withheld for or on account of any taxes.

Rating Events

The Hedging Agreements may provide that if a Rating Event (as described in the Hedging Agreements and in the relevant Issuing Document) (a **Rating Event**) occurs in relation to an Eligible Hedging Counterparty, the affected Eligible Hedging Counterparty shall carry out, within the time frame specified in the relevant Hedging Agreement, one or more remedial measures at the cost of the Eligible Hedging Counterparty which will include the following:

- (a) transfer or novate all of its rights and obligations under the relevant Hedging Agreement to another suitably rated Eligible Hedging Counterparty;
- (b) arrange for another suitably rated entity to become co-obligor or guarantor in respect of the obligations of the Eligible Hedging Counterparty;
- (c) post collateral to support its obligations under the Hedging Agreement; and/or

- (d) take such other action as will result in the rating of the Hedged Notes then outstanding following the taking of such action (or following such non-action) being rated no lower than the rating of the Hedged Notes immediately prior to the relevant downgrade of the relevant Eligible Hedging Counterparty.

If, following a Rating Event with respect to the relevant Eligible Hedging Counterparty, the relevant Eligible Hedging Counterparty fails to take any one of the required measures set out in the Hedging Agreement within the relevant time period specified therein then, subject to any terms specified under the Hedging Agreement, such failure may constitute a Termination Event with the Fund being entitled to terminate the relevant Hedging Agreement if certain conditions are met.

Collateral

Following the occurrence of a Rating Event in respect of an Eligible Hedging Counterparty, as described above, the relevant Eligible Hedging Counterparty may be required to transfer additional collateral in accordance with the relevant Credit Support Annex.

Any collateral in the form of cash will be deposited to the credit of the Hedging Collateral Cash Account and any collateral in the form of securities will be deposited to the credit of the Hedging Collateral Securities Account which may be opened at such time. The Hedging Collateral Cash Account has been opened with the Issuer Accounts Bank.

The parties to the Programme Documents who receive and hold monies or provide support to the transaction pursuant to the terms of such documents (such as the Issuer Accounts Bank) are required to satisfy certain criteria to continue to be counterparty to the Fund. These criteria include requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such party by the Relevant Rating Agencies (ie. the Account Bank Required Ratings). If the Issuer Accounts Bank ceases to satisfy the applicable criteria, then the role of Issuer Accounts Bank will be transferred to another entity which does satisfy the applicable Account Bank Required Ratings.

Amounts standing to the credit of each Hedging Collateral Account will not be available for the Fund to make payments to the Noteholders or any other creditor of the Fund, but will be applied only as set out in the Hedging Collateral Account Priority of Payments. The Fund's obligation to return, from time to time, any collateral standing to the Hedging Collateral Accounts to an Eligible Hedging Counterparty will be met, from time to time, by utilising monies and/or securities standing to the credit of the Hedging Collateral Accounts, in the manner and subject to the provisions of the Hedging Collateral Account Priority of Payments, and not in accordance with the Interest Priority of Payments or the Principal Priority of Payments or other distribution rules applicable to other creditors of the Fund, without prejudice to any early termination amounts due to the Hedging Counterparty.

Governing law

The Hedging Agreements and any non-contractual obligations arising out of or in connection with any of them, may be governed by English law (in the case of ISDA Master Agreements) or by Spanish law (in the case of CMOF Master Agreements).

For these purposes:

Class A Hedging Senior Termination Payment means, on any relevant Monthly Payment Date, the aggregate amount of all Hedging Senior Termination Payments with respect to any relevant Class A Hedging Agreements (if any).

Class A Hedging Subordinated Termination Amount means on any relevant Monthly Payment Date, the Class A Hedging Subordinated Termination Payments, determined by the Management Company on the preceding Calculation Date.

Class A Hedging Subordinated Termination Payment means, on any relevant Monthly Payment Date, the aggregate amount of the Hedging Subordinated Termination Payments with respect to any relevant Class A Hedging Agreements (if any),

Class A Monthly Hedging Net Amounts means, with respect to a Monthly Payment Date, the sum of all Class A20xx-yy Monthly Hedging Net Amounts determined by the Management Company to be retained and/or paid (as applicable) on such Monthly Payment Date in accordance with the applicable Priority of Payments.

Hedging Senior Termination Payment means in relation to any Hedging Agreement, the sum of any termination payments due and payable by the Fund to the relevant Eligible Hedging Counterparty under such Hedging Agreement other than as a result of the occurrence of (a) an Event of Default or (b) a Termination Event (in each case (a) and (b) as defined in the relevant Hedging Agreement), where the Eligible Hedging Counterparty is not the Defaulting Party or the Affected Party, as applicable (in each case as defined in the relevant Hedging Agreement).

Hedging Subordinated Termination Payment means in relation to any Hedging Agreement, the sum of any termination payments due and payable by the Fund to the relevant Eligible Hedging Counterparty under such Hedging Agreement as a result of the occurrence of (a) an Event of Default or (b) a Termination Event (other than a Tax Event, Illegality or Force Majeure) (in each case (a) and (b) as defined in the relevant Hedging Agreement) where the Eligible Hedging Counterparty is the Defaulting Party or the Affected Party, as applicable (in each case as defined in the relevant Hedging Agreement).

3.4.8.2. Paying Agency Agreement

The Management Company, on behalf of and for the account of the Fund, will enter into a Paying Agency Agreement with the Paying Agent for the financial servicing of the Notes Series, whose main terms and conditions are described in section 5.2 of the Securities Note.

3.5. Name, address and significant business activities of originators of the securitized assets

Servicios Financieros Carrefour, E.F.C., S.A. was incorporated on 15 June 1990. Its registered address is at calle Juan Esplandiú nº 11, 28007 Madrid.

It is a financial institution (“credit financial establishment-hybrid payment entity” or “*establecimiento financiero de crédito-entidad de pago híbrida*”), duly registered with number 8.795 in the Bank of Spain Registry of Financial Credit Establishments.

At 31 December 2015, its share capital was comprised of 3,089,424 nominative shares, each with a face value of 6.01 euros, with identical financial and political rights, fully subscribed and paid in and without any restrictions on transfer. At 31 December 2015, the shareholders of the Seller were the following:

	Percentage holding
Centros Comerciales Carrefour, S.A.	55.92
BNP Paribas Personal Finance, S.A.	37.28
Carrefour Banque, S.A.	6.80
	100.00

Activities

Whilst the Seller is duly licensed to provide (i) lending activities (consumer credit, credit agreements relating to immovable property and financing of commercial transactions), (ii) factoring (with or without recourse), (iii) certain payment services such as the issuing of credit cards and (iv) guarantees and similar commitments, it is currently only engaged in the provision of consumer credit to individuals (either linked to the use of the credit card issued by the Seller or taking the form of separate loans to finance specific transactions).

The granting of financing is limited to Spain (which is where virtually all of the income that constitutes its turnover is generated).

Balance sheets and profit and loss accounts

The tables below show a summary of the individual and audited balance sheet and profit and loss account of the Seller for 2013, 2014 and 2015, including provisional and unaudited data for 2016:

EUR MILLION

	2013	% Progr.	2014	% Progr.	2015	% Progr.	2016 *	% Progr.
Financial Margin	153.9	2.8	185.6	20.6	209.2	12.7	235.8	12.7
Others Incomes	55.4	0.5	64.1	15.8	64.0	-0.1	69.2	8.0
Net Operating Income	209.2	2.2	249.7	19.3	273.3	9.4	305.0	11.6
Operating Expenses	-58.5	9.7	-68.9	17.8	-76.1	10.4	-82.8	8.8
Gross operating profit	150.7	-0.5	180.8	19.9	197.2	9.1	222.2	12.7
Cost of Risk	-76.6	19.5	-50.2	-34.4	-40.7	-18.8	-49.8	22.2
Income before taxes	74.1	-15.2	130.6	76.1	156.4	19.8	172.4	10.2
Income Tax	-22.2	-15.2	-39.1	75.8	-47.4	21.1	-51.7	9.2
NET INCOME	51.9	-15.2	91.4	76.2	109.0	19.2	120.7	10.7

(*): Provisional and not audited

ASSETS	2013	% Progr.	2014	% Progr.	2015	% Progr.	2016 *	% Progr.
EUR MILLION								
Intangible and Fixed assets	3.9	29.9	7.0	80.0	11.8	68.8	12.7	8.2
Tax receivables	32.5	2.4	33.1	1.8	31.6	-4.5	33.3	5.2
Other assets	2.3	-63.8	4.0	77.9	3.2	-20.7	2.2	-29.5
Derivatives (assets)	0.0	na	0.0	na	0.0	-97.4	0.2	na
Loans on financial customers	1,342.6	-0.9	1,572.3	17.1	1,734.0	10.3	1,906.1	9.9
Available for sale financial assets	0.2	13.3	0.2	-11.8	0.2	0.0	0.2	0.0
Cash	0.0	0.0	0.1	na	0.0	-73.8	0.0	-93.8
Total assets	1,381.5	-1.0	1,616.7	17.0	1,780.8	10.1	1,954.7	9.8

LIABILITIES	2013	% Progr.	2014	% Progr.	2015	% Progr.	2016 *	% Progr.
EUR MILLION								
Financial Debts	1,105.5	-2.8	1,268.9	14.8	1,419.7	11.9	1,522.1	7.2
Provisions	1.3	-54.2	1.1	-11.1	2.5	122.8	2.3	-7.5
Taxes Liabilities	3.4	4.7	6.6	96.1	6.9	3.9	5.5	-20.4
Other Liabilities	13.9	-42.1	41.4	197.1	35.5	-18.5	67.5	90.0
Total liabilities	1,124.1	-3.7	1,318.1	17.3	1,464.5	11.1	1,597.3	9.1
Capital stock	18.6	0.0	18.6	0.0	18.6	0.0	18.6	0.0
Premium	85.7	0.0	85.7	0.0	85.7	0.0	85.7	0.0
Retained earnings	108.4	39.3	108.5	0.0	108.4	0.0	135.7	25.2
Net Income	51.9	-15.2	91.4	76.2	109.0	19.2	120.7	10.7
Valuation adjustments	-7.2	-51.4	-5.5	-23.4	-5.5	-0.6	-3.3	-38.9
Equity	257.4	12.6	298.7	16.0	316.3	5.9	357.3	13.0
Total liabilities and shareholders equity	1,381.5	-1.0	1,616.7	17.0	1,780.8	10.2	1,954.7	9.8

(*): Provisional and not audited

The non-performing ratio (*ratio de morosidad*) reflected in the notes to the balance sheet and profit and loss accounts (*memorias*) of the Seller for the years 2013, 2014 and 2015 is, respectively, 14.9%, 11.5% and 10.9%. For the year 2016 it is 9.3% (a figure which is still provisional and not audited).

The solvency ratio (*ratio de solvencia*) reflected in the notes to the balance sheet and profit and loss accounts (*memorias*) of the Seller for the years 2013, 2014 and 2015 is, respectively, 14.4%, 12.3% and 10.5%. For the year 2016 it is 10.9% (a figure which is still provisional and not audited), which is higher than the 8% required by applicable laws (Law 10/2014 and related legislation) and shows an excess in absolute figures of EUR 60 million compared with an excess of EUR 47 million as at the close of 2015.

Own funds of the Seller are all Tier 1 capital.

3.5.1. Historic Performance information for Credit Cards originated by the Seller

(a) General

The graphs of this section have been prepared on the basis of the internal records of SFC. SFC has extracted data on the historical performance of its entire portfolio of Receivables arising from its portfolio of Credit Card Agreements with the following criteria:

- (i) the Credit Card Agreements are executed in Spain;
- (ii) the Borrowers are at least 18 years old at the time of execution of the Credit Card Agreements;

- (iii) the Borrowers are domiciled in Spain at the time of execution of the Credit Card Agreements;
- (iv) the Borrowers benefit from a Credit Limit with any of the following Credit Cards:
 - (A) Classic - PASS credit card;
 - (B) Gold - PASS credit card;
 - (C) Business - PASS credit card; or
 - (D) Employee - PASS credit card.

Classic - PASS credit cards represent 99.35% of the Aggregate Outstanding Debt of all Client Accounts considered for the purposes of the information included in this section.

The historical performance data has been extracted starting from January 2012 and ending on January 2017 (included).

In addition, for the purposes of the information contained in this section, only interest-bearing instalments (*crédito*) have been considered.

Actual performance may be influenced by a variety of economic, social, geographic and other factors beyond the control of SFC. It may also be influenced by changes in SFC's Credit and Servicing Policies.

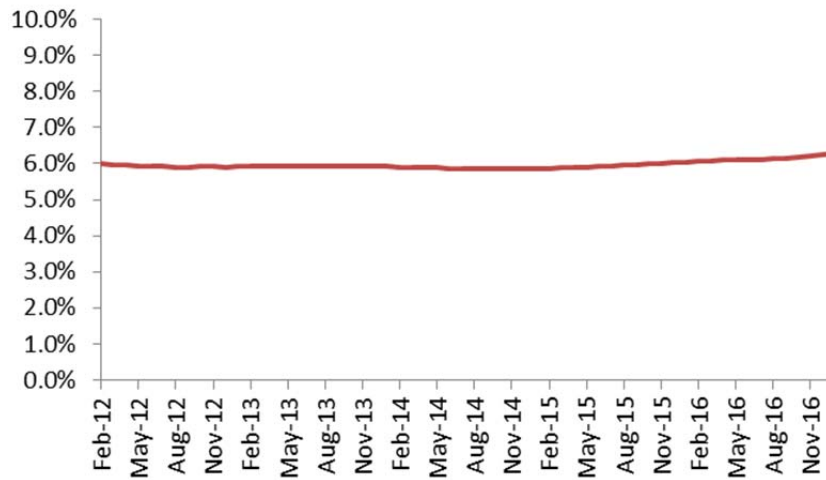
There can be no assurance that the future experience and performance of the Purchased Receivables will be similar to the historical performance set out in the tables below.

The notion of "defaulted Client Account" used in this section refers to any Client Accounts which have been accelerated pursuant to its Servicing Policies procedures.

(b) 12M-Average Monthly Payment Rate

The 12M-Average Monthly Payment Rate is calculated as the 12 months moving average of the ratio between (i) the total interest, principal and insurance payments received in a particular month (including the principal repayment, interest payment late payment fees and insurance premium, but excluding any recoveries and interchanges) and (ii) the total Aggregate Outstanding Debt of all Client Accounts other than the defaulted Client Accounts at the beginning of each month, expressed as a percentage.

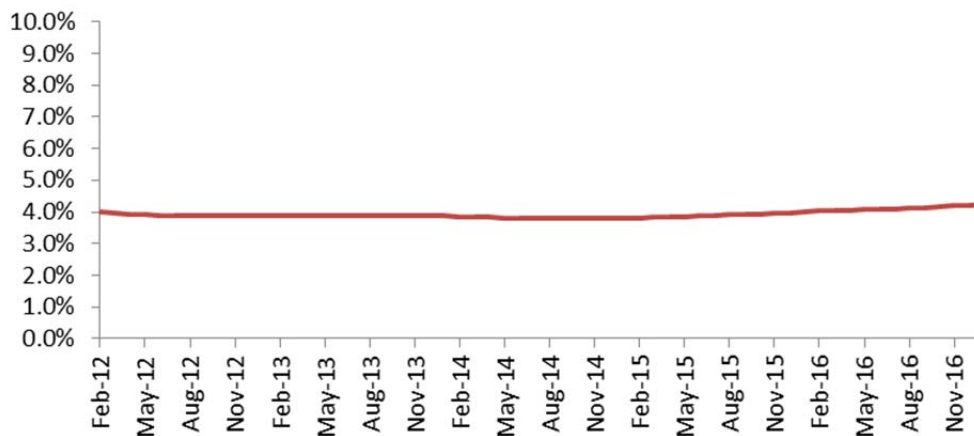
12M-Average Monthly Payment Rate



(c) 12M-Average Monthly Principal Payment Rate

The 12M-Average Monthly Principal Payment Rate is calculated as the 12 months moving average of the ratio between (i) the total principal payments received in a particular month (including periodic component, partial prepayments and total prepayments) and (ii) the total Aggregate Outstanding Debt of all Client Accounts other than the defaulted Client Accounts (excluding at the beginning of each month, expressed as a percentage).

12M-Average Monthly Principal Payment Rate



(d) Gross Purchase Rate

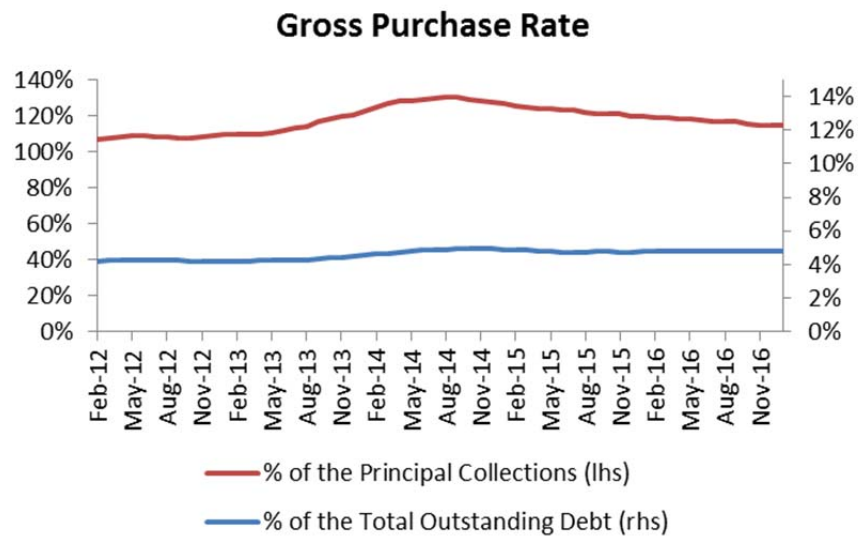
The Gross Purchase Rate is calculated as:

- (i) the 12 months moving average of the ratio between (i) the new advances amount realised during a month and (ii) the total principal payments received

in a particular month (including periodic component, partial prepayments, total prepayments and any amount resulting from contract migration), in case of “% of the Principal Collections”;

- (ii) the 12 months moving average of the ratio between (i) the new advances amount realised during a month and (ii) the total Aggregate Outstanding Debt of all Client Accounts other than the defaulted Client Accounts at the beginning of each month, in case of “% of the total Aggregate Outstanding Debt”.

The Gross Purchase Rate is expressed as a percentage.

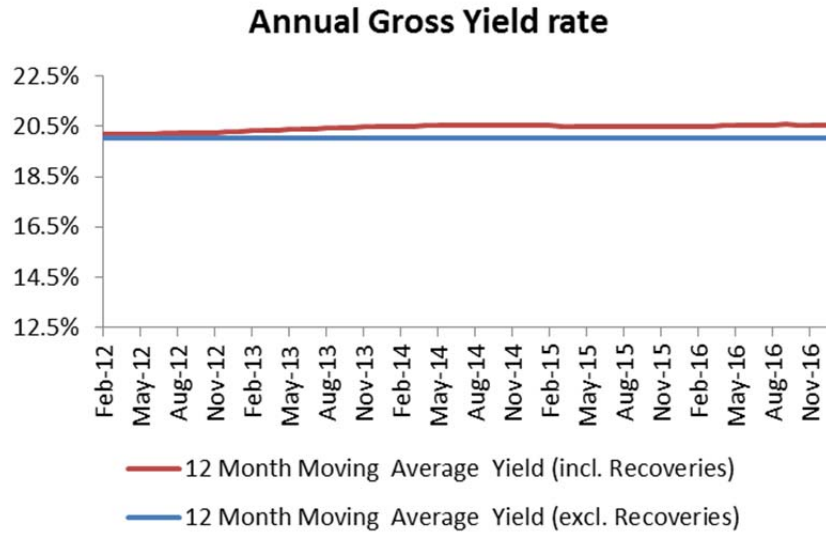


- (e) Annual Gross Yield Rate

The annual yield rate is calculated as:

- (i) the 12 months moving average of the ratio between (i) the total interest payments (including any late payment fees but excluding the insurance premiums) in a particular month multiplied by 12 and (ii) the total Aggregate Outstanding Debt of all Client Accounts other than the defaulted Client Accounts at the beginning of each month, in case of “Annual Yield Rate (incl. Recoveries)”;
- (ii) the 12 months moving average of the ratio between (i) the total interest payments (including any late payment fees but excluding the insurance premiums and recoveries) in a particular month multiplied by 12 and (ii) the total Aggregate Outstanding Debt of all Client Accounts other than the defaulted Client Accounts at the beginning of each month, in case of “Annual Yield Rate (excl. Recoveries)”.

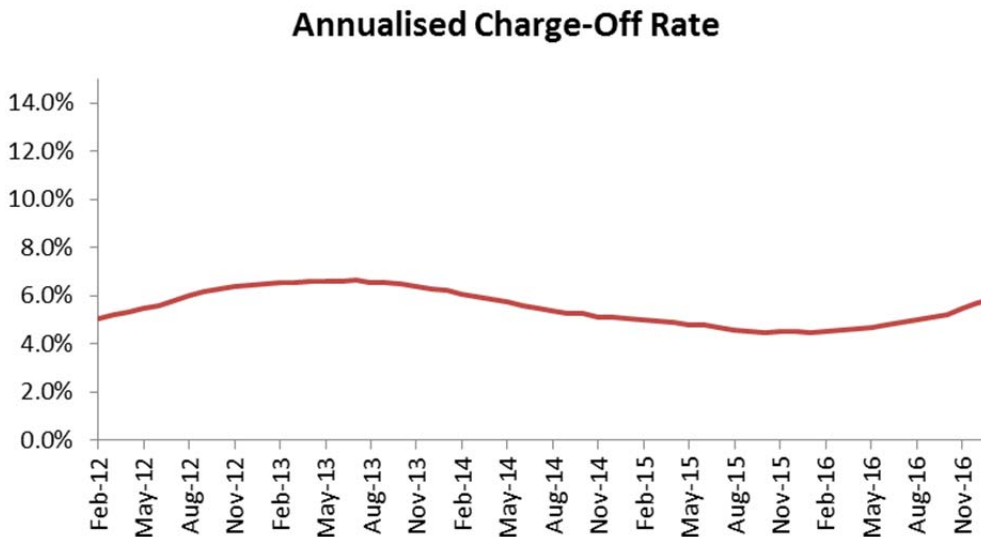
The Annual Yield Rate is expressed as a percentage.



(f) Annualised Charge-Off Rate

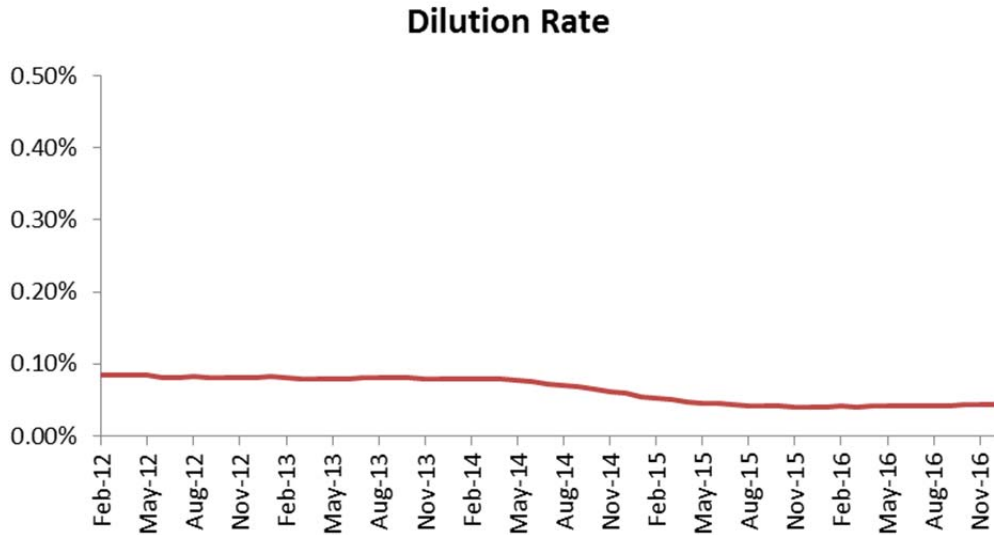
The annualised charge-off rate is calculated as the 12 months moving average of the ratio between (i) the total Aggregate Outstanding Debt of all Client Accounts which became defaulted Client Accounts in a particular month and (ii) the total Aggregate Outstanding Debt of all Client Accounts other than the defaulted Client Accounts at the beginning of each month, multiplied by 12 and expressed as a percentage.

As of January 2017, the annualised charge-off rate is 5.87%.



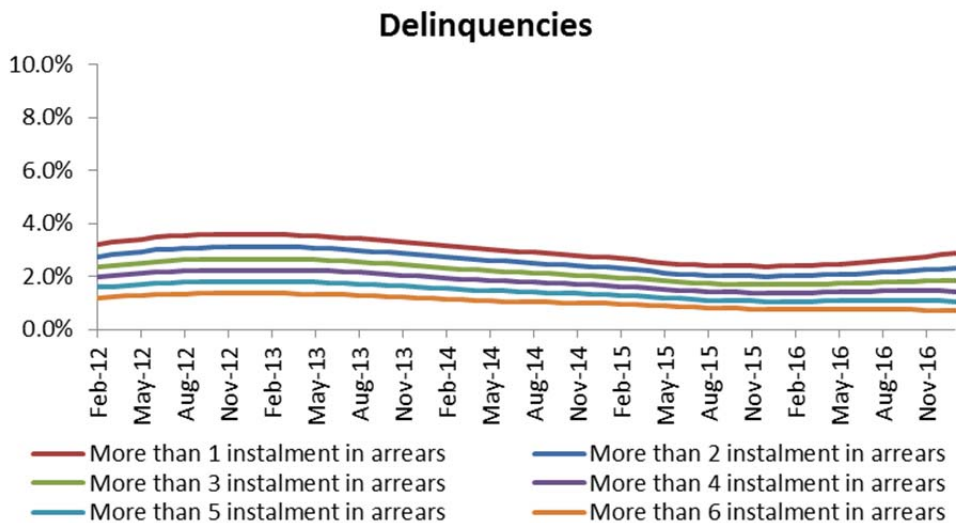
(g) Dilution Rate

The dilution rate is calculated as the 12 months moving average of the ratio between (i) the total Dilutions recorded during the month, and (ii) the total Aggregate Outstanding Debt of all Client Accounts other than the defaulted Client Accounts at the beginning of each month, expressed as a percentage.



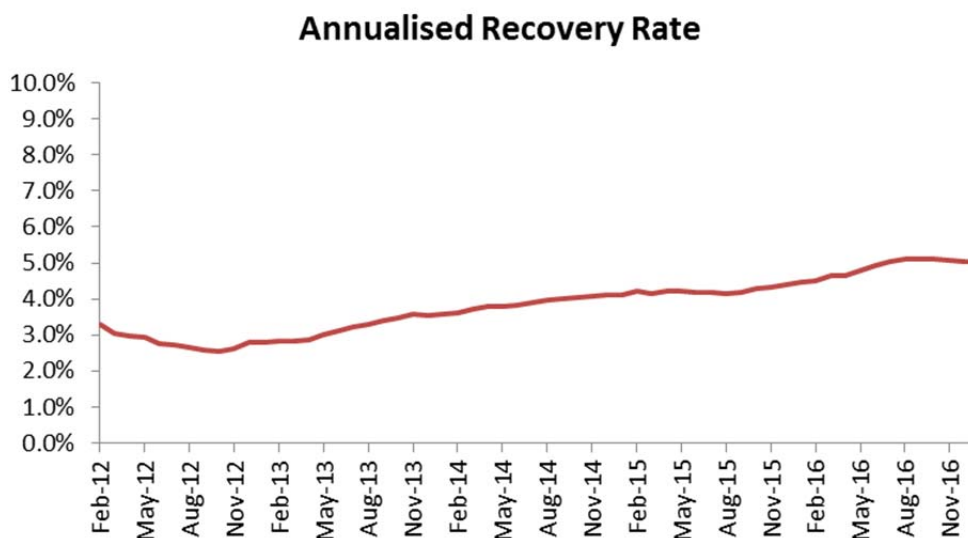
(h) Delinquencies

The delinquency graph shows delinquencies calculated as the 12 months moving average of the ratio between (i) the total Aggregate Outstanding Debt of all delinquent loans plus any amount in arrears, in respect to the respective overdue bucket, and (ii) the total Aggregate Outstanding Debt of all Client Accounts other than the defaulted Client Accounts at the beginning of each month, expressed as a percentage.



(i) Annualised Recoveries Rate

The recovery rate is calculated as the 12 months moving average of the ratio between (i) the total recovery amount recorded during the month, and (ii) the total Aggregate Outstanding Debt of all defaulted Client Accounts at the beginning of each month, expressed as a percentage.



3.6. Return and/or repayment of the securities with others that are not assets of the issuer

Not applicable.

3.7. Servicer, calculation agent or equivalent

3.7.1. Description of the duties and responsibilities undertaken by the Management Company regarding the management and legal representation of the Fund and Noteholders

3.7.1.1. Duties and responsibilities of the Management Company

The Fund will be incorporated by “INTERMONEY TITULIZACIÓN, S.G.F.T., S.A.” as the Management Company duly authorised for such purposes and, consequently, to act as the manager and legal representative of the Fund, pursuant to the provisions of Law 5/2015, and in particular it will be responsible in accordance with article 26.1 b) of Law 5/2015 of the administration and management of the assets pooled in the Fund in its condition as Master Servicer.

As the manager of third party funds, the Management Company will be required to act with utmost diligence and transparency in defence of the best interests of the Noteholders and the funders of the Fund.

The Noteholders will have no recourse against the Management Company, other than for non-performance of its duties or non-compliance with the provisions of the Deed of Incorporation,

this Base Prospectus, any Prospectus Supplements and the applicable laws and regulations. In this regard, no action of the Noteholders against the Management Company shall be based on (i) delinquency or prepayment of the Receivables; (ii) non-fulfilment by the different parties of the operations entered into in the name and on behalf of the Fund (other than the Management Company); or (iii) the insufficiency of the credit enhancements to cover the payments of the Notes of any class.

Merely by way of illustration, and notwithstanding any other actions stipulated in the Deed of Incorporation and this Base Prospectus, the duties of the Management Company, according to the legislation applicable at the registration of the Base Prospectus, will be as follows:

- (a) managing and servicing the Purchased Receivables as Master Servicer in accordance with article 26.1 b) of Law 5/2015;
- (b) exercising the rights of the Fund under each Programme Document if the relevant counterparty fails to comply with the provisions of the corresponding Programme Document;
- (c) ensuring, on the basis of the information made available to it, that
 - (i) the Seller will comply with the provisions of the Master Receivables Sale and Purchase Agreement;
 - (ii) the Expenses Subordinated Facility Provider will comply with the provisions of the Expenses Subordinated Facility Agreement;
 - (iii) the Seller Interest Credit Facility Provider will comply with the provisions of the Seller Interest Credit Facility Agreement;
 - (iv) the General Reserve Subordinated Facility Provider will comply with the provisions of the General Reserve Subordinated Facility Agreement;
 - (v) the Commingling Reserve Subordinated Facility Provider will comply with the provisions of the Commingling Reserve Subordinated Facility Agreement;
 - (vi) the Servicer will comply with the provisions of the Servicing Agreement;
 - (vii) the relevant Hedging Counterparties will comply with the provisions of the relevant Hedging Agreements;
 - (viii) the Issuer Account Bank will comply with the provisions of the Account Bank Agreement; and
 - (ix) the Paying Agent will comply with the provisions of the Paying Agency Agreement;

- (d) applying the proceeds of the issue of the Notes a issued by the Fund on each Issue Date, pursuant to the provisions of the Deed of Incorporation or any amendment thereto, as applicable;
- (e) determining the occurrence of a Seller Event of Default, a Potential Servicer Termination Event, a Servicer Termination Event, a Revolving Termination Event or an Accelerated Amortisation Event (including the occurrence or a Fund Liquidation Event);
- (f) determining, with respect to any Note Series, the occurrence of an Optional Early Redemption Event;
- (g) request the initial and annual verification of the attributes of the Receivables in the context of Initial Transfers by an auditor;
- (h) ensuring the payments of the Issuer Operating Expenses to the creditors of the Fund in accordance with the applicable Priority of Payments;
- (i) verifying that the payments received by the Fund are consistent with the sums due with respect to its assets and, if necessary, enforcing the rights of the Fund under the Master Receivables Sale and Purchase Agreement and the Servicing Agreement;
- (j) providing all necessary information and instructions to the Issuer Accounts Bank in order for it to operate the Issuer Accounts opened in its books in accordance with the provisions of the Deed of Incorporation and the applicable Priority of Payments;
- (k) allocating any payment received by the Fund and arising from the assets exclusively allocated to it in accordance with the Programme Documents and the Deed of Incorporation or any amendment thereto, as applicable;
- (l) carrying out the calculations and determinations set out in section 3.7.1.2 debajo de.
- (m) during the Programme Revolving Period and the Programme Amortisation Period:
 - (i) communicating to the Seller the Available Purchase Amount and the Minimum Purchase Amount before each Purchase Date in the context of Initial Transfers;
 - (ii) taking all required steps in relation to the issue of any new Note Series on any Issue Date in accordance with the relevant Programme Documents; and
 - (iii) determining with the Seller the principal amount of any Note Series to be issued on any Issue Date;
- (n) during the Programme Revolving Period, the Programme Amortisation Period and the Programme Accelerated Amortisation Period:

- (i) acquiring, for and on behalf of the Fund, the Receivables, from the Seller pursuant to the Master Receivables Sale and Purchase Agreement; and
 - (ii) checking the satisfaction of the relevant Conditions Precedent to the Purchase of Receivables and compliance of certain receivables which have been selected by the Seller with the applicable Eligibility Criteria.
- (o) notifying, or causing to notify, the Borrowers and the Insurance Companies;
 - (p) preparing, the documents required under applicable laws and regulations, for the information of, if applicable, the CNMV, the Relevant Rating Agencies, AIAF, MARF or any other regulated or unregulated market, IBERCLEAR, the public and any other relevant supervisory authority or third party entity;
 - (q) publishing the Investor Report on its internet website, at least three (3) Business Days before any Monthly Payment Date;
 - (r) renew the Base Prospectus and preparing any Prospectus Supplement in accordance with the applicable laws and regulations;
 - (s) preparing any Issuing Document in relation to any issuance of Note Series;
 - (t) upon the occurrence of a Servicer Termination Event, replacing the Servicer and/or providing any data/information in its possession to the Replacement Servicer, in accordance with the applicable laws and regulations and section 3.7.2.15 of the Additional Building Block;
 - (u) replacing, if necessary, the Issuer Accounts Bank, any Eligible Hedging Counterparties and the Paying Agent under the terms and conditions provided by the applicable laws at the time of such replacement and by the Account Bank Agreement, any Hedging Agreements or the Paying Agency Agreement, respectively;
 - (v) providing on-line access to certain data for investors (through website facilities) in order to distribute any information provided by the Seller pursuant to article 405 of the CRR, the AIFMR and the Solvency II Regulation;
 - (w) liaising with the Seller which shall provide the Management Company with loan level disclosure in order to enable the Management Company to upload the loan level disclosure required by the Eurosystem in the Eurosystem's database;
 - (x) making the decision to liquidate the Fund in accordance with the applicable laws and regulations and subject to the provisions of the Deed of Incorporation;
 - (y) issuing appropriate instructions to the Paying Agent regarding payments to be made to the Noteholders and, where applicable, to other entities in charge of making payments.

- (z) monitoring the actions of the Servicer for recovery of non-payments, giving instructions, when applicable, and exercise the actions which apply when circumstances occur which so require;
- (aa) carrying the accounting of the Fund with due separation from the accounting of the Management Company, and render accounts and comply with the tax or other legal obligations applicable to the Fund;
- (bb) appoint and, as the case may be, replace and dismiss the Auditor with the prior approval of the CNMV, where necessary;
- (cc) on behalf of the Fund, provide the Relevant Rating Agencies with periodic information regarding the situation of the Fund and the behaviour of the Receivables in order to allow them to continue rating the Notes. Similarly, it will supply the said information whenever reasonably requested to do so by the Relevant Rating Agencies and, in any event, whenever a change occurs in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company or in the interested parties.

3.7.1.2. Calculations by the Management Company as calculation agent

Subject to the Priority of Payments to be applied during the Programme Revolving Period, the Programme Amortisation Period or the Programme Accelerated Amortisation Period, respectively, the Management Company shall:

- (a) calculate on each Interest Determination Date in respect of any Floating Rate Notes, the applicable Interest Rate;
- (b) calculate on the Determination Date the Available Purchase Amount;
- (c) calculate on each Calculation Date during the Programme Revolving Period:
 - (i) the Minimum Purchase Amount;
 - (ii) the Minimum Portfolio Amount;
 - (iii) the Unapplied Revolving Amount;
- (d) calculate on each Calculation Date during the Programme Revolving Period and the Amortisation Period:
 - (i) the Available Principal Collections;
 - (ii) the Available Amortisation Amount;
 - (iii) the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger and the Residual Deficiency Ledger;

- (iv) the General Reserve Replenishment Amount and the General Reserve Decrease Amount;
 - (v) the Class A General Reserve Ledger, the Class B General Reserve Leger and the Class C20xx-yy Spread Amount Ledger;
 - (vi) the Note Series 20xx-yy Available Amortisation Amount;
 - (vii) the Note Series 20xx-yy Total Available Amortisation Amount;
 - (viii) the Note Series 20xx-yy Available Purchase Amount;
 - (ix) the Note Series 20xx-yy Principal Ratio;
 - (x) any calculations utilising any relevant Note Series 20xx-yy Retention Ratio; and
 - (xi) the Note Series 20xx-yy Call Amount; and
- (e) on each Calculation Date in respect of each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period or each Monthly Payment Date during the Programme Accelerated Amortisation Period, determine, on the basis of the latest information received from the Servicer:
- (i) the Available Distribution Amount;
 - (ii) the Available Principal Amount;
 - (iii) the Available Interest Amount;
 - (iv) the Class A Notes Monthly Interest Amount and the Class A Notes Interest Amount;
 - (v) the Class B Notes Monthly Interest Amount and the Class B Notes Interest Amount;
 - (vi) the Class C Notes Monthly Interest Amount and the Class C Notes Interest Amount;
 - (vii) the Seller Interest Credit Facility Interest Amount;
 - (viii) the Class A Notes Monthly Amortisation Amount and the Class A20xx-yy Monthly Notes Amortisation Amount;
 - (ix) the Class B Notes Monthly Amortisation Amount and the Class B20xx-yy Monthly Notes Amortisation Amount;

- (x) the Class C Notes Monthly Amortisation Amount and the Class C20xx-yy Monthly Notes Amortisation Amount;
 - (xi) the Seller Interest Credit Facility Amortisation Amount;
 - (xii) the Class A Notes Principal Amount Outstanding;
 - (xiii) the Class B Notes Principal Amount Outstanding;
 - (xiv) the Class C Notes Principal Amount Outstanding;
 - (xv) the Issuer Operating Expenses;
 - (xvi) the Note Series 20xx-yy Call Amount;
 - (xvii) the Note Series 20xx-yy Clean up Amount; and
 - (xviii) the Commingling Reserve Decrease Amount and the Commingling Reserve Increase Amount;
- (f) calculate on each Monthly Payment Date during the Programme Revolving Period and the Amortisation Period:
- (i) the relevant Interest Distribution Ledger; and
 - (ii) the relevant Principal Distribution Ledger;
- (g) give the appropriate instructions to the relevant Programme Parties for the allocations and payments in respect of the Fund in accordance with the relevant Priority of Payments and in respect of each Settlement Date and Payment Date.

If the Servicer has failed to provide the Management Company with the Monthly Servicer Report within two (2) Business Days after the relevant Monthly Reporting Date, the Management Company shall estimate, on the basis of the latest information received from the Servicer, as applicable, any element necessary in order to make payments in accordance with the relevant Priority of Payments. In particular, the estimated Available Collections arisen during the preceding Collection Period would be based on the last Monthly Servicer Report received, the last available amortisation schedule contained in such report, and using, as prepayment and default rates assumptions, the average prepayment rates and default rates calculated by the Management Company on the basis of the last three (3) available Monthly Servicer Reports delivered to the Management Company.

3.7.1.3. Resignation and replacement of the Management Company

The Management Company shall be substituted in managing and representing the Fund, in accordance with articles 32 (Resignation) and 33 (Forced Substitution) of Law 5/2015 and/or

in case that its authorisation to act as management company were to be revoked and to the extent applicable, other regulations to be established in the future.

(a) Resignation of the Management Company

The Management Company may resign its management and authorised representation function with respect to all or part of the funds managed whenever it deems this fit, requesting its substitution, which should be authorized by the CNMV, in accordance with the procedure and the conditions to be established in Law 5/2015.

The Management Company may in no event resign its duties until and unless all requirements and formalities have been complied with in order for its substitute to take over its duties.

The substitution expenses originated shall be borne by the Management Company and may in no event be passed on to the Fund.

(b) Forced substitution of the Management Company

(i) In the event that the Management Company is declared insolvent (*en concurso*) or in case that its authorisation to act as management company were to be revoked, it shall find a substitute management company, in accordance with the provisions of the foregoing section.

(ii) Always in the event for which provision is made in the preceding section, if four months (4) have elapsed from the occurrence determining the substitution and no new management company has been found to take over management of the Fund, there shall be an Early Liquidation of the Fund, in accordance with the provisions of this Base Prospectus.

(iii) The Management Company agrees to execute such notarial deeds and private documents as may be necessary for it to be substituted by another management company, in accordance with the system for which provision is made in the preceding paragraphs of this section. The substitute management company shall be substituted in the Management Company's rights and duties under this Base Prospectus and any Prospectus Supplement. Furthermore, the Management Company shall hand to the substitute management company such accounting records and data files as it may have to hand over in connection with the Fund.

3.7.1.4. Subcontracting of the Management Company

The Management Company will be empowered to subcontract or delegate the provision of any of the services which it has to carry out with regard to their functions concerning the administration and legal representation of the Fund to third parties with acknowledged solvency and capacity, in accordance with what is set out in this Base Prospectus and any

Prospectus Supplement on the condition that the subcontractor or delegate has renounced the exercise of any action claiming liability against the Fund.

In any case, the subcontracting or delegation of any service (i) cannot involve any additional cost or expense for the Fund, (ii) must be legally possible and (iii) will be subject to notification to (and if applicable, authorisation from) the CNMV, and, if legally necessary, it will have its previous authorisation. Notwithstanding any subcontracting or delegation, the Management Company will not be exonerated nor released from any of the liabilities assumed by virtue of this Base Prospectus and any Prospectus Supplement which are legally attributable to or required from it due to this subcontracting or delegating.

3.7.1.5. Remuneration of the Management Company

The Management Company will receive as remuneration for its services the fee set out in a separate fee letter.

In case that the current legislation applicable is modified, implying additional requirements to the Management Company, the reasonable expenses incurred by the Management Company will be borne by the Fund.

3.7.2. Servicing of the Receivables

As legal representative of the Fund responsible for its management and in accordance with article 26.1 b) of Law 5/2015, the Management Company is entrusted with the management and servicing of the Purchased Receivables as Master Servicer; this notwithstanding, the Management Company has agreed that the management and servicing of the Purchased Receivables will be carried out by SFC (in such condition, the **Servicer**) (as services provider) without such appointment implying a limitation of the liability of the Management Company vis-à-vis the noteholders and any funder of the Fund.

The terms and conditions of the management, collection and the servicing of the Purchased Receivables are regulated under the Servicing Agreement.

3.7.2.1. Administration and Servicing of the Receivables

In its capacity as Servicer, Servicios Financieros Carrefour E.F.C., S.A. will service, administer and collect the Purchased Receivables. The Servicer's duties include, amongst others, (A) the servicing, administration and collection of the Purchased Receivables and, if applicable, the remittance of any Insurance Indemnifications, (B) the remittance of the Available Collections to the General Account, (C) the remittance of the Monthly Servicer Report to the Management Company, and (D) if applicable, the notification to the Borrowers and the Insurance Companies in accordance with section 3.7.2.15 of the Additional Building Block (the **Services**).

The Servicer is appointed by the Management Company to administer and, if the case arises, to take any necessary actions for the purposes of collecting and enforcing the Purchased Receivables and for the purposes of remitting the Insurance Indemnifications.

3.7.2.2. Servicer's general representations and undertakings

The Servicer represents and undertakes:

- (a) to service and administer the Purchased Receivables pursuant to (A) the provisions of in this section 3.7.2 of the Additional Building Block and (B) its Servicing Policies, always subject to applicable laws and regulations;
- (b) at all times during the term of its appointment as Servicer, perform its obligations (including, without limitation, the servicing, administering and collection of all sums due under or in connection with the Purchased Receivables and the remittance of Insurance Indemnifications) with all due care, skill and diligence and in good faith and in a commercially prudent manner in such way in order to minimise losses and maximise recoveries in compliance with all applicable laws and regulations and recover amounts from the Borrowers, and to exercise a level of skill, care and attention in providing the Services and performing any related functions as it would if it were managing comparable assets for itself;
- (c) to allocate adequate resources for the proper performance by it of the Services;
- (d) to notify the Management Company of the occurrence of a Potential Servicer Termination Event or any Servicer Termination Event;
- (e) to report to the Management Company on the performance of the Purchased Receivables through the Monthly Servicer Report and to provide and deliver to the Management Company, to the extent reasonably practicable, subject to any requirement of law or regulatory direction, such further information and/or reports whether in writing or otherwise as the Management Company may reasonably require, and on reasonable notice, in connection with the Purchased Receivables and the Services and the performance of its duties;
- (f) to monitor timely and correct payments by Borrowers (including but not limited to, overpayments) and notifying Borrowers of overdue payments;
- (g) to enforce *vis-à-vis* any Borrower all obligations of such Borrower under the relevant Credit Card Agreement and, in accordance with the Servicing Policies, managing the maximum credit limit under the Client Account, determining whether any Purchased Receivables should be accelerated in accordance with its Servicing Policies, and taking any action necessary or desirable, or otherwise determined by the Servicer; and upon request, keep the Management Company informed of all material actions and decisions taken in each case;

- (h) to procure that (x) amounts coming from direct debit payments belonging to the Fund are paid into the Collections Accounts and transferred to the General Account within one (1) Business Day following receipt of the amounts into the Collections Accounts (provided that such amounts are received within banking hours on the Business Day they are received into the Collections Accounts, otherwise the following Business Day); and (y) amounts coming from non-direct debit payments (including Insurance Indemnifications) belonging to the Fund are paid into the relevant Seller's accounts and then transferred according to the following procedure:
 - (i) firstly, to the Collections Accounts within two (2) Business Days following receipt of the amounts by the Seller into the relevant accounts (provided that such amounts are received within banking hours on the Business Day they are received by the Seller, otherwise the following Business Day); and
 - (ii) once received into the Collections Accounts, to the General Account promptly and in any case within one (1) Business Day following receipt of the amounts into the Collections Accounts (provided that such amounts are received within banking hours on the Business Day they are received into the Collections Accounts, otherwise the following Business Day);
- (i) to notify to the Management Company promptly upon becoming aware that any of the representations or warranties given or made by the Seller in relation to the compliance of any Purchased Receivable with the Eligibility Criteria was materially false or incorrect in any material respect on the relevant Purchase Date; and
- (j) to provide certain cash management services in relation to the Purchased Receivables in accordance with section 3.7.2.7 debajo de.

In performing its obligations as Servicer, the Servicer shall comply with all requirements of any applicable law (including any laws and regulations relating to consumer credit transactions and to the protection of personal data), statutory instrument, regulation, directive, administrative requirement, licence, authorisation or order made by any government, supra-national body, state, court, tribunal or arbitral body.

3.7.2.3. Authority of the Servicer

The Servicer shall comply in all material respects with the applicable Servicing Policies, provided that:

- (a) the Servicer shall ensure that the Servicing Policies it uses are and will remain in compliance with all laws and regulations applicable to the servicing of that type of consumer revolving receivables;
- (b) the Management Company and the Relevant Rating Agencies shall be informed of any substantial amendment or substitution to the Credit Policies and the Servicing Policies, unless (A) the relevant amendment or substitution is necessary in order for

the Credit Policies and the Servicing Policies to remain compliant with all laws and regulations applicable to the servicing of that type of consumer revolving receivables, or any guideline, instruction, judgment, injunction or rule reasonably applied by the Seller or, as applicable, Servicer and (B) has no direct material adverse effect on the collection of the Purchased Receivables.

- (c) in the event that the Servicer has to face a situation that is not expressly envisaged by the Servicing Policies, it shall act in a commercially prudent and reasonable manner as it would do if it was managing its own receivables;
- (d) in applying the Servicing Policies or taking such action, in relation to any particular Borrower which is in default or which is likely to be in default in relation to a Purchased Receivable, the Servicer shall only deviate from the Servicing Policies if it reasonably believes that doing so will enhance recovery prospects or minimise loss relating to that Purchased Receivables; and
- (e) the Servicer shall have the authority to exercise all enforcement measures concerning amounts due under any Purchased Receivables from each Borrower, including the right to sue a Borrower in any competent court in Spain or in any other foreign competent jurisdiction. The Management Company shall adopt such measures as may be reasonably required by the Servicer (including, without limitation, the granting of proxies or powers of attorney) for the purposes of the performance of any of the duties assumed by the Servicer hereunder (in particular, in connection with any legal or court proceedings or actions, or any other action before any official or administrative authority).

3.7.2.4. Duration of appointment

The appointment and authority of the Servicer shall be effective as from the Fund Incorporation Date and shall remain in full force and effect in accordance with section 3.7.2.15 debajo de.

3.7.2.5. Subcontracting

The Servicer may appoint one or more sub-contractors (each, a **Sub-Contractor**) to perform any of the services to be provided in its conditions as Servicer, provided that:

- (a) notwithstanding any provisions to the contrary (including, without limitation, in the contractual arrangements between the Servicer and the appointed third party), the appointment of such Sub-Contractor shall not in any way exempt the Servicer from its obligations, for which it shall remain responsible towards the Fund as if no such subcontract had been made;
- (b) the Fund shall have no liability to the appointed Sub-Contractor whatsoever in relation to any cost, claim, charge, damage or expense suffered or incurred by the Sub-Contractor and the Servicer agrees to hold harmless the Fund and the

Management Company from any liabilities that may derive directly from such subcontracting;

- (c) the terms of the appointment of the Servicer (including the representations, warranties and undertakings) shall apply to the Sub-contractor to the extent of the tasks and duties delegated;
- (d) the Servicer shall ensure that any Sub-Contractor will perform its services and duties with the appropriate care and level of diligence; and
- (e) it shall not cause any additional costs or expenses for the Fund.

Any subcontracting will be subject to the prior approval of the CNMV, if legally necessary.

3.7.2.6. Priority Allocation Rule

If, at any time and for any reason whatsoever, in respect of a Client Account from which arise any Purchased Receivable(s), the Seller is still the owner of any outstanding receivable(s) under such Client Account which are not Purchased Receivables (the **Non-Purchased Receivables** and together with the Purchased Receivables arising from the same Client Account, the **Common Receivables**), the Seller and the Fund will have a joint ownership right on any payments made by the relevant Borrower with respect to such Client Account.

The Servicer and the Fund refer to the terms and conditions set out in section 3.3.1.6 of the Additional Building Block in relation to the Common Receivables and both the Servicer and the Fund are bound by such terms and conditions which shall apply between them. In particular and without limitation, the Servicer undertakes to transfer in priority any and all amounts received in relation to Common Receivables (including any Insurance Indemnifications received from the Insurance Companies) to the Fund, and waives any rights to retain or to retransfer any such amounts paid by a Borrower or an Insurance Company. Such amounts shall constitute Available Collections.

3.7.2.7. Transfer of Collections

- (a) Nature of the amounts credited on the Collections Accounts

The Servicer has agreed and acknowledged that each Collections Accounts shall be exclusively credited with the collections received or paid in relation to the Purchased Receivables and their related Insurance Premia, being specified that if, for any reason whatsoever:

- (i) a payment by a Borrower under a Purchased Receivable is credited to an account other than a Collections Account, the Servicer shall promptly take any step or action so that the relevant amount is credited to the Collections Accounts (or directly to the General Account) as soon as possible;

- (ii) the Insurance Premia or any other amount has been erroneously credited to a Collections Accounts and such amount is not an Available Collection, the Servicer or, as applicable, the Management Company, shall be entitled to debit the Collections Accounts in accordance with and subject to sections (d) and (e) below.

(b) Pledge over the Collections Accounts

The Servicer has undertaken to create, acting as pledgor and pursuant to the Collections Accounts Security Document, a first rank *in rem* right of pledge over its rights in respect of all sums due to the Fund and deposited from time to time in the Collections Accounts (including the interest accrued from time to time on such amounts) and all claims and rights of the Servicer arising under the Collections Accounts Bank Agreements, in favour of the Fund as security for all Secured Obligations.

Such right of pledge created under the Collections Accounts Security Document shall be (i) preserved and kept by the Servicer while the Secured Obligations are not completely discharged and/or satisfied and also (ii) duly amended, extended or ratified, as the case may be, in case that the Collections Accounts and/or the Collections Accounts Bank Agreements are in any manner amended or substituted.

(c) Credit of the payments onto the Collections Accounts

The Servicer shall in a timely manner collect, transfer and credit, directly or indirectly, to the relevant Collections Accounts all amounts received in respect of all Purchased Receivables, provided that the Servicer has undertaken vis-à-vis the Fund:

- (i) that all amounts (including the Instalments) paid by Borrowers by direct debit in respect of the corresponding Purchased Receivables shall be directly credited to the relevant Collections Accounts without transiting via any other account of the Servicer; and
- (ii) to transfer promptly to a Collections Accounts and in any case within two (2) Business Days after receipt, any other amounts which are paid by using other methods of payment than direct debits on an account of the Servicer other than a Collections Accounts in respect of the Purchased Receivables (provided that such amounts are received within banking hours on a Business Day, otherwise, on the next Business Day).

(d) Debit of the Collections Accounts and credit of the General Account

- (i) The Servicer and the Management Company (in respect of the debit instructions which they are respectively entitled to give pursuant to this section) undertakes to use wire transfers between accounts only as means of payment for debit of the Collections Accounts.

- (ii) As long as the Collections Accounts Bank has not received a Stop Instruction Notice from the Management Company:
 - (A) the Servicer shall be entitled to instruct the Collections Accounts Banks to carry out the relevant credit instructions of the amounts payable by the Borrowers under the Credit Card Agreements;
 - (B) the Servicer shall give, on each Business Day (no later than 3pm.), any necessary instructions to the Collections Accounts Banks to ensure that the Available Collections standing to the credit of the Collections Accounts are wired on the immediately following Business Day to the credit of the General Account;
 - (C) the Servicer is entitled to give the instructions on each Business Day to the Collections Accounts Banks to debit any Collections Accounts with an amount equal to such Insurance Premia paid by the Borrowers under the Purchased Receivables and to be transferred to the Insurance Companies; and
 - (D) the Management Company shall not be entitled to give any debit or credit instruction to the Collections Accounts Banks.

- (iii) Immediately upon receipt by the Collections Accounts Bank (with copy to the Servicer) of a Stop Instruction Notice from the Management Company:
 - (A) Subject to (B) below, the Servicer shall no longer be entitled to give instructions to the Collections Accounts Banks in respect of the Collections Accounts;
 - (B) the Servicer shall remain entitled to instruct the Collections Accounts Banks to carry out the relevant credit instructions of the amounts payable by the Borrowers under the Credit Card Agreements;
 - (C) any automatic transfer (if any) of the credit balance of the Collections Accounts to the credit of the General Account put in place at the request of the Servicer shall be discontinued;
 - (D) subject to (B) above, the Collections Accounts will be operated by the Management Company only (and/or by any person designated by the Management Company);
 - (E) the Management Company (and/or by any person designated by the Management Company) shall instruct the Collections Accounts Banks to automatically transfer to the General Account the credit balance of the Collections Accounts as well as any funds received

daily thereafter as from the start of the Stop Instruction Notice until a Release Notice is served.

For these purposes,

Insurance Premia means the insurance premia payable to the Insurance Companies in connection with the Purchased Receivables.

Rejected Payments means the rejected payments with respect to unpaid checks or rejected direct debits.

- (iv) Immediately upon receipt by the Collections Accounts Banks and the Servicer of a Release Notice delivered by the Management Company:
 - (A) the Servicer shall be again authorised to operate any Collections Accounts by giving credit and debit instructions to the Collections Accounts Banks; and
 - (B) any automatic transfer (if any) of the credit balance of the Collections Accounts to the credit of the General Account put in place at the request of the Servicer and discontinued in accordance with the above shall be resumed;

it being specified that the delivery of a Release Notice is without prejudice of the right for the Management Company to send further Stop Instruction Notices.

- (v) No debit balance
 - (A) Any Collections Accounts Bank has undertaken by signing the Operation Instructions Letter that it shall not execute debit instructions from the Servicer (or in case a Stop Instruction Notice has been delivered to the Collections Accounts Bank, the Management Company) resulting in any Collections Accounts having a debit balance, except due to the debit of a Rejected Payment.
 - (B) Such debit instruction will be automatically postponed in whole or in part until the credit balance of the relevant Collections Accounts is sufficient to allow such debit instruction to be performed.

For these purposes, **Operation Instructions Letter** means the operations instructions letter included in the Collections Accounts Security Document.

- (e) Debit of the Collections Accounts of sums which are not Available Collections
 - (i) The Collections Accounts will be credited from time to time with Insurance Premia and may be also erroneously credited with sums as a result of:
 - (A) an error made by the Servicer in the allocation of such sums;
 - (B) a technical error made by the Collections Accounts Bank;
 - (C) an error of payment made by the Borrowers of such sums;
 - (D) a payment received by the Servicer from the Borrower under a Purchased Receivable and another receivable; or
 - (E) the receipt of direct debit or internal transfer including any amount collected by the Servicer and which are not part of Available Collections.
 - (ii) Following the delivery of a Stop Instruction Notice and for so long as no Release Notice has been duly delivered to the Collections Accounts Banks, the Servicer shall determine and identify those amounts credited to any Collections Accounts which are not Available Collections.
 - (iii) Those amounts credited to the Collections Accounts which are not Available Collections (including Insurance Premia and even if such sums have been already transferred to the General Account) shall be debited by:
 - (A) prior to the delivery of a Stop Instruction Notice or following the delivery of a Notice of Release (and for so long as no new Stop Instruction Notice has been duly delivered to the Collections Accounts Banks and the Servicer), the Servicer; or
 - (B) following the delivery of a Stop Instruction Notice and for so long as no Release Notice has been duly delivered to the Collections Accounts Banks and the Servicer, the Management Company. In such case:
 - (I) during each Collection Period, and upon receiving (i) the relevant instructions from the Servicer and (ii), if so requested by the Management Company, a duly filled-in IT file documenting such amounts to evidence that the relevant amounts are not Available Collections, the Management Company will instruct the Issuer Accounts Bank to transfer from the General Account such amounts which are not Available Collections (including any amounts corresponding

to the Insurance Premia) to the account indicated by the Servicer;

- (II) Notwithstanding paragraph (I) above, the Management Company shall be entitled to refuse to effect such transfer in case of (i) failure on the part of the Servicer to provide such IT file upon the Management Request or (ii) the information and calculations provided by the Servicer do not coincide with that of the Management Company, without prejudice of its right to claim the relevant Corrected Available Collections.

(f) Rejected Payments

Any Collections Accounts shall be debited of the unpaid amounts resulting from Rejected Payments:

- (i) the relevant Collections Accounts Bank shall be entitled to debit such sums from the applicable Collections Account, even if such debit or reverse cause the Collections Accounts to have a debit balance; and
- (ii) if such debit or reverse cause the Collections Accounts to have a debit balance, the Servicer undertakes to promptly credit the Collections Accounts (at the latest on the Business Day following the debit of the Collections Account), with an amount equal to the debit balance of the Collections Accounts resulting from such Rejected Payment.

(g) Procedure upon replacement of the Servicer

Upon the occurrence of the Servicer Termination Event in accordance with section 3.7.2.15 below as soon as reasonably practicable:

- (i) the Borrowers and the Insurance Companies shall be notified to make all payments in relation to the Purchased Receivables or the Insurance Premia, as applicable, directly on the General Account;
- (ii) the Management Company shall inform each Collections Accounts Bank of the occurrence of any Servicer Termination Event and of the consequential changes to the operation of the Collections Accounts in accordance with the Collections Accounts Security Document;
- (iii) upon the termination of the appointment of the Servicer, the Servicer undertakes to immediately cease sending to the Borrowers direct debit requests in respect of the Purchased Receivables and such direct debit shall be cancelled and the Servicer shall cooperate with the Management Company (or any party designated by it such as the Replacement Servicer) in order to

enable it to start sending to the Borrowers direct debit requests in respect of the Purchased Receivables.

3.7.2.8. Eligibility of the Collections Accounts Banks

- (a) The Servicer shall ensure that each Collections Accounts Banks is at all times an Eligible Institution. Should any of the Collections Accounts Banks cease to be an Eligible Institution an Eligible Institution Replacement Event (as defined below) shall occur with the effects set out in paragraph (b) below.

Eligible Institution means a depository institution organised under the laws of any state which is a member of the European Union which complies with (i) the Account Bank Required Ratings with respect to the Issuer Accounts Bank and (ii) with the Collection Account Bank Required Ratings with respect to the Collections Accounts Banks, and is authorised to take deposits in Spain.

Collections Accounts Bank Required Ratings means in respect of any entity the ratings at least equal to:

- (i) a public rating of at least BBB (senior long term) by DBRS; or
- (ii) F-3 by Fitch with respect to the short-term Issuer Default Rating (IDR) of such entity or BBB- by Fitch with respect to the long-term Issuer Default Rating (IDR) of such entity; or
- (iii) P-2 by Moody's with respect to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity; or
- (iv) any applicable ratings specified in the last Prospectus Supplement in relation to a Note Series rated by S&P,

or such other debt rating as determined to be applicable or agreed by each Relevant Rating Agency from time to time and specified in the last Prospectus Supplement.

- (b) Upon the Servicer becoming aware of that a Collections Accounts Bank has ceased to be an Eligible Institution (the **Eligible Institution Replacement Event**), the Servicer shall:
- (i) promptly notify the Management Company the occurrence of such circumstance; and
 - (ii) within thirty (30) calendar days:
 - (A) appoint a replacing Collections Accounts Bank which is an Eligible Institution; and

- (B) grant a pledge over the new collections accounts opened with the replacing Collections Accounts Bank where collections derived from the relevant Purchased Receivables are credited.
- (c) Further to the above, upon the occurrence of Eligible Institution Replacement Event the Servicer and the Management Company shall collaborate to ensure that no disruption on the transfer of the collections from the Purchased Receivables occurs.
- (d) All the costs incurred in the replacement of a Collections Accounts Bank ceasing to be an Eligible Institution shall be paid by the Servicer. The replacement cost paid by the Servicer will not be set off against the Fund.

3.7.2.9. Contractual Documents and files

The Seller shall ensure the safekeeping of the Contractual Documents relating to the Purchased Receivables and make available to the Servicer all such Contractual Documents the Servicer may require in accordance with section 3.3.1.7 of the Additional Building Block.

3.7.2.10. Management of the files

- (a) Monthly Servicer Report

The Servicer shall provide the Management Company with the Monthly Servicer Report on each Monthly Reporting Date before 10:00 am CET.

The Monthly Servicer Report will detail on a loan-by-loan basis all cash flows related to the Purchased Receivables during the previous Collection Period. It will include, inter alia, the following information as of the relevant Cut-Off Date in relation to each Client Account: (i) the applicable Instalment; (ii) the Outstanding Principal Balance (taking into account the Receivables to be purchased on the following Purchase Date in the context of Initial Transfers and Additional Transfers (if any)); (iii) the applicable interest rate; (iv) the aggregate amount of any unpaid Instalments in relation to any Credit Card Agreement; (v) the amount collected in the preceding Collection Period and (vi) information for the preparation of the stratification tables which will be included in the Investor Report.

The Monthly Servicer Report will be accompanied with the Encrypted Data File with respect to the relevant details of the Borrowers.

The Servicer shall use reasonable commercial endeavors to ensure that the Management Company is provided with loan-level data in order for the Management Company to be able to prepare and upload loan-level data complying with the loan-level requirements defined by the European Central Bank for Eurosystem Eligible Collateral at the required frequency on the website of the European Data Warehouse for so long as such requirement is effective and to the extent that it has such information available.

(b) Daily Payments Report

The Servicer shall provide the Management Company with the Daily Payments Report on each Business Day.

(c) Back-up Copies

The Servicer shall retain back-up copies of all Monthly Servicer Reports and, as soon as reasonably practicable upon receipt of a written request to that effect, provide to the Management Company, with such back-up copies of the Monthly Servicer Reports.

For these purposes:

Instalment means with respect to each Credit Card Agreement and on any Instalment Due Date, the scheduled and unscheduled (in case of any prepayment or amicable recovery which are paid by the relevant Borrower to the Seller with a direct debit on the basis of a mutual agreement between the Seller and such Borrower) amount of principal and interest due and payable (which is at least equal to the Monthly **Interest Determination Date** Minimum Instalment) on such date, in accordance with the terms of the Credit Card Agreement.

Instalment Due Date means, with respect to each Credit Card Agreement, the monthly date as agreed between the Seller or the Servicer, as the case may be, and the Borrower from time to time, on which payment of principal and interest is due and payable.

3.7.2.11. Information

(a) Access to Information

The Servicer shall, at its own cost and expense, and subject to receipt of a reasonable prior written notice to that effect, permit the Management Company or any professional agent appointed by it at all reasonable times, during normal business hours and without significantly disturbing the activity of the Servicer:

- (i) to access its premises to verify, audit and inspect (x) all information, systems, procedures (including, without limitation, the Servicing Policies), records (including, without limitation, computer records and books of records), books, accounts and the files maintained by it, relating to the Purchased Receivables and/or (y) any systems or procedures put in place or maintained by the Servicer for the purposes of complying with its obligations;
- (ii) to inspect the electronic systems used by the Servicer, which, in the reasonable opinion of the Management Company or any person appointed by it, shall enable:
 - (A) the performance by the Servicer of its undertakings; and

- (B) an appropriate identification and individualisation of all Purchased Receivables; and
 - (C) the Servicer to provide the Management Company with any information whatsoever which it is entitled to receive; and
- (iii) to take such other steps from time to time as they reasonably think fit for the purposes of verifying or obtaining any information concerning any of the Purchased Receivables and to discuss any matters relating to such Purchased Receivables with any of the officers, employees or agents, including the auditors, of the Servicer which have knowledge of such matters,

in each case provided that:

- (i) the above shall be effected in terms which do not constitute a breach of applicable data protection regulations;
- (ii) the Servicer is entitled not to disclose the parts of the documents that it in good faith considers (A) as commercially sensitive information, (B) the disclosure of which may result in breach of applicable laws and regulations or (C) as not strictly relevant for the purpose of the Management Company preserving or exercising its rights under the Purchased Receivables; and
- (iii) not more than one (1) audit each year may be carried out by the Management Company, unless the Servicer is in breach of any of its obligations hereunder.

(b) Additional Information

The Servicer shall provide the Management Company with all information that may reasonably be requested by it in relation to the Purchased Receivables or that the Management Company may reasonably deem necessary in order to fulfill its obligations, but only if such information is requested (a) in order to enable the Management Company to preserve or exercise the rights of the Noteholders or other Fund creditors, (b) in order to enable the Management Company to perform its legal and contractual duties, (c) following a request from the Relevant Rating Agencies or (d) in the context of the liquidation of the Fund following the occurrence of a Fund Liquidation Event.

(c) Personal Data relating to Purchased Receivables

- (i) The Servicer shall fulfil (and to ensure that any affected subcontractors fulfil, if applicable) all legal obligations in force in data protection matters, to particularly include those established in Organic Act 15/1999, of 13 December, on Personal Information Protection (*Ley Orgánica 15/1999, de 13 de diciembre, de Protección de Datos de Carácter Personal*), holding the

Fund harmless from any loss and damage that may arise from a breach of such obligations.

- (ii) The Servicer (or any other delegates or Sub-Contractors of the Servicer (if any)) shall deliver to the Management Company on the Fund Incorporation Date, and thereafter on each Monthly Reporting Date, through an electronic transfer, the Encrypted Data File containing the data in respect of (i) each Borrower for each Purchased Receivables identified in the latest Sale Offer and (ii) each Borrower of an outstanding Purchased Receivable (including for each Purchased Receivable, the name, postal address, identification number of the relevant Credit Card Agreements and contact details of the relevant Borrowers) held by the Seller (as originator of the Purchased Receivables) and considered as personal data under the Spanish applicable laws and regulations relating to data protection. The Management Company shall keep the Encrypted Data File in safe custody and protect it against unauthorised access by any third parties but will not be able to access the data without its Decoding Key.
- (iii) In addition, the Servicer (or any other delegates or Sub-Contractors of the Servicer (if any)) shall deliver to the Data Protection Agent, on the Fund Incorporation Date and thereafter on each date when such Decoding Key is amended, the Decoding Key, which will be deposited in a notarial deed of deposit (*acta de depósito*) or through any other means agreed by the Management Company and the Data Protection Agent from time to time.

The Data Protection Agent shall:

- (A) hold in deposit the Decoding Key which shall be required to decrypt the information contained in any Encrypted Data File; and
- (B) carefully safeguard each Decoding Key and protect it from unauthorised access by third parties and shall not use the Decoding Key for its own purposes.

The Data Protection Agent shall only disclose the Decoding Key to the Management Company upon request by the Management Company following the occurrence of the events foreseen in Section 3.7.3 of the Additional Building Block.

- (iv) The Servicer and the Management Company may amend the provisions and procedures foreseen regarding personal data if necessary or advisable to comply with Spanish data protection obligations from time to time.

3.7.2.12. Renegotiations, Waivers or Arrangements affecting the Purchased Receivables

(a) Introduction

The Servicer may amend the terms of any of the Purchased Receivables subject to and in accordance with this section 3.7.2.12.

(b) Seller Dilutions

The Seller has undertaken to pay to the Fund all Seller Dilutions with respect to any Purchased Receivable arising from Performing Client Accounts in accordance with the provisions of section 3.3.1.10 of the Additional Building Block.

(c) Renegotiations, Waivers or Arrangements affecting the Purchased Receivables

The Servicer shall be entitled to agree to any termination, amendments or variation, whether by way of written agreement and exercise any right of termination or waiver, in relation to the Purchased Receivables if such amendment, variation, termination or waiver is in accordance with the terms of the Servicing Policies.

Notwithstanding the foregoing, if the effect of any such amendment, variation, termination or waiver results in a write-off or the forgiveness of whole or part of any Outstanding Principal Balance of a Purchased Receivable relating to a Performing Client Account, the Servicer cannot agree to any such amendment, variation, termination or waiver except if:

- (i) at the election of the Seller, either the Seller repurchases the relevant Purchased Receivable in accordance with the provisions in section 3.3.1.10 (c) of the Additional Building Block or, alternatively, such write-off or forgiveness is fully mitigated by the payment of the corresponding Seller Dilutions by the Seller; and
- (ii) the Seller and the Servicer are the same entity.

(d) Breach of Undertakings and Remedies

In the event that the Seller or the Servicer waives or renegotiates the terms of any Purchased Receivables in breach of the undertakings given by itself in its capacity as Seller or Servicer, as applicable, then the provisions of paragraph (d) of section 3.3.1.10 of the Additional Building Block shall apply.

3.7.2.13. Servicing Policies

(a) Mitigation of risk via recovery of bad debts

The policies and servicing procedures outlined in this section apply to all credit cards managed by the Seller (including both securitised and non-securitised credit cards). These policies and servicing procedures are reviewed annually and are updated accordingly if they need change (subject to the internal prior approvals that are required). The Seller carries out specific control and management of all cases of non-payment. The actual debt recovery actions are outsourced to a number of specialised service providers. This notwithstanding, the Seller has an in-house team dedicated to recovery-related matters (the **Recovery Department**) entrusted with the allocation of transactions to the various debt recovery third party specialists and with the on-going monitoring of their performance. The Seller also decides when it is appropriate to start litigation proceedings. The debt recovery process is carried out in three (3) key stages explained below; in all cases the Credit Card is automatically blocked (so that no further drawdowns are possible) in order to avoid an increase in the Borrower's credit risk:

- (1) **Anticipation.** At this stage, action is taken regarding Borrowers who fail to pay their first Instalment, attempting to remedy the situation. Actions taken are aimed at obtaining a full or partial payment and include the re-presentation of the Receivables for payment by direct debit, refinancing proposals and eventually partial write-offs.
- (2) **Recovery.** At this stage, action is taken regarding Borrowers who have missed two (2) or more than two (2) monthly Instalments (which do not need to be consecutive). The recovery action taken differs depending on the type of Borrower and his/her payment record ("*historial de pagos*") with the Seller, establishing a segmentation of Borrowers which helps optimising recovery efforts. Actions taken are aimed at obtaining a full or partial payment and include the re-presentation of the Receivables for payment by direct debit, refinancing proposals (such as the adjustment of the monthly instalment in an amount at least equal to the minimum contractual instalment) and eventually partial write-offs of interest and fees (but not of principal).
- (3) **Contentious.** At this stage, action is taken regarding Borrowers who have missed six (6) monthly Instalments (which do not need to be consecutive), at which point in time (as a general rule) all debt is accelerated and legal action (including the possibility of initiating legal proceedings before the courts) is taken.

The Seller's recovery policy takes into account both cost optimisation and the outcome of the recovery as well as the risks inherent to the same, particularly from a reputational perspective; in this regard, the Seller establishes the safeguards necessary to make it possible to mitigate this risk via thorough quality and customer service tests.

During each of the phases of the recovery process, management thereof is assisted by a decision-assistance system (so-called "*systema experto*"). This system for instance assists in the allocation of transactions among the different recovery phases outlined below or in the automatic delivery of direct debit remittances.

The debt recovery process followed in each phases is described below, concentrating the greatest efforts in the first phases, in which the efficiency of the debt recovery actions is greater:

(1) **Anticipation:** After the first instalment is unpaid, customers are assigned a score of first default according to certain variables that determines the type of actions to be taken and the company in charge of managing the recovery process:

- External management with Cetelem. Telephone calls, sending letters and negotiation.
- External management by other debt collection companies. Telephone calls, sending letters and negotiation. The files are assigned to external companies based on the score assigned to the client.
- Informative management: Only sending letters and automatic text messages (SMS).

In addition to the foregoing, in case a receivable presented for payment by direct debit is returned, it is re-sent for payment by direct debit.

In all cases, upon breach of payment, the credit card is blocked for use in order to prevent a subsequent use thereof. The blocking takes place upon the first instalment being unpaid.

(2) **Recovery:** If after the initial efforts made in the Anticipation phase it is not possible to find an amicable repayment solution with the client, the case goes to the Recovery phase, in which the clients are separated in different portfolios that are sent to external companies and Cetelem. The files are assigned to external companies based on the score assigned to the client.

These files are managed by the external companies during three months, being the function of the Recovery Department the control and monitoring of the management performed by them:

- Daily analysis of the main indicators.
- Daily checks on the quality of the recovery.
- Review and answer of incidents and customer complaints.

In addition, periodic committees are formalized in which the management is evaluated and the objectives are established.

After three months without being able to recover the client's debt, the Recovery Department makes a portfolio allocation to different companies (based on the client scoring) in order to improve the recovery efficiency.

If finally it is not possible to solve the default situation during the following two months, the client is passed to the next phase.

- (3) **Contentious:** Once six (6) monthly Instalments are missed (as a general rule) and once the previous phases of friendly recovery of debt have been finalised, all debt is accelerated. The files are assigned to external companies based on the score assigned to the client for periods of 8 months, after which, if the debt has not been recovered, the file is reassigned to another company. Actions taken during this phase can include the initiation of legal proceedings before the courts. The recovery phases and strategies, as well as the outcome of the same, are reviewed periodically by the Risk Committee in order to optimise both the associated costs and the outcomes and inherent risks.

(b) Payment protection insurance

While not a debt recovery tool as such, in the event the Borrower has taken out an Insurance Policy in connection with the Credit Card, he/she can present the necessary documentation to justify the claim via the insurance broker (depending on the Insurance Policy in question, the cover may include death, permanent disability, complete incapacity, unemployment, etc.). Once the documentation supplied has been reviewed and the insurance cover has been confirmed, the insurance company pays the amounts stipulated according to the Insurance Policy and the type of claim to (i) the Seller directly in order to offset the Borrower's outstanding debt, where the Seller is named as the beneficiary thereunder or (ii) to the Borrower, where the Borrower is named as the beneficiary thereunder.

In any event, the Seller does not enforce or actively seek payment by the insurance companies of the Insurance Indemnification irrespective of whether it is named as the beneficiary thereunder or not.

(c) Refinancing and write-off

As part of the bad debt recovery process, and once the customer has been assessed, in certain cases the Seller uses debt refinancing and write-offs (which in the Contentious phase can include write-offs of principal) as part of its Servicing Policies. Debt refinancing and write-offs can take place within any of the debt recovery phases outlined above (and on an exceptional basis, debt refinancing can take place in relation to Performing Client Accounts where the customer is undergoing financial difficulties, as a precautionary measure). The Servicing Policies, following regulatory

guidelines, are approved by the Board of Directors of the Seller and carried out in accordance with the procedures validated by the Risk Committee that are reviewed periodically in order to ensure that they are valid and up-to-date.

(d) Amendments to the Servicing Policies

The Seller may change its Servicing Policies if such change is made applicable to the comparable segment of revolving credit accounts owned and serviced by the Seller.

(e) Management of fraud

The Fraud Prevention Department of the Seller manages all fraud-related issues regarding both the origination process and the use of the credit cards.

Fraud management is also assisted by the decision-assistance system ("*systema experto*"), which categorises unusual customer behaviours or transactions or which do not correspond to the normal use of the credit card by the customer, including the use of the credit card in stores or merchants considered as high-risk or in which there is an increase in the number of fraud cases. This categorisation allows the Seller to verify with the relevant customer those transactions in respect of which there are signs of potential fraud, by means of the delivery of alert notices.

Any fraudulent or unauthorised transaction notified by a customer is managed through the relevant payment system.

In addition to the foregoing and in accordance with applicable laws, the Seller offers a telephone number available 24 hours any day to allow customers to request the cancellation of the credit card in case of loss, theft or any other circumstance which the customer believes may pose a risk.

3.7.2.14. Remunerations

(a) Servicer Fee

In consideration for the services provided by the Servicer with respect to the outstanding Purchased Receivables (or any other delegates or sub-contractors of the Servicer (if any)) to the Fund, the Fund shall pay to the Servicer a fee equal to 1.6% per annum (exclusive of VAT) of the Outstanding Principal Balances of the Client Accounts serviced by the Servicer and calculated by the Management Company at the beginning of the relevant Collection Period (the **Servicer Fee**).

The Servicer Fee shall be paid in arrears on each Monthly Payment Date in accordance with and subject to the applicable Priority of Payments.

(b) Costs and Expenses

The Servicer shall not be entitled to reimbursement by the Fund of any cost, claim, liabilities or other expenses incurred or suffered by it in relation to the performance of its obligations.

3.7.2.15. Servicer Termination Events – Termination of appointment – Substitution

(a) Servicer Termination Events

Within sixty (60) calendar days after the occurrence of a Servicer Termination Event, the Management Company shall terminate the appointment of the Servicer and appoint a replacement servicer in accordance with paragraph (c) debajo de (the **Replacement Servicer**). Until such moment, the Servicer shall continue providing the relevant services (other than the cash management) as services provider. This should be understood without prejudice to the condition of Master Servicer of the Management Company pursuant to article 26.1 b) of Law 5/2015. For these purposes, **Servicer Termination Events** means any of the following events:

1. Breach of Obligations

Any breach by the Servicer of:

- (i) any of its material non-monetary obligations (other than the failure to provide the Monthly Servicer Report to the Management Company) under any Programme Document to which it is a party (except if the breach is due to force majeure) and such breach is not remedied by the Servicer within ten (10) Business Days (or within fifteen (15) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such breach; or
- (ii) any failure to transfer monies to the General Account on the Business Day following the date on which such monies are received by the Seller and such failure is not remedied by the Servicer within three (3) Business Days after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such breach; or
- (iii) subject to (ii) above, any of its monetary obligations when due under any Programme Document to which it is a party (except if the breach is due to force majeure) and such breach is not remedied by the Servicer within five (5) Business Days (or within ten (10) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such breach;

- (iv) any of the representations or warranties made or given by the Servicer under any Programme Document to which it is a party or in any certificate delivered pursuant to the Programme Documents to which it is a party is materially false or incorrect in any material respect and, where such materially false or incorrect representation or warranty can be corrected or remedied by the Servicer, is not corrected or remedied by the Servicer within ten (10) Business Days (or within fifteen (15) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such misrepresentation and/or receipt of notification in writing to the Servicer by the Management Company to remedy such materially false or incorrect representation or warranty;

2. Monthly Servicer Reports

The Servicer has not provided the Management Company with the Monthly Servicer Report on two consecutive Monthly Reporting Dates and such breach is not remedied within five (5) Business Day (or (within ten (10) Business Days if the breach is due to force majeure or due to technical reasons) following the second Monthly Reporting Date.

3. Insolvency

Any of the following events occurs in respect of the Servicer:

- (i) The Servicer is unable or admits 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.
- (ii) Except as provided below, any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) a declaration of insolvency (*concurso*), winding up, intervention, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Servicer;
 - (B) a composition, compromise, assignment or arrangement with any creditor of the Servicer being owed more than €15,000,000 or (ii) a number of creditors of the Servicer being owed in aggregate more than €15,000,000, in either case, by reason of actual or anticipated financial difficulties;
 - (C) the appointment of a liquidator, administrator (judicial or otherwise) compulsory manager or other similar officer in respect of the Servicer or any of its assets;

- (D) the revocation, withdrawal or suspension by the Bank of Spain of the license of the Servicer as an EFC or the taking of any disciplinary, resolution, recapitalisation or recovery action against the Servicer pursuant to legislation implementing Directive 2014/59/EU of the Parliament and of the Council, of 15 May 2014, in any jurisdiction which has a material negative effect on the ability of the Servicer to perform its obligations under any Programme Document; or
- (E) any analogous procedure or step is taken in any jurisdiction,

provided however that no Servicer Termination Event would have occurred if any petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

4. Illegality

At any time (i) it is or becomes unlawful for such Servicer to perform or comply with any or all of its material obligations under the Servicing Agreement or (ii) any or all of its material obligations under the Servicing Agreement are not, or cease to be, legal, valid and binding (including as a result of any act, omission, failure, default or misconduct of the Servicer) and no appropriate solution are found within thirty (30) calendar days between the Management Company and the Servicer to remedy such illegality, invalidity or unenforceability.

(b) Conditions for a Replacement Servicer

An entity may be appointed as Replacement Servicer only if:

- (i) it has experience administering receivables reasonably similar to the Purchased Receivables being administered by the Servicer in Spain or is able to demonstrate that it has the capability to administer receivables reasonably similar to the Purchased Receivables being administered by the Servicer in Spain;
- (ii) it is willing to enter into an agreement with the parties to the Servicing Agreement (other than SFC in its capacity as the Servicer) which provides for the Replacement Servicer to be remunerated at such a rate as is agreed by the Management Company but which does not exceed the rate then commonly charged by providers of servicing services and required to be provided by the Servicer and is otherwise on substantially the same terms as those of the Servicing Agreement;
- (iii) it has obtained and maintains in effect all authorisations, approvals, licences and consents required in connection with the Services;

- (iv) it has sufficient resources for the proper performance by it of the Services; and
- (v) the Relevant Rating Agencies are notified of such identification and intended appointment and they do not withdraw or downgrade the ratings then assigned by to them on the then outstanding Notes.

The Management Company will ensure that the process of search and appointment of the Replacement Servicer (as services provider) is open and competitive, and will take into account, amongst others, the above-mentioned factors in order to ensure that the Replacement Servicer is suitable and competent and able to perform the servicing functions in a diligent, efficient manner. This should be understood without prejudice to the condition of Master Servicer of the Management Company pursuant to article 26.1 b) of Law 5/2015.

(c) Appointment of Replacement Servicer

The Replacement Servicer shall be appointed by the Management Company by the entry of the Replacement Servicer and the Management Company into a replacement servicing agreement substantially in the same terms as the Servicing Agreement.

The replacement servicing agreement should contain the terms and conditions of the migration of the personal data from the Servicer to the Replacement Servicer, including the delivery of all the documentation, records, data files and databases related to the Receivables and necessary for a proper servicing.

The termination of the appointment of the Servicer will become effective as soon as the Replacement Servicer being appointed has effectively accepted to start carrying out its duties. Until such moment, the Servicer shall continue providing the relevant services (other than the cash management) (as services provider). This should be understood without prejudice to the condition of Master Servicer of the Management Company pursuant to article 26.1 b) of Law 5/2015.

The failure to replace the Servicer by a Replacement Servicer within sixty (60) calendar days after the occurrence of a Servicer Termination Event shall constitute a Revolving Termination Event.

(d) Back-up servicer facilitator

Without prejudice to the condition of Master Servicer of the Management Company pursuant to article 26.1 b) of Law 5/2015, upon the occurrence of a Servicer Termination Event, the Management Company will carry out any actions required to find, select and appoint a Replacement Servicer (also as services provider). The Management Company will make its best efforts to find a Replacement Servicer within sixty (60) calendar days from the date of the relevant Servicer Termination Event.

The Management Company will ensure that the process of search and appointment of the Replacement Servicer is open and competitive, and will take into account, amongst others, the following factors in order to ensure that the Replacement Servicer is suitable and competent and able to perform the servicing functions in a diligent, efficient manner:

- (i) it has experience administering receivables reasonably similar to the Purchased Receivables being administered by the Servicer in Spain or is able to demonstrate that it has the capability to administer receivables reasonably similar to the Purchased Receivables being administered by the Servicer in Spain;
- (ii) it is willing to enter into an agreement with the parties to the Servicing Agreement (other than SFC in its capacity as the Servicer) which provides for the Replacement Servicer to be remunerated at such a rate as is agreed by the Management Company but which does not exceed the rate then commonly charged by providers of servicing services and required to be provided by the Servicer and is otherwise on substantially the same terms as those of the Servicing Agreement;
- (iii) it has obtained and maintains in effect all authorisations, approvals, licences and consents required in connection with the Services; and
- (iv) it has sufficient resources for the proper performance by it of the Services.

Once the most appropriate Replacement Servicer has been selected, the formal appointment must take place in accordance with the provisions in paragraph (c) por encima de.

The replacement servicing agreement should also contain the terms and conditions of the migration of the personal data from the Servicer to the Replacement Servicer, including the delivery of all the documentation, records, data files and databases related to the Receivables and necessary for a proper servicing.

(e) Transfer of monies

Upon the effective removal of the Servicer, if the retiring Servicer receives any money arising from the Purchased Receivables or otherwise, which money belongs to the Fund or is to be paid to the Fund or otherwise, it will hold such money to the order and for the benefit of the Fund and will as soon as practicable upon receipt thereof and in any case within one (1) Business Day transfer the same to the Fund in the General Account. This obligation shall be continuing for the retiring Servicer.

(f) Fees

Upon effectiveness of the termination of the appointment of the Servicer by the Management Company, the Servicer shall be entitled to receive the part of the Servicer Fee accrued up to such date but it shall not be entitled to any other or further reimbursement or compensation. The sums so owed to the Servicer shall be paid by the Fund on the dates on which they would otherwise have been payable should no termination had occurred.

The costs and expenses related to the process of appointment of the Replacement Servicer (but, for the avoidance of doubt, not the remuneration of the Replacement Servicer) shall be borne by the retiring Servicer, which shall not be entitled to set-off such amount with any amounts due by the Fund to the Servicer. Notwithstanding this, in order to avoid any delays, the Management Company, at the expense of the Fund, may advance any such costs and expenses and request subsequently their reimbursement by the retiring Servicer.

(g) Return of Records

Upon termination of the appointment of the Servicer by the Management Company, the Servicer shall, at its own cost and expense:

(i) as soon as reasonably practicable, provide the Replacement Servicer with the information reasonably required in order to effectively transfer the servicing functions relating to the Purchased Receivables and to ensure, namely, the continued performance of the Priority of Payments and in particular, the payment of principal and interest due to the Noteholders;

(ii) as soon as reasonably practicable, deliver and make available to the Management Company (or any person appointed by it) the files delivered to it by the Seller (if different from the Servicer), copies of all records (including, without limitation, computer records and books of records), correspondence and documents in its possession or under its control relating to the relevant Purchased Receivables and any sums and other assets, if any, then held by the Servicer on behalf of the Management Company;

The Servicer shall execute such documents and take such actions as the Management Company may reasonably require for the purpose of enabling the Replacement Servicer to comply with its obligations;

(iii) as soon as reasonably practicable, take such further action as the Management Company (or any person appointed by it) may reasonably require for the preservation of the rights of the Fund on the Available Collections to be credited on the General Account; and

- (iv) permit the Management Company to accede to, and at reasonable times during business hours, any relevant information with respect to the Servicer's collection and servicing procedures relating to the Purchased Receivables.

3.7.3. Notification to the Borrowers and Insurance Companies

- (a) The Borrowers and the Insurance Companies shall be notified of the transfer of the Purchased Receivables as soon as practicable:
 - (i) upon the occurrence of the Servicer Termination Event;
 - (ii) in any other circumstances where the Servicer, with the prior consent of the Management Company, considers such notification necessary or desirable for the maximisation of the recoveries under the Receivables or the Insurance Indemnifications.
- (b) In any of the scenarios described above, the Management Company shall be entitled to request the Data Protection Agent to provide the Decoding Key of the Encrypted Data File in order to be able to access to the data included therein.
- (c) The Management Company shall be entitled to notify (or cause to be notified) the Borrowers and the Insurance Companies to make all payments in relation to the Purchased Receivables or the Insurance Indemnifications, as applicable, directly on the General Account or on any other Fund's substitute bank account held and operated by any authorised credit institution having the Account Bank Required Ratings in the event of the substitution and replacement of the Issuer Accounts Bank pursuant to the terms set out in section 3.4.5 of the Additional Building Block.
- (d) Any costs and expenses arising from the notification of the transfer of the Purchased Receivables upon the occurrence of a Servicer Termination Event shall be borne by the retiring Servicer. Notwithstanding this, in order to avoid any delays, the Management Company, at the expense of the Fund, may advance any such costs and expenses and request subsequently their reimbursement by the retiring Servicer.

Regarding such costs and expenses arising from the notification of the transfer of the Purchased Receivables according to paragraph (b) above, they shall be borne by the Fund.

- (e) In addition, if and when the Servicer is requested to confirm or state the capacity in which it is administering and servicing the Purchased Receivables and related matters by any Borrower or any third party (including a Spanish court) and to whom the Servicer is obliged by law to disclose such information, the Servicer shall confirm or state that it is acting in its capacity as servicer of the Purchased Receivables and related matters as agent for and on behalf of the Fund and not on its own behalf.

- (f) Pursuant to articles 1,527 and 1,198 of the Civil Code, until the moment of notification to the Borrowers and/or the Insurance Companies, as applicable, (i) they will be discharged of their payment obligations by paying the Seller, and (ii) the Borrowers and/or the Insurance Companies, as applicable, will have the right to set off against the Seller their payment obligations existing before the transfer and those which came into existence after the transfer until the date they were notified. If notice of the transfer is served on the Borrower and/or the Insurance Company and any of them opposes to the transfer, then the Borrower and/or the Insurance Company, as applicable, will only keep the right to set off payment obligations existing before the notice but not those which are posterior.

3.8. Name, address and brief description of any swap, credit, liquidity or account transaction counterparty

The Hedging Counterparty(ies) under the corresponding Hedging Agreements entered into by the Fund in respect of any Note Series and their corporate details shall be specified in the applicable Issuing Document prepared in relation to such Notes Series.

SERVICIOS FINANCIEROS CARREFOUR, E.F.C., S.A. intervenes as Expenses Subordinated Facility Provider, Commingling Reserve Subordinated Facility Provider, General Reserve Subordinated Facility Provider and Seller Interest Facility Provider.

BANCO SANTANDER, S.A. intervenes as Issuer Accounts Bank and Paying Agent.

Details of the full name, address and brief description of the above entities is included in section 5.2 of the Registration Document.

4. POST-ISSUANCE INFORMATION

4.1. Indication of whether or not it intends to provide post-issuance transaction information regarding securities to be admitted to trading and the performance of the underlying collateral. Where the issuer has indicated that it intends to report such information, specification of what information will be reported, where such information can be obtained and the frequency with which such information will be reported

The information proposed to be provided after the Fund Incorporation Date of the Fund is described below.

4.1.1. Issue, verification and approval of annual financial statements and other accounting documentation of the Fund

For the financial year 2017 and thereafter, the annual report referred in article 35.1 of Law 5/2015 containing, among others, the annual financial statements (balance sheet, profit & loss account and Management Report) and audit report of the Fund shall be submitted to the CNMV within four (4) months of the close of each fiscal year.

Additionally, according to article 35.3 of Law 5/2015, the Management Company will present the Fund's quarterly financial statements to the CNMV within two (2) months of the end of each calendar quarter.

For these purposes, **Management Report** means the management report prepared by the Management Company.

4.1.2. Obligations and periods envisaged for making periodic information on the financial and economic situation of the Fund available to the public and the CNMV

The Management Company shall submit quarterly to the CNMV the interim financial information of the Fund, in the terms and formats prescribed by Circular 2/2016.

4.1.3. Other ordinary and extraordinary disclosure obligations and material disclosure requirements

4.1.3.1. Ordinary periodic notification

The Management Company shall make available two (2) Business Days prior to each Monthly Payment Date the detailed investor report (**Investor Report**) on the basis of the last information received from the Servicer.

The Investor Report will provide the relevant information to investors (including the Note Series Noteholders) including data with regard to the portfolio of the outstanding Purchased Receivables as well as the related information with regards to the payments to be made on the following Monthly Payment Date under the Notes and an overview of the retention of the material net economic interest by the Seller (in compliance with article 405 of the CRR).

In addition, the Fund, in light of the information provided by the relevant appointed lead managers, shall disclose in the first Investor Report following the issuance of a new Note Series, the amount of Notes which are:

- (a) retained by the Seller
- (b) placed with any investor which is not the Seller;
- (c) placed with any investor which is not within the Seller's group.

Each Investor Report will contain a glossary of the defined terms used therein.

The Investor Report will be communicated to the Noteholders as established in section 4.1.3.3 infra and also provided to the Paying Agent, and (where applicable), AIAF, MARF or any other regulated or unregulated market (as applicable) and IBERCLEAR.

Once made available, the information contained in each Investor Report will remain available until the date the last Note of the relevant Note Series is redeemed in full.

The Seller has undertaken to:

- (a) prior to the Issue Date of any Note Series, make available in relation to the Purchased Receivables detailed summary statistics on the Purchased Receivables at the last Cut-Off Date to enable investors or third party contractors to build a cash flow model setting out the transaction cash flows; and
- (b) from the Issue Date of any Note Series until redemption in full of the Notes of such Note Series, make available updates to such information on a periodic basis

In addition, the Management Company shall provide in electronic form the Relevant Rating Agencies with the data specified above relating to the Fund as may be agreed between the Management Company and the Relevant Rating Agencies from time to time and as may be required under the applicable laws and regulations.

Furthermore, for so long as any Notes of any Notes Series remain outstanding, during the period between the Determination Date and the Monthly Payment Date (unless such dates fall on a bank holiday in Madrid, in which case they will change to the following Business Days) and at least one (1) calendar day in advance of each Monthly Payment Date the Management Company undertakes to provide the notices described below to (where and as applicable) AIAF, MARF or any other regulated or unregulated market and IBERCLEAR:

- (a) the Interest Rate on the Notes of each Notes Series for the current Interest Period;
- (b) the repayment of the principal of the Notes of each Notes Series for the current Interest Period;
- (c) the actual average prepayment rates of the Receivables, as of the Determination Date corresponding to the Payment Date in question;
- (d) the average residual life of the Notes of each Notes Series calculated pursuant to the assumptions regarding such actual average prepayment rate;
- (e) the Outstanding Principal Balance of each Note of each Notes Series (after the repayment to be made on the Payment Date in question), and the percentage that such Outstanding Principal Balance represents of the total initial face value of each Note of each Notes Series;
- (f) the amounts outstanding for matured principal/interest payments on the Notes of each Notes Series;
- (g) the Interest Rates resulting for the Notes for the following Interest Period;

In addition, as provided in section 4.1.2 above, the Management Company shall submit quarterly to the CNMV the interim financial information of the Fund, in the terms and formats prescribed by Circular 2/2016, of the CNMV.

In addition, this Base Prospectus, any Prospectus Supplement and any Issuing Document in respect to each Notes Series, the Deed of Incorporation and any other public deeds granted subsequently and the annual and quarterly reports referred in article 34 of Law 5/2015 may be consulted on the website of the Management Company (www.imtitulizacion.com).

The notices will be provided according to the provisions of section 4.1.3.3 below.

4.1.3.2. Extraordinary notification

The following will be subject to extraordinary notification to Noteholders:

- (a) Any amendment to the Deed of Incorporation. Such amendment will also be reported to the Relevant Rating Agencies.
- (b) the Management Company shall forthwith notify any particularly material event affecting the Receivables and the Notes (including in those cases foreseen under article 36 of Law 5/2015). Particularly material events for the Fund shall be deemed to be those likely to have a material adverse effect on the Fund's ability to make payments on the Notes.

In particular, any material change in the Deed of Incorporation, as the case may be, any significant modification of the assets or liabilities of the Fund and in the event of termination of the incorporation of the Fund or a possible decision for Early Liquidation of the Fund and early redemption for any of the reasons envisaged in the present Base Prospectus would have the consideration of material event. In this case, the deed (*acta*) of termination of the Fund and liquidation procedure followed as referred to in section 4.4.3 of the Registration Document will be sent to the CNMV and the Relevant Rating Agencies.

4.1.3.3. Noteholders notification procedure

The notifications that the Management Company has to give to the Noteholders regarding the Fund will be made as follows:

- (a) **Ordinary notification**

Ordinary notifications will be made through publication of an announcement either in:

- (i) provided that the Notes are listed in AIAF, in the AIAF Daily Bulletin;
- (ii) provided that the Notes are listed in MARF, in the MARF Daily Bulletin;
- (iii) provided that the Notes are listed in any other regulated or unregulated, in the relevant mean applicable to such regulated or unregulated market were the Notes are listed; and
- (iv) provided that the Notes are not listed, through the Management Company's website (www.imtitulizacion.com).

In addition, the Management Company or the Paying Agent can distribute this or other information in the interests of the Noteholders through any other means replacing those described above or with similar characteristics, or through financial market distribution channels and systems such as Reuters, Bridge Telerate, Bloomberg or any other with similar characteristics.

Furthermore, the Investor Report shall be made available to the Noteholders on its website (www.imtitulizacion.com) and/or through any of the other procedures set out in this section 4.1.3.3.

(b) **Extraordinary notifications**

Extraordinary notification will be made through publication of an announcement either in,

- (i) provided that the Notes are listed in AIAF, the AIAF Daily Bulletin;
- (ii) provided that the Notes are listed in MARF, the MARF Daily Bulletin;
- (iii) provided that the Notes are listed in any other regulated or unregulated, the relevant mean applicable to such regulated or unregulated market were the Notes are listed,

or in such other as may replace them or with similar characteristics, or through publication of an announcement in a widely circulated newspaper in Spain of either a general or business and financial nature or the Management Company's website (www.imtitulizacion.com), and, if applicable, through the filing of the appropriate relevant fact (*hecho relevante*) at the CNMV, such notifications being deemed effective on the date of the abovementioned publication of announcement, which may fall on any day of the year, whether a Business or Non-Business Day (as stipulated in this Base Prospectus).

(c) **Notifications and other information**

The Management Company may make notifications and other information of interest available to the Noteholders, through its own Internet pages or other means of remote transmission with similar characteristics.

This Base Prospectus has been endorsed on each and every page and signed in Madrid, on behalf of the Fund

Mr José Antonio Trujillo del Valle
Intermoney Titulización, S.G.F.T., S.A.

SCHEDULE 1

GLOSSARY OF TERMS

“€” and “EUR” means the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities.

“**Accelerated Priority of Payments**” means the accelerated priority of payments set out in section 3.4.7.2 of the Additional Building Block.

“**Accelerated Amortisation Events**” means, during the Programme Revolving Period or the Programme Amortisation Period, and as long as Rated Notes are outstanding, the occurrence of any of the following events:

- (a) a failure by the Fund to pay interest due in respect of any Class A Notes of any Note Series or, if the Class A Notes of all Note Series have been redeemed in full, a failure by the Fund to pay interest due in respect of any Class B Notes of any Note Series not remedied within five (5) Business Days from the relevant Payment Date; or
- (b) when it is or will become unlawful for the Fund to perform or comply with any of its material obligations under or in respect of the Notes; or
- (c) a failure by the Fund to redeem six (6) months prior to the relevant Notes Final Legal Maturity Date any Class A Notes of the relevant Note Series or, if the Class A Notes of all Note Series have been redeemed in full, of any Class B Notes of the relevant Note Series; or
- (d) the Management Company proceeds to liquidate the Fund following the occurrence of a Fund Liquidation Event; or
- (e) on any Calculation Date, the Management Company has determined that the aggregate of:
 - (i) the sum of:
 - (A) the Outstanding Principal Balances of the Purchased Receivables (excluding the Non-Compliant Receivables) under the Performing Client Accounts as of the immediately prior Cut-Off Date to such Calculation Date; plus
 - (B) the Outstanding Principal Balances of the Purchased Receivables transferred in the context of Initial Transfers on the Purchase Date prior to the Calculation Date; minus

- (C) the Outstanding Principal Balances of any outstanding Purchased Receivables (other than those deriving from Defaulted Client Accounts or Non-Compliant Client Accounts) repurchased by the Seller on such Calculation Date;
- (ii) the Unapplied Revolving Amount to be credited to the Revolving Account as of the next Monthly Payment Date immediately following such Calculation Date (after the application of the Priority of Payments); and
- (iii) the amounts standing to the credit of the Principal Account as of the next Monthly Payment Date immediately following such Calculation Date (after the application of the Priority of Payments),

is less than the Principal Amount Outstanding of all Note Series as of the Monthly Payment Date immediately following such Calculation Date (taking into account any redemption or issuance of Note Series to be made between on or before the next Monthly Payment Date), multiplied by the sum of (i) one (1) and (ii) the Required Seller Share.

“Account Bank Agreement” means the account bank agreement dated 7 April 2017 and made between the Management Company and the Issuer Accounts Bank.

“Account Bank Required Ratings” means in respect of any entity the ratings at least equal to:

- (a) assuming the Relevant Rating Agency with respect to any Rated Notes of any Note Series is DBRS, a public rating of at least A (senior long term) or A (high) (critical obligations rating) by DBRS or, in the absence of a public rating, at least two of the following ratings from two of the following rating agencies:
 - (i) a short-term rating of at least F-2 and a long-term rating of at least A by Fitch;
 - (ii) a short-term rating of at least A-2 and a long-term rating of at least A by Standard & Poor’s;
 - (iii) a short-term rating of at least P-2 and a long-term rating of at least A2 by Moody’s; and
- (b) assuming the Relevant Rating Agency with respect to any Rated Notes of any Note Series is Fitch: F-1 by Fitch with respect to the short-term Issuer Default Rating (IDR) of such entity or A- by Fitch with respect to the long-term Issuer Default Rating (IDR) of such entity; and

- (c) assuming the Relevant Rating Agency with respect to any Rated Notes of any Note Series is Moody's: P-2 by Moody's with respect to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity; and
- (d) assuming the Relevant Rating Agency with respect to any Rated Notes of any Note Series is S&P: any applicable ratings specified in the last Prospectus Supplement ,

or such other debt rating as determined to be applicable or agreed by each Relevant Rating Agency from time to time and specified in the last Prospectus Supplement.

“Additional Building Block” means the additional building block to the Securities Note prepared in accordance with Annex VIII to Regulation 809/2004.

“Additional Transfer” means the transfer of any Eligible Receivable deriving from a Credit Card Agreement when, prior to the contemplated transfer and having regard to the transfer(s) which have already taken place between Seller and the Fund on any preceding Purchase Dates, (x) the Fund is already the owner of part of the outstanding amounts due under certain drawings made by the corresponding Borrower under such Credit Card Agreement and (y) the Receivables under such Credit Card Agreement have not been previously repurchased by the Seller.

“Aggregate Deferred Purchase Price” means, on any Calculation Date and in respect of all Purchased Receivables, the aggregate amount of all Deferred Purchase Prices which remain unpaid as of such Calculation Date.

“Aggregate DPP Interest Amount” means the interest amount on the recorded Aggregate Deferred Purchase Price as calculated by the Management Company on the Calculation Date and equal to the product of:

- (a) the relevant Seller Share Interest Rate;
- (b) the Aggregate Deferred Purchase Price as of the preceding Monthly Payment Date;
- (c) the day count fraction corresponding to the ratio between (i) the actual effective days in each Interest Accrual Period and (ii) a 360-day year,

and rounding the resultant figure to the nearest cent.

For these purposes, the term while there is a Deferred Purchase Price shall be divided into consecutive interest accrual periods (each of them, an Interest Accrual Period) comprising the days effectively elapsed between each Monthly Payment Date, including in each Interest Accrual Period the initial Monthly Payment Date and excluding the final Monthly Payment Date. The first Interest Accrual Period shall commence on the date on which there is a Deferred Purchase Price amount and end on the immediately following Monthly Payment Date.

During the Programme Accelerated Amortisation Period, the Aggregate Deferred Purchase Price shall not bear any interest and no interest amount shall be paid under the Aggregate Deferred Purchase Price.

“**Aggregate Outstanding Debt**” means, in respect of any Purchased Receivables and any Client Account, and on any date, the total amount due by the Borrower on such date, including principal, interest and fees (whether not yet matured or overdue).

“**Aggregate Repurchase Price**” means, in relation to all the Repurchased Receivables to be repurchased on a Repurchase Date:

- (a) the aggregate of the Repurchase Prices of such Repurchased Receivables; plus
- (b) all additional, specific, direct and indirect, costs and expenses incurred by the Fund in respect of the repurchase of such Repurchased Receivables and previously approved by the Seller excluding, for the avoidance of any double counting, any item already included in the Repurchase Price.

“**AIAF**” means the Spanish AIAF Fixed Income Market. AIAF is a regulated market authorised by virtue of the Ministry Order dated 1 August 1991 (*Orden Ministerial de fecha 1 de agosto de 1991, por la que se autoriza el funcionamiento del Mercado AIAF de Renta Fija como mercado secundario organizado no oficial de valores*), as amended by virtue of the Ministry Order dated 27 July 1995 (*Orden Ministerial de fecha 27 de julio de 1995, por la que se aprueba la modificación de la autorización del mercado AIAF de Renta Fija como mercado secundario organizado no oficial de valores, del Reglamento del citado mercado, de los Estatutos de la Asociación de Intermediarios de Activos Financieros (AIAF) y se autorizan los Estatutos de la entidad a constituir AIAF, Mercado de Renta Fija, S.A.*).

“**AIFMR**” means Commission Delegated Regulation (EU) No 231/2013, of 19 December 2012, supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

“**Allen & Overy**” means ALLEN & OVERY.

“**Amortisation Starting Date**” or “**Note Series 20xx-yy Amortisation Starting Date**” means, with respect to any outstanding Note Series, the earlier of the following dates:

- (a) the applicable Scheduled Amortisation Starting Date; and
- (b) the Monthly Payment Date immediately following the occurrence of a Revolving Termination Event or an Accelerated Amortisation Event.

“**Annual Payment Date**” means during the Programme Revolving Period and the Programme Amortisation Period, the annual date falling on the 26th day which falls on a Monthly

Payment Date (subject to the Modified Following Business Day Convention) as specified in the applicable Issuing Document.

“**Arrangers**” means Banco Santander, S.A. and Natixis in their capacity as arrangers of the Programme.

“**Asnef**” means the *Asociación Nacional de Establecimientos Financieros de Crédito*.

“**Asset-Liability Mismatch Amount**” means on any Calculation Date, the positive difference between (a) and (b) where:

- (a) is the aggregate of (i), (ii), (iii), (iv) and (v) below:
- (i) the Outstanding Principal Balances of the Purchased Receivables (excluding any Non-Compliant Receivables) under the Performing Client Accounts as of the immediately prior Cut-Off Date to such Calculation Date; plus
 - (ii) the Outstanding Principal Balances of the Purchased Receivables transferred in the context of Initial Transfers on the Purchase Date prior to the Calculation Date (included); minus
 - (iii) the Outstanding Principal Balances of any outstanding Purchased Receivables (other than those deriving from Defaulted Client Accounts or Non-Compliant Client Accounts) repurchased by the Seller on such Calculation Date; plus
 - (iv) the Unapplied Revolving Amount (if any) that will be credited to the Revolving Account on the Monthly Payment Date after such Calculation Date; plus
 - (v) the amounts that will be standing to the credit of the Principal Account on the Monthly Payment Date after such Calculation Date (including any amount retained on the Principal Account and recorded in the Principal Distribution Ledger on such Monthly Payment Date).
- (b) is the aggregate of the Principal Amount Outstanding of all Notes of all Note Series (taking account any principal payments to be made with respect to the Note Series to be amortised or any Note Series to be issued) on or prior to the Monthly Payment Date after such Calculation Date.

“**Audit Report**” means the Agreed-Upon Procedures report produced by the Auditor for the Management Company and the Joint Lead Managers regarding certain attributes of the Receivables in order to comply with the provisions of article 22 of Law 5/2015. Audit Report shall include the report dated 30 March 2017 prepared by the Auditors in connection with the Deed of Incorporation of the Fund and the first Notes Series, and any updates of such report

and any other audit reports that may be produced in connection with Receivables pooled in the Fund from time to time.

“**Audited Portfolio**” means the aggregate of the Receivables audited by the Auditor from which the Receivables to be transferred to the Fund on the Fund Incorporation Date (or, as applicable, on any other Purchase Date during the life of the Fund) will be selected.

“**Auditor**” means MAZARS Auditores, S.L.P.

“**Authorised Entity(es)**” means any third party entity(ies) authorized by the Seller for the relevant purposes (whether from the Seller’s group or not).

“**Availability Period**” means:

- (a) with respect to the Expenses Subordinated Facility, the period commencing on the Fund Incorporation Date and ending on the last day of the Programme Revolving Period;
- (b) with respect to the General Reserve Subordinated Facility, the period commencing on the Fund Incorporation Date and ending on the last day of the Programme Revolving Period;
- (c) with respect to the Commingling Reserve Subordinated Facility, the period commencing on the Fund Incorporation Date and ending on the Fund Liquidation Date; and
- (d) with respect to the Seller Interest Credit Facility, the period commencing on the Fund Incorporation Date and ending on the last day of the Programme Revolving Period.

“**Available Amortisation Amount**” means, on each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, an amount equal to the aggregate of:

- (a) the Available Principal Collections with respect to the Collection Period immediately preceding such Monthly Payment Date;
- (b) the amounts standing to the credit of the Principal Account as of the close of the immediately preceding Monthly Payment Date (after the application of the relevant Priority of Payments), but excluding any amounts retained on the Principal Account and recorded on the Principal Distribution Ledger for the purpose of payment on any subsequent Monthly Payment Date(s);
- (c) the Seller Dilutions (if any) paid on or prior to the Calculation Date by the Seller to the Fund in accordance with section 3.3.1.10 of the Additional Building Block;
- (d) the portion of the Aggregate Repurchase Price which corresponds to the Outstanding Principal Balances of the Repurchased Receivables with respect to Client Accounts

other than Defaulted Client Accounts in respect of a Repurchase Date immediately preceding such Monthly Payment Date;

- (e) the PDL Cure Amounts credited on such Monthly Payment Date to the Principal Account by debit of the Interest Account in accordance with the Interest Priority of Payments;
- (f) the Unapplied Revolving Amount standing at the credit of the Revolving Account on the preceding Monthly Payment Date (after the application of the relevant Priority of Payments); and
- (g) minus, as the case may be, the amount credited to the Interest Account pursuant to item (1) of the Principal Priority of Payments on such Monthly Payment Date

“**Available Balance**” (*Saldo Disponible*) means the positive difference between the Credit Limit on each Client Account and its Outstanding Principal Balance at any given time.

“**Available Collections**” means, on each Calculation Date, in respect of any Collection Period immediately preceding such Calculation Date, an amount equal to the aggregate of:

- (a) the total aggregate amounts collected by the Servicer from the Borrowers (including scheduled and unscheduled payments of principal, interest, arrears, late payments, Recoveries, and penalties) with respect to the Purchased Receivables during the Collection Period but excluding for the avoidance of doubt any insurance premium;
- (b) any Insurance Indemnifications paid to the Seller under the Insurance Policies;
- (c) any Non-Compliant Repurchase Amount (or, as the case may be, any equivalent indemnity paid by the Seller to the Fund);
- (d) any amount to be debited by the Management Company from the Commingling Reserve Amount on that Settlement Date;
- (e) plus or minus, as the case may be, the Corrected Available Collections, provided that the credit balance of the General Account is sufficient to enable such adjustments.

“**Available Distribution Amount**” means:

- (a) on each Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period: the aggregate of the Available Principal Amount and the Available Interest Amount; and
- (b) on each Monthly Payment Date during the Programme Accelerated Amortisation Period: the balance standing to the credit of the General Account (after the transfer of any amounts standing to the credit of the Revolving Account, the Principal Account, the Interest Account, the General Reserve Account and the Spread Account but before the application of the Accelerated Priority of Payments).

“Available Interest Amount” means, on each Monthly Payment Date and without double counting, the amount standing at the credit of the Interest Account prior to giving effect to the relevant Priority of Payments and equal to the aggregate of:

- (a) any amount recorded on the Interest Distribution Ledger in accordance with section 4.8.8.3 of the Securities Note to be paid by the Fund on such Monthly Payment Date (excluding any amounts recorded on such Interest Distribution Ledger for the purpose of payment on any subsequent Monthly Payment Date(s));
- (b) the remaining portion of the Available Collections (after transfer of the Available Principal Collections on the Principal Account) credited to the Interest Account with respect to the Collection Period immediately preceding such Monthly Payment Date;
- (c) the Hedging Net Amount and the Hedging Collateral Account Surplus (if any) received by the Fund pursuant to the Hedging Agreement(s);
- (d) the Financial Income credited to the Issuer Accounts (excluding those from the Hedging Collateral Account(s), if any);
- (e) (i) the remaining portion of the Aggregate Repurchase Price with respect to any Performing Client Account and (ii) the Aggregate Repurchase Price with respect to any Defaulted Client Account in respect of a Repurchase Date immediately preceding such Monthly Payment Date;
- (f) the Class C Spread Amount determined by the Management Company on the Calculation Date immediately preceding such Monthly Payment Date; and
- (g) subject to paragraph (a) above, any other amounts standing to the credit of the Interest Account as of the close of the immediately preceding Monthly Payment Date (after the application of the relevant Priority of Payments),

provided that if the Servicer has failed to provide the Management Company with the Monthly Servicer Report within two (2) Business Days after the relevant Monthly Reporting Date the Management Company shall adjust the Available Interest Amount upon receipt of the relevant Monthly Servicer Report on or prior to the relevant Calculation Date.

“Available Principal Amount” means, on any Monthly Payment Date and without double counting the amount standing at the credit of the Principal Account prior to giving effect to the relevant Priority of Payments and equal to the aggregate of:

- (a) any amount recorded on the Principal Distribution Ledger in accordance with section 4.8.8.3 of the Securities Note to be paid by the Fund on such Monthly Payment Date (excluding any amounts recorded on such Principal Distribution Ledger for the purpose of payment on any subsequent Monthly Payment Date(s));

- (b) the Available Principal Collections with respect to the Collection Period immediately preceding such Monthly Payment Date;
- (c) the PDL Cure Amounts credited to the Principal Account by debit of the Interest Account in accordance with the Interest Priority of Payments;
- (d) the aggregate of the Note Series 20xx-yy Initial Principal Amounts (if any) of all Note Series issued on the Issue Date immediately preceding such Monthly Payment Date after the Fund Incorporation Date;
- (e) any SICF Drawing Amount drawn under the Seller Credit Interest Facility on the Settlement Date preceding such Monthly Payment Date;
- (f) the Unapplied Revolving Amount standing at the credit of the Revolving Account on the preceding Monthly Payment Date (after the application of the relevant Priority of Payments);
- (g) the Seller Dilutions (if any) paid on or prior to the Calculation Date by the Seller to the Fund in accordance with section 3.3.1.10 of the Additional Building Block;
- (h) the portion of the Aggregate Repurchase Price which corresponds to the Outstanding Principal Balances of the Repurchased Receivables with respect to Client Accounts other than Defaulted Client Accounts in respect of a Repurchase Date immediately preceding such Monthly Payment Date;
- (i) subject to paragraph (a) above, any other amounts standing to the credit of the Principal Account as of the close of the immediately preceding Monthly Payment Date (after the application of the relevant Priority of Payments),

provided that if the Servicer has failed to provide the Management Company with the Monthly Servicer Report within two (2) Business Days after the relevant Monthly Reporting Date the Management Company shall adjust the Available Principal Amount upon receipt of the relevant Monthly Servicer Report on or prior to the relevant Calculation Date.

“Available Principal Collections” means, on any Calculation Date, in respect of the Collection Period immediately preceding such Calculation Date, the part of the Available Collections corresponding to:

- (a) the aggregate of the principal payments (including any prepayments) effectively paid with respect of the Performing Client Accounts in relation to the relevant Collection Period;
- (b) any amount which is corresponding to a principal component due to the Fund and to be debited by the Management Company from the Commingling Reserve Amount on the Settlement Date following such Calculation Date;

- (c) the aggregate of the principal component to be received on the Calculation Date in connection with any Non-Compliant Repurchase Amount (or any part of the equivalent indemnity paid by the Seller to the Fund) with respect to any Performing Client Account;
- (d) the portion of the Insurance Indemnifications paid by any insurance company to the Seller in respect of Performing Client Accounts only and which corresponds to principal (other than any amounts referred to in (a) above) during the relevant Collection Period;
- (e) plus or minus, as the case maybe, any Corrected Available Principal Collections provided that the credit balance of the Principal Account is sufficient to enable such adjustments.

“Available Purchase Amount” means:

- (a) on each Determination Date during the Programme Revolving Period, the sum of:
 - (i) the product of:
 - (A) The aggregate of the Note Series 20xx-yy Principal Ratio of all Notes Series having a Scheduled Amortisation Starting Date occurring after the Monthly Payment Date following such Determination Date; and
 - (B) the Available Principal Collections with respect to the Collection Period immediately preceding such Determination Date;
 - (ii) the Unapplied Revolving Amount standing at the credit of the Revolving Account as of close of the preceding Monthly Payment Date;
- (b) otherwise, zero (0).

“Base Prospectus” means the base prospectus prepared by the Management Company in accordance with Regulation 809/2004. The Base Prospectus has been registered with the CNMV on 6 April 2017.

“Billing and Delivery Agent” means Banco Santander, S.A. in connection with the first Note Series issued by the Fund.

“Borrower” means, in relation to any Credit Card Agreement, the individual who has entered into such Credit Card Agreement as principal obligor to the Seller.

“Business Day” means a day which is a TARGET2 Business Day other than (i) a Saturday, (ii) a Sunday or (iii) a public holiday in Madrid (Spain) or and (iv) as the case may be, any other day specified in the corresponding Issuing Document.

“Business Day Convention” means the Modified Following Business Day Convention.

“**Calculation Date**” means the fifth (5th) Business Day before each Monthly Payment Date. For clarification purposes, the first Calculation Date after the Fund Incorporation Date will be 19 June 2017.

“**Calculation Period**” means any period of time (from and including the first day of such period to but excluding the last) where an amount of interest on any Note of any Note Series is calculated.

“**Capital Companies Law**” means Royal Decree Law 1/2010, of 2 July, approving the consolidated text of the Capital Companies Law (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*).

“**Cash Re-payment Option**” means the single interest-free repayment (*contado inmediato* or *contado fin de mes*) option permitted under the Credit Card Agreements.

“**Certain Regulatory and Industry Disclosures**” means section 4 (CERTAIN REGULATORY CONSIDERATIONS) of this Base Prospectus.

“**Charge Account**” means the bank account associated with every Credit Card where the amounts payable under a Credit Card Agreement are debited on a monthly basis by means of direct debit.

“**Charge Account Banks**” means the Spanish financial institutions where the Charge Accounts are opened in the Borrowers' names.

“**Circular 2/2016**” means CNMV Circular 2/2016, of 20 April, on accounting standards, annual financial statements, public financial statements and confidential statistical information statements of Securitisation Funds (*Circular 2/2016, de 20 de abril, de la Comisión Nacional del Mercado de Valores, sobre normas contables, cuentas anuales, estados financieros públicos y estados reservados de información estadística de los Fondos de Titulización*).

“**Civil Code**” means the Spanish Civil Code published by virtue of the Royal Decree of 29 July 1889 and the other preparatory provisions.

“**CIT Regulations**” means the Corporate Income Tax Regulations approved by Royal Decree 634/2015, of 10 July.

“**Class**” means each class of a Note Series.

“**Class A Fixed Rate Notes**” means the Class A Notes of any Note Series which bear a fixed interest rate.

“**Class A Floating Rate Notes**” means the Class A Notes of any Note Series which bear a floating interest rate.

“Class A General Reserve Ledger” means, with respect to the Class A Notes of any Note Series, the ledger which shall be established by the Management Company, acting for and on behalf of the Fund, in order to record on any Monthly Payment Date the amount up to which the General Reserve Account may be drawn on the following Monthly Payment Date to make up for any shortfall to satisfy the payment of certain items of the Interest Priority of Payments in accordance with the Interest Shortfall Priority of Payments or the Accelerated Priority of Payments as applicable.

“Class A General Reserve Minimum Amount” means, on any Monthly Payment Date, an amount equal to the product of:

- (a) 0.50 per cent (or any other percentage indicated in the last Prospectus Supplement); and
- (b) the sum of the Initial Principal Amount of the Class A Notes of all Note Series on such date (including the Initial Principal Amount of the Class A Notes of any Note Series to be issued but excluding the Initial Principal Amount of the Class A Notes of any Note Series to be redeemed on such Monthly Payment Date), provided that as from the date on which the Class A Notes of all Note Series have fully redeemed, such amount shall be equal to zero (0).

“Class A General Reserve Replenishment Amount” means, on any Monthly Payment Date on which no new Note Series is issued by the Fund, the difference (if positive) between (i) the Class A General Reserve Required Amount and (ii) the credit balance of the Class A General Reserve Ledger on such Monthly Payment Date (before the application of the applicable Priority of Payments).

“Class A General Reserve Required Amount” means:

- (a) on the first Notes Issue Disbursement Date following the Fund Incorporation Date, an amount equal to EUR 5,640,000;
- (b) on any Issue Date when a new Note Series is issued, an amount as specified in the last Prospectus Supplement;
- (c) on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the maximum between:
 - (i) the product of:
 - (A) 1.20 per cent. (or any other percentage indicated in the last Prospectus Supplement); and
 - (B) the sum of the Principal Amount Outstanding of the Class A Notes of all Note Series (taking into account the Class A Notes of any Note

Series to be issued and/or to be redeemed on such Monthly Payment Date);

- (ii) the Class A General Reserve Minimum Amount;
- (d) on any Monthly Payment Date during the Programme Accelerated Amortisation Period, the Class A General Reserve Minimum Amount,

provided that all amounts of interest received from the General Reserve Amount and standing, as the case may be, to the credit of the General Reserve Account, shall not be taken into account.

“Class A Hedging Agreement” means, with respect to the Class A Floating Rate Notes of any Note Series, the interest rate hedging agreement with respect to such Class A Floating Rate Notes which may be entered into between the Fund and any Class A Hedging Counterparty.

“Class A Hedging Counterparty” means, with respect to any Class A Floating Rate Notes of any Note Series, the Eligible Hedging Counterparty specified in any Issuing Document.

“Class A Hedging Senior Termination Payment” means, on any relevant Monthly Payment Date, the aggregate amount of all Hedging Senior Termination Payments with respect to any relevant Class A Hedging Agreements (if any).

“Class A Hedging Subordinated Termination Amount” means on any relevant Monthly Payment Date, the Class A Hedging Subordinated Termination Payments, determined by the Management Company on the preceding Calculation Date.

“Class A Hedging Subordinated Termination Payment” means, on any relevant Monthly Payment Date, the aggregate amount of the Hedging Subordinated Termination Payments with respect to any relevant Class A Hedging Agreements (if any),

“Class A Monthly Hedging Net Amounts” means, with respect to a Monthly Payment Date, the sum of all Class A20xx-yy Monthly Hedging Net Amounts determined by the Management Company to be retained and/or paid (as applicable) on such Monthly Payment Date in accordance with the applicable Priority of Payments.

“Class A Noteholder” means any holder of any Class A Note.

“Class A Notes” means the senior asset-backed notes designated on Class A issued or to be issued by the Fund.

“Class A Notes Monthly Amortisation Amount” means, with respect to a Monthly Payment Date, the sum of all Class A20xx-yy Notes Monthly Amortisation Amounts determined by the Management Company, to be retained and/or paid (as applicable) on such Monthly Payment Date in accordance with the applicable Priority of Payments.

“Class A Notes Monthly Interest Amount” means, with respect to a Monthly Payment Date, the sum of all Class A20xx-yy Notes Monthly Interest Amount determined by the Management Company, to be retained and/or paid (as applicable) on such Monthly Payment Date in accordance with the applicable Priority of Payments

“Class A Notes Principal Amount Outstanding” means, on any date, the Principal Amount Outstanding of any outstanding Class A Notes.

“Class A Notes Subscribers” means, with respect to any Class A Notes of a particular Note Series, the subscribers of such Class A Notes.

“Class A Notes Subscription Agreement” means the subscription agreement for the Class A Notes of any Note Series which will be made between the Management Company, the Seller and one or several global coordinators, lead managers, bookrunners, underwriters or subscribers. Each Issuing Document will provide details of the names of the global coordinators, lead managers, bookrunners or underwriters appointed in relation to the offering and subscription of the Class A Notes of any Note Series.

“Class A PDL Cure Amount” means any amounts retained at item (5) of the Interest Priority of Payments to cure any debit balance in respect of the Class A Principal Deficiency Ledger.

“Class A Principal Deficiency Ledger” means the sub-ledger of the Principal Deficiency Ledger established and maintained by the Management Company in respect of the Class A Notes of any Note Series and which records certain amounts as credit or debit entries in accordance with the terms of the Deed of Incorporation of the Fund.

“Class A20xx-yy Hedging Net Amount” means, with respect to the Class A20xx-yy Notes of a Note Series and with respect to any applicable Payment Date, the Hedging Net Amount with respect to the relevant Class A Hedging Agreement of such Note Series 20xx-yy (if any), which shall be paid to the Hedging Counterparty.

“Class A20xx-yy Monthly Hedging Net Amount” means, with respect to the Class A20xx-yy Notes of a Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class A20xx-yy Notes, the aggregate of:
 - (i) the Class A20xx-yy Monthly Hedging Net Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class A20xx-yy Hedging Net Amount to be paid on the next Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio;

- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class A20xx-yy Notes, the aggregate of:
- (i) the Class A20xx-yy Monthly Hedging Net Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class A20xx-yy Hedging Net Amount to be paid on such Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio; and
 - (iii) any hedging net amounts retained on the Interest Distribution Ledger with respect to such Class A20xx-yy Notes since the last Payment Date (if any);
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period, the aggregate of:
- (i) the Class A20xx-yy Hedging Net Amount to be paid on such Monthly Payment Date;
 - (ii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any hedging net amounts retained on the Interest Distribution Ledger with respect to such Class A20xx-yy Notes since the last Payment Date (if any); and
 - (iii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, the Class A20xx-yy Monthly Hedging Net Shortfall recorded on the previous Monthly Payment Date (if any);

as calculated by the Management Company for such Monthly Payment Date (rounded to the nearest cent and in case of equal distance, rounding upwards).

“Class A20xx-yy Monthly Hedging Net Shortfall” means, with respect to the Class A20xx-yy Notes of any Note Series, the portion of the Class A20xx-yy Monthly Hedging Net Amount which has not been entirely retained on the Interest Account and recorded on the Interest Distribution Ledger on any previous Monthly Payment Date since the previous Payment Date for such Class A20xx-yy Notes.

“Class A20xx-yy Notes” means any Class A Notes issued in year “20xx” and corresponding to the series number “yy” of such year.

“Class A20xx-yy Notes Interest Amount” means, with respect to the Class A20xx-yy Notes of any Note Series:

- (a) during the Programme Revolving Period and the Programme Amortisation Period, the interest amount payable on such Class A20x-yy Notes on each Payment Date;
- (b) during the Programme Accelerated Amortisation Period, the interest amount payable on the Class A20xx-yy Notes on each Monthly Payment Date,

as calculated by the Management Company on the basis of the Class A20xx-yy Notes Interest Rate specified in the applicable Issuing Document.

“**Class A20xx-yy Notes Interest Rate**” means the Interest Rate applicable to a given Class A20xx-yy Notes as specified in the applicable Issuing Document.

“**Class A20xx-yy Notes Monthly Amortisation Amount**” means with respect to the Class A20xx-yy Notes of any Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class A20xx-yy Notes:
 - (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
 - (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the lesser between:
 - (A) the difference between (x) the Class A20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class A20xx-yy Notes since the last Payment Date (if any); and
 - (B) the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date;
- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class A20xx-yy Notes:
 - (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
 - (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the aggregate of:
 - (A) the principal amounts retained on the Principal Distribution Ledger with respect to such Class A20xx-yy Notes since the last Payment Date (if any); and

- (B) the lesser between:
- the difference between (x) the Class A20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class A20xx-yy Notes since the last Payment Date (if any); and
 - the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date;
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period, the aggregate of:
- (i) the Class A20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Monthly Payment Date; and
 - (ii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any principal amounts retained on the Principal Distribution Ledger with respect to such Class A20xx-yy Notes since the last Payment Date (if any).

“Class A20xx-yy Notes Monthly Interest Amount” means with respect to the Class A20xx-yy Notes of any Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class A20xx-yy Notes, the aggregate of:
- (i) the Class A20xx-yy Notes Monthly Interest Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class A20xx-yy Notes Interest Amount to be paid on the next Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio;
- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class A20xx-yy Notes, the aggregate of:
- (i) the Class A20xx-yy Notes Monthly Interest Shortfall recorded on the previous Monthly Payment Date (if any); and

- (ii) the product of:
 - (A) the Class A20xx-yy Notes Interest Amount to be paid on such Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio;
 - (iii) the interest amounts recorded on the Interest Distribution Ledger with respect to such Class A20xx-yy Notes since the last Payment Date (if any).
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period, the aggregate of:
- (i) the Class A20xx-yy Notes Interest Amount to be paid on such Monthly Payment Date;
 - (ii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any interest amounts recorded on the Interest Distribution Ledger with respect to such Class A20xx-yy Notes since the last Payment Date (if any); and
 - (iii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, the Class A20xx-yy Notes Monthly Interest Shortfall recorded on the previous Monthly Payment Date (if any);

as calculated by the Management Company for such Monthly Payment Date (rounded to the nearest cent and in case of equal distance, rounding upwards).

“Class A20xx-yy Note Monthly Interest Shortfall” means, with respect to the Class A20xx-yy Notes of any Note Series, the portion of the Class A20xx-yy Notes Monthly Interest Amount which has not been entirely retained on the Interest Distribution Ledger on any previous Monthly Payment Date(s) since the last Payment Date for such Class A20xx-yy Notes.

“Class A20xx-yy Notes Principal Amount Outstanding” means, on any date, the principal amount outstanding of the Class A20xx-yy Notes.

“Class B Fixed Rate Notes” means the Class B Notes of any Note Series which bear a fixed interest rate.

“Class B Floating Rate Notes” means the Class B Notes of any Note Series which bear a floating interest rate.

“Class B General Reserve Ledger” means, with respect to the Class B Notes of any Note Series, the ledger which shall be established by the Management Company, acting for and on behalf of the Fund, in order to record on any Monthly Payment Date the amount up to which the General Reserve Account may be drawn on the following Monthly Payment Date to make

up for any shortfall to satisfy the payment of certain items of the Interest Priority of Payments in accordance with the Interest Shortfall Priority of Payments.

“**Class B General Reserve Minimum Amount**” means on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period (only), an amount equal to the product of:

- (a) the following applicable percentage:
 - (i) 0.20 per cent. (or any other percentage indicated in the last Prospectus Supplement) if the Class A Notes of all Note Series have not been redeemed in full; or
 - (ii) 0.70 per cent. (or any other percentage indicated in the last Prospectus Supplement) if the Class A Notes of all Note Series have been fully redeemed;

and

- (b) the sum of the Initial Principal Amount of the Class B Notes of all Note Series on such date (including the Initial Principal Amount of the Class B Notes of any Note Series to be issued but excluding the Initial Principal Amount of the Class B Notes of any Note Series to be redeemed on such Monthly Payment Date), provided that as from the date on which all Class B Notes of all Note Series have fully redeemed, such amount shall be equal to zero (0).

“**Class B General Reserve Replenishment Amount**” means, on any Monthly Payment Date on which no new Note Series is issued by the Fund, the difference (if positive) between (i) the Class B General Reserve Required Amount and (ii) the credit balance of the Class B General Reserve Ledger on such Monthly Payment Date (before the application of the applicable Priority of Payments).

“**Class B General Reserve Required Amount**” means:

- (a) on the first Notes Issue Disbursement Date following the Fund Incorporation Date, an amount equal to zero (0);
- (b) on any Issue Date when a new Note Series is issued, an amount as specified in the last Prospectus Supplement;
- (c) on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the maximum between:
 - (i) the product of:
 - (A) the following applicable percentage:

- (aa) 0.50 per cent. (or any other percentage indicated in the last Prospectus Supplement) if the Class A Notes of all Note Series have not been redeemed in full; or
- (bb) 1.00 per cent. (or any other percentage indicated in the last Prospectus Supplement) if the Class A Notes of all Note Series have been fully redeemed;

and

- (B) the sum of the Principal Amount Outstanding of the Class B Notes of all Note Series (including Principal Amount Outstanding of the Class B Notes of any Note Series to be issued but excluding Principal Amount Outstanding of the Class B Notes of any Note Series to be redeemed on such Monthly Payment Date);
- (ii) the Class B General Reserve Minimum Amount;
- (d) on any Monthly Payment Date during the Programme Accelerated Amortisation Period, zero (0),

provided that all amounts of interest received from the General Reserve Amount and standing, as the case may be, to the credit of the General Reserve Account, shall not be taken into account.

“Class B Hedging Subordinated Termination Amount” means on any relevant Monthly Payment Date, the Class B Hedging Subordinated Termination Payment, determined by the Management Company on the preceding Calculation Date.

“Class B Hedging Agreement” means, with respect to the Class B Floating Rate Notes of any Note Series, the interest rate hedging agreement with respect to such Class B Floating Rate Notes which may be entered into between the Fund and any Class B Hedging Counterparty.

“Class B Hedging Counterparty” means, with respect to any Class B Floating Rate Notes of any Note Series, the Eligible Hedging Counterparty specified in any Issuing Document.

“Class B Hedging Senior Termination Payment” means, on any relevant Monthly Payment Date, the aggregate amount of all Hedging Senior Termination Payments with respect to any relevant Class B Hedging Agreements (if any).

“Class B Hedging Subordinated Termination Payment” means, on any relevant Monthly Payment Date, the aggregate amount of the Hedging Subordinated Termination Payments with respect to any relevant Class B Hedging Agreements (if any).

“Class B Monthly Hedging Net Amounts” means, with respect to a Monthly Payment Date, the sum of all Class B20xx-yy Monthly Hedging Net Amounts determined by the

Management Company to be retained and/or paid (as applicable) on such Monthly Payment Date in accordance with the applicable Priority of Payments.

“**Class B Noteholder**” means any holder of any Class B Note.

“**Class B Notes**” means the mezzanine asset-backed notes designated on Class B issued or to be issued by the Fund.

“**Class B Notes Monthly Amortisation Amount**” means, with respect to a Monthly Payment Date, the sum of all Class B20xx-yy Notes Monthly Amortisation Amounts determined by the Management Company, to be retained and/or paid (as applicable) on such Monthly Payment Date in accordance with the applicable Priority of Payments.

“**Class B Notes Monthly Interest Amount**” means, with respect to a Monthly Payment Date, the aggregate amount of all Class B20xx-yy Notes Monthly Interest Amount determined by the Management Company, to be retained and/or paid (as applicable) on such Monthly Payment Date in accordance with the applicable Priority of Payments.

“**Class B Notes Principal Amount Outstanding**” means, on any date, the Principal Amount Outstanding of any outstanding Class B Notes.

“**Class B Notes Subscribers**” means, with respect to any Class B Notes of a particular Note Series, the subscribers of such Class B Notes.

“**Class B Notes Subscription Agreement**” means the subscription agreement for the Class B Notes of any Note Series which will be made between the Management Company, the Seller and one or several global coordinators, lead managers, bookrunners, underwriters or subscribers. Each Issuing Document will provide details of the names of the global coordinators, lead managers, bookrunners or underwriters appointed in relation to the offering and subscription of the Class B Notes of any Note Series.

“**Class B Principal Deficiency Ledger**” means the sub-ledger of the Principal Deficiency Ledger established and maintained by the Management Company in respect of the Class B Notes and which records certain amounts as credit or debit entries in accordance with the terms of the Deed of Incorporation.

“**Class B PDL Cure Amount**” means any amounts retained at item (9) of the Interest Priority of Payments to cure any debit balance in respect of the Class B Principal Deficiency Ledger.

“**Class B20xx-yy Hedging Net Amount**” means, with respect to the Class B20xx-yy Notes of a Note Series and with respect to any applicable Payment Date, the Hedging Net Amount with respect to the relevant Class B Hedging Agreement of the Note Series 20xx-yy (if any) which shall be paid to the Hedging Counterparty.

“**Class B20xx-yy Monthly Hedging Net Amount**” means, with respect to the Class B20xx-yy Notes of a Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class B20xx-yy Notes, the aggregate of:
 - (i) the Class B20xx-yy Monthly Hedging Net Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class B20xx-yy Hedging Net Amount to be paid on the next Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio,
- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class B20xx-yy Notes, the aggregate of:
 - (i) the Class B20xx-yy Monthly Hedging Net Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class B20xx-yy Hedging Net Amount to be paid on such Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio; and
 - (iii) any hedging net amounts retained on the Interest Distribution Ledger with respect to such Class B20xx-yy Notes since the last Payment Date (if any).
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period, the aggregate of:
 - (i) the Class B20xx-yy Hedging Net Amount to be paid on such Monthly Payment Date; and
 - (ii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any hedging net amounts retained on the Interest Distribution Ledger with respect to such Class B20xx-yy Notes (if any);
 - (iii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, the Class A20xx-yy Monthly Hedging Net Shortfall recorded on the previous Monthly Payment Date (if any),

as calculated by the Management Company for such Monthly Payment Date (rounded to the nearest cent and in case of equal distance, rounding upwards).

“**Class B20xx-yy Notes**” means any Class B Notes issued in year “20xx” and corresponding to the series number “yy” of such year.

“**Class B20xx-yy Notes Interest Amount**” means, with respect to the Class B20xx-yy Notes:

- (a) during the Programme Revolving Period and the Programme Amortisation Period, the interest amount payable on the Class B20xx-yy Notes on each Payment Date;
- (b) during the Programme Accelerated Amortisation Period, the interest amount payable on the Class B20xx-yy on each Monthly Payment Date,

as calculated by the Management Company on the basis of the Class B20xx-yy Notes Interest Rate specified in the applicable Issuing Document.

“**Class B20xx-yy Notes Interest Rate**” means the Interest Rate applicable to a given Class B20xx-yy Notes as specified in the applicable Issuing Document.

“**Class B20xx-yy Notes Monthly Amortisation Amount**” means with respect to the Class B20xx-yy Notes of any Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class B20xx-yy Notes:
 - (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
 - (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the lesser between:
 - (A) the difference between (x) the Class B20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class B20xx-yy Notes since the last Payment Date (if any); and
 - (B) the positive difference between (x) the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date and (y) the Class A20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class B20xx-yy Notes:
 - (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);

- (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the aggregate of:
 - (A) the principal amounts retained on the Principal Distribution Ledger with respect to such Class B20xx-yy Notes since the last Payment Date (if any); and
 - (B) the lesser between:
 - the difference between (x) the Class B20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class B20xx-yy Notes since the last Payment Date (if any); and
 - the positive difference between (x) the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date and (y) the Class A20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period:
 - (i) once all Class A Notes have been fully redeemed or the remaining principal amount due under such Class A Notes have been fully retained on the Principal Distribution Ledger, the aggregate of:
 - (A) the Class B20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Monthly Payment Date; and
 - (B) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any principal amounts retained on the Principal Distribution Ledger with respect to such Class B20xx-yy Notes since the last Payment Date (if any);
 - (ii) in any other case, zero (0).

“Class B20xx-yy Notes Monthly Interest Amount” means with respect to the Class B20xx-yy Notes of any Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class B20xx-yy Notes, the aggregate of:

- (i) the Class B20xx-yy Notes Monthly Interest Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class B20xx-yy Notes Interest Amount to be paid on the next Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio;
- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class B20xx-yy Notes, the aggregate of:
- (i) the Class B20xx-yy Notes Monthly Interest Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class B20xx-yy Notes Interest Amount to be paid on such Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio; and
 - (iii) the interest amounts recorded on the Interest Distribution Ledger with respect to such Class B20xx-yy Notes since the last Payment Date (if any);
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period, the aggregate of:
- (i) the Class B20xx-yy Notes Interest Amount to be paid on such Monthly Payment Date;
 - (ii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any interest amounts retained on the Interest Distribution Ledger with respect to such Class B20xx-yy Notes since the last Payment Date (if any);
 - (iii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, the Class B20xx-yy Notes Monthly Interest Shortfall recorded on the previous Monthly Payment Date (if any);

as calculated by the Management Company for such Monthly Payment Date (rounded to the nearest cent and in case of equal distance, rounding upwards).

“**Class B20xx-yy Monthly Hedging Net Shortfall**” means, with respect to the Class B20xx-yy Notes of any Note Series, the portion of the Class B20xx-yy Monthly Hedging Net

Amount which has not been entirely retained on the Interest Account and recorded on the Interest Distribution Ledger on any previous Monthly Payment Date, since the previous Payment Date for such Class B20xx-yy Notes.

“**Class B20xx-yy Note Monthly Interest Shortfall**” means, with respect to the Class B20xx-yy Notes of any Note Series, the portion of the Class B20xx-yy Notes Monthly Interest Amount which has not been entirely retained on the Interest Distribution Ledger on any previous Monthly Payment Date(s) since the last Payment Date for such Class B20xx-yy Notes.

“**Class B20xx-yy Notes Principal Amount Outstanding**” means, on any date, the principal amount outstanding of the Class B20xx-yy Notes.

“**Class C Fixed Rate Notes**” means the Class C Notes of any Note Series which bear a fixed interest rate.

“**Class C Floating Rate Notes**” means the Class C Notes of any Note Series which bear a floating interest rate.

“**Class C Hedging Subordinated Termination Amount**” means on any relevant Monthly Payment Date, the Class C Hedging Subordinated Termination Payments determined by the Management Company on the preceding Calculation Date.

“**Class C Hedging Agreement**” means, with respect to the Class C Floating Rate Notes, the interest rate hedging agreement with respect to such Class C Floating Rate Notes which may be entered into between the Fund and any Class C Hedging Counterparty.

“**Class C Hedging Counterparty**” means, with respect to any Class C Floating Rate Notes of any Note Series, the Hedging Counterparty specified in any Issuing Document.

“**Class C Hedging Senior Termination Payment**” means, on any relevant Monthly Payment Date, the aggregate amount of all Hedging Senior Termination Payments with respect to any relevant Class C Hedging Agreements (if any).

“**Class C Hedging Subordinated Termination Payment**” means, on any relevant Monthly Payment Date, the aggregate amount of the Hedging Subordinated Termination Payments with respect to any relevant Class C Hedging Agreements (if any).

“**Class C Monthly Hedging Net Amounts**” means, with respect to a Monthly Payment Date, the sum of all Class C20xx-yy Monthly Hedging Net Amounts determined by the Management Company to be retained and/or paid (as applicable) on such Monthly Payment Date in accordance with the applicable Priority of Payments.

“**Class C Notes**” means the subordinated asset-backed notes designated on Class C issued or to be issued by the Fund.

“**Class C Noteholder**” means any holder of any Class C Note.

“Class C Notes Monthly Amortisation Amount” means, with respect to a Monthly Payment Date, the sum of all Class C20xx-yy Notes Monthly Amortisation Amounts determined by the Management Company, to be retained and/or paid (as applicable) on such Monthly Payment Date in accordance with the applicable Priority of Payments.

“Class C Notes Monthly Interest Amount” means, with respect to a Monthly Payment Date, the sum of all Class C20xx-yy Notes Monthly Interest Amount determined by the Management Company, to be retained and/or paid (as applicable) on such Monthly Payment Date in accordance with the applicable Priority of Payments.

“Class C Notes Principal Amount Outstanding” means, on any date, the Principal Amount Outstanding of any outstanding Class C Notes.

“Class C Notes Subscribers” means, with respect to any Class C Notes of a particular Note Series, the subscribers of such Class C Notes.

“Class C Notes Subscription Agreement” means the subscription agreement for the Class C Notes of any Note Series which will be made between the Management Company, the Seller and one or several global coordinators, lead managers, bookrunners, underwriters or subscribers. Each Issuing Document will provide details of the names of the global coordinators, lead managers, bookrunners or underwriters appointed in relation to the offering and subscription of the Class C Notes of any Note Series.

“Class C Spread Amount” means, on any Monthly Payment Date, the aggregate amount of all Class C20xx-yy Spread Amount as determined by the Management Company.

“Class C20xx-yy Hedging Net Amount” means, with respect to the Class C20xx-yy Notes of any Note Series and with respect to any applicable Payment Date, the Hedging Net Amount with respect to the relevant Class C Hedging Agreement of such Note Series 20xx-yy (if any), which shall be (i) paid or (ii) retained on the Interest Distribution Ledger.

“Class C20xx-yy Monthly Hedging Net Amount” means, with respect to the Class C20xx-yy Notes of any Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class C20xx-yy Notes, the aggregate of:
 - (i) the Class C20xx-yy Monthly Hedging Net Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class C20xx-yy Hedging Net Amount to be paid on the next Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio;

- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class C20xx-yy Notes, the aggregate of:
 - (i) the Class C20xx-yy Monthly Hedging Net Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class C20xx-yy Hedging Net Amount to be paid on such Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio; and
 - (iii) any hedging net amounts retained on the Interest Distribution Ledger with respect to such Class C20xx-yy Notes since the last Payment Date (if any).
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period, the aggregate of:
 - (i) the Class C20xx-yy Hedging Net Amount to be paid on such Monthly Payment Date;
 - (ii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any hedging net amounts retained on the Interest Distribution Ledger with respect to such Class C20xx-yy Notes since the last Payment Date (if any); and
 - (iii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, the Class C20xx-yy Monthly Hedging Net Shortfall recorded on the previous Monthly Payment Date (if any),

as calculated by the Management Company for such Monthly Payment Date (rounded to the nearest cent and in case of equal distance, rounding upwards).

“**Class C20xx-yy Notes**” means any Class C Notes issued in year “20xx” and corresponding to the series number “yy” of such year.

“**Class C20xx-yy Notes Interest Amount**” means with respect to the Class C20xx-yy Notes and with respect to any Payment Date:

- (a) during the Programme Revolving Period and the Programme Amortisation Period the interest amount payable on the Class C20xx-yy Notes on each Payment Date;
- (b) during the Programme Accelerated Amortisation Period, the interest amount payable on the Class C20xx-yy Notes on each Monthly Payment Date;

as calculated by the Management Company on the basis of the Class C20xx-yy Notes Interest Rate specified in the applicable Issuing Document.

“**Class C20xx-yy Notes Interest Rate**” means the Interest Rate applicable to a given Class C20xx-yy Notes as specified in the applicable Issuing Document.

“**Class C20xx-yy Notes Monthly Amortisation Amount**” means with respect to the Class C20xx-yy Notes of a Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class A20xx-yy Notes:
 - (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
 - (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the lesser between:
 - (A) the difference between (x) the Class C20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class C20xx-yy Notes since the last Payment Date (if any); and
 - (B) the positive difference between (x) the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date and (y) the aggregate of the Class A20xx-yy Notes Monthly Amortisation Amounts and the Class B20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class A20xx-yy Notes:
 - (i) with respect to any Monthly Payment Date falling before its Note Series 20xx-yy Amortisation Starting Date (excluded), zero (0);
 - (ii) with respect to any Monthly Payment Date falling on or after its Note Series 20xx-yy Amortisation Starting Date, the aggregate of:
 - (A) the principal amounts retained on the Principal Distribution Ledger with respect to such Class C20xx-yy Notes since the last Payment Date (if any); and
 - (B) the lesser between:

- the difference between (x) the Class C20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Payment Date and (y) the principal amount retained on the Principal Distribution Ledger for such Class C20xx-yy Notes since the last Payment Date (if any); and
 - the positive difference between (x) the Note Series 20xx-yy Total Available Amortisation Amount to be paid by the Fund on such Monthly Payment Date and (y) the aggregate of the Class A20xx-yy Notes Monthly Amortisation Amounts and the Class B20xx-yy Notes Monthly Amortisation Amount on such Monthly Payment Date;
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period:
- (i) once all Class A Notes and Class B Notes of all Note Series have been fully redeemed or the remaining principal amount due under such Class A Notes and Class B Notes have been fully retained on the Principal Distribution Ledger, the aggregate of:
 - (A) the Class C20xx-yy Notes Principal Amount Outstanding as of the close of the immediately preceding Monthly Payment Date
 - (B) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any principal amounts recorded on the Principal Distribution Ledger with respect to such Class C20xx-yy Notes since the last Payment Date (if any).
 - (ii) in any other case, zero (0).

“Class C20xx-yy Notes Monthly Interest Amount” means with respect to the Class C20xx-yy Notes of any Note Series:

- (a) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is not a Payment Date for such Class C20xx-yy Notes, the aggregate of:
 - (i) the Class C20xx-yy Notes Monthly Interest Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class C20xx-yy Notes Interest Amount to be paid on the next Payment Date; and

- (B) the Note Series 20xx-yy Retention Ratio;
- (b) with respect to any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period which is a Payment Date for such Class C20xx-yy Notes, the aggregate of:
- (i) the Class C20xx-yy Notes Monthly Interest Shortfall recorded on the previous Monthly Payment Date (if any); and
 - (ii) the product of:
 - (A) the Class C20xx-yy Notes Interest Amount to be paid on such Payment Date; and
 - (B) the Note Series 20xx-yy Retention Ratio; and
 - (iii) the interest amounts recorded on the Interest Distribution Ledger with respect to such Class C20xx-yy Notes since the last Payment Date (if any);
- (c) with respect to any Monthly Payment Date during the Programme Accelerated Amortisation Period, the aggregate of:
- (i) the Class C20xx-yy Notes Interest Amount to be paid on such Monthly Payment Date;
 - (ii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, any interest amounts retained on the Interest Distribution Ledger with respect to such Class C20xx-yy Notes since the last Payment Date (if any); and
 - (iii) on the first Monthly Payment Date of the Programme Accelerated Amortisation Period, the Class C20xx-yy Notes Monthly Interest Shortfall recorded on the previous Monthly Payment Date (if any);

as calculated by the Management Company for such Monthly Payment Date (rounded to the nearest cent and in case of equal distance, rounding upwards).

“Class C20xx-yy Notes Monthly Interest Shortfall” means, with respect to the Class C20xx-yy Notes of any Note Series, the portion of the Class C20xx-yy Notes Monthly Interest Amount which has not been entirely retained on the Interest Distribution Ledger on any previous Monthly Payment Date(s) since the last Payment Date for such Class C20xx-yy Notes.

“Class C20xx-yy Monthly Hedging Net Shortfall” means, with respect to the Class C20xx-yy Notes of any Note Series, the portion of the Class C20xx-yy Monthly Hedging Net Amount which has not been entirely retained on the Interest Account and recorded on the

Interest Distribution Ledger on any previous Monthly Payment Date since the last Payment Date for such Class C20xx-yy Notes.

“**Class C20xx-yy Notes Principal Amount Outstanding**” means, on any date, the principal amount outstanding of the Class C20xx-yy Notes.

“**Class C20xx-yy Required Spread Amount**” means, with respect to the Class C20xx-yy Notes of a Note Series (if applicable), on any Monthly Payment Date, the amount set out in the corresponding Issuing Document (and, as the case may be, calculated by the Management Company). For clarification purposes, the Class C2017-01 Required Spread Amount with respect to the Class C2017-01 Notes issued on the Fund Incorporation Date will be equal to zero (0).

“**Class C20xx-yy Spread Amount**” means, on any Calculation Date in respect of the Class C20xx-yy Notes, the positive difference between:

- (a) the amount recorded in the Class C20xx-yy Spread Amount Ledger on the Monthly Payment Date immediately preceding such Calculation Date; and
- (b) the Class C20xx-yy Required Spread Amount on the Monthly Payment Date immediately preceding such Calculation Date.

“**Class C20xx-yy Spread Amount Ledger**” means, with respect to the Class C20xx-yy Notes of a Note Series (if applicable), the ledger which shall be established for such Class C20xx-yy Notes by the Management Company, acting for and on behalf of the Fund, in order to record on any Calculation Date the amount up to which the Spread Account may be drawn on the following Monthly Payment Date to make up for any shortfall to satisfy the payment of certain items of the Interest Priority of Payments in accordance with the Interest Shortfall Priority of Payments.

“**Client Account**” means the revolving credit account which is opened in the books of the Seller with respect to any Credit Card Agreement.

“**Clifford Chance**” means CLIFFORD CHANCE, S.L.P.

“**CMOF Credit Support Annex**” means the credit support annex to the CMOF Master Agreement (*Anexo III – Acuerdo de Realización de Cesiones en Garantía*).

“**CMOF Master Agreement**” means the *Contrato Marco de Operaciones Financieras* in its 2013 version (or any other version as selected by the Management Company), as prepared by the Spanish Bankers Association (*Asociación Española de Banca*) and the Spanish Savings Banks Association (*Confederación Española de Cajas de Ahorros*).

“**CNMV**” means the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*).

“**Collections Accounts**” means the accounts opened by the Seller under with the Collections Accounts Bank and which are subject to the *in rem* right of pledge created under the Collections Accounts Security Document.

“**Collections Accounts Banks**” means each of the Spanish financial institutions where the Collections Accounts held by the Servicer are opened from time to time (as of the date of this Base Prospectus, Banco Santander, S.A. and Bankia, S.A.)

“**Collections Accounts Bank Agreement**” means any agreement existing between the Pledgor and each of the Collections Accounts Banks regarding the Collections Accounts, as amended and supplemented from time to time.

“**Collections Accounts Bank Required Ratings**” means in respect of any entity the ratings at least equal to:

- (a) a public rating of at least BBB (senior long term) by DBRS; or
- (b) F-3 by Fitch with respect to the short-term Issuer Default Rating (IDR) of such entity or BBB- by Fitch with respect to the long-term Issuer Default Rating (IDR) of such entity; or
- (c) P-2 by Moody’s with respect to the short-term unsecured, unsubordinated and unguaranteed debt obligations of such entity; or
- (d) any applicable ratings specified in the last Prospectus Supplement in relation to a Note Series rated by S&P,

or such other debt rating as determined to be applicable or agreed by each Relevant Rating Agency from time to time and specified in the last Prospectus Supplement.

“**Collections Accounts Security Document**” means the collections accounts security document granted on 7 April 2017 whereby SFC (as Servicer) grants the Pledge over the Collections Accounts.

“**Collection Period**” means, in respect of a Calculation Date or a Monthly Payment Date, the period between two Cut Off Dates (excluding the first Cut-Off Date and including the second Cut-Off Date) preceding such Calculation Date or Monthly Payment Date, provided that the first Collection Period shall start on the Fund Incorporation Date (including such date) and shall end on 31 May 2017 (including such date).

“**Commercial Code**” means the Spanish Commercial Code published by virtue of the Royal Decree of 22 August 1885.

“**Commingling Reserve**” means any amount credited by the Seller to the Commingling Reserve Account, as adjusted thereafter, in accordance with section 3.4.3.8 of the Additional Building Block.

“Commingling Reserve Account” means one of the Issuer Accounts under the designation “Commingling Reserve Account” with the Issuer Accounts Bank for the purposes set out in section 3.4.4.3 of the Additional Building Block.

“Commingling Reserve Amount” means, on any date, the credit balance of the Commingling Reserve Account.

“Commingling Reserve Increase Amount” means, on any Settlement Date (or as the case may be, on any Issue Date during the Programme Revolving Period when a Note Series is issued), the positive difference as determined by the Management Company between the applicable Commingling Reserve Required Amount and the Commingling Reserve Amount.

“Commingling Reserve Decrease Amount” means, on any Monthly Payment Date, the minimum between (a) and (b):

- (a) being equal to the positive difference (if any) on such Monthly Payment Date between:
 - (i) (x) the credit balance of the Commingling Reserve Account (before application of the Priority of Payments on such Monthly Payment Date and excluding the Financial Income) less (y) the amount of the use made under the Commingling Reserve on such Monthly Payment Date in accordance with the Programme Documents; and
 - (ii) the applicable Commingling Reserve Required Amount on such Monthly Payment Date.
- (b) being equal to the outstanding amount of the Commingling Reserve Subordinated Facility on such Monthly Payment Date (before application of the Priority of Payments on such Monthly Payment Date),

being specified that the Commingling Reserve Decrease Amount should be equal to 0 for so long as the Management Company does not receive any Monthly Servicer Report or other documentary evidence.

“Commingling Reserve Shortfall Amount” means, as calculated in respect of each Monthly Payment Date, the positive difference between (a) and (b):

- (a) is equal to the aggregate amount of all uses made under the Commingling Reserve Account in accordance with the Programme Document since the Fund Incorporation Date (including any use to be made as the case may be on such Monthly Payment Date);
- (b) is equal to the sum of:
 - (i) the aggregate of all amounts the Fund previously failed to receive and for which an use of the Commingling Reserve had been made by debit from the

Commingling Reserve Account since the Fund Incorporation Date up to such Monthly Payment Date (included)

- (ii) the aggregate amount of all Commingling Reserve Shortfall Amounts effectively repaid to the Commingling Reserve Subordinated Facility Provider since the Fund Incorporation Date (excluding the Commingling Reserve Shortfall Amount to be repaid as the case may be on such Monthly Payment Date).

being specified that the Commingling Reserve Shortfall Amount should be equal to 0 for so long as the Management Company does not receive any Monthly Servicer Report or other documentary evidence.

“Commingling Reserve Required Amount” means:

- (a) on the first Notes Issue Disbursement Date following the Fund Incorporation Date, an amount equal to EUR 9,100,000; and
- (b) on any Issue Date when a new Note Series is issued, an amount as specified in the last Prospectus Supplement; and
- (c) on any Settlement Date, as long as any Notes of any outstanding Note Series has not been fully redeemed, the aggregate of:
 - (i) the maximum of 1.5 per cent. and the last three-month rolling average of Monthly Prepayment Rates (or 1.5 per cent. for the first two Settlement Dates), multiplied by the product between (i) the Outstanding Principal Balances of the Purchased Receivables and (ii) the Investor Share as of the Calculation Date immediately preceding such Settlement Date; and
 - (ii) the maximum of 3.0 per cent. and the last three-month rolling average of Monthly Non-Direct Debit Payments Rates (or 3.0 per cent. for the first two Settlement Dates) multiplied by the product of (i) the aggregate sum of the Instalments scheduled to be received by the Servicer not by direct debit on the immediately succeeding Collection Period and (ii) the Investor Share, both as of the Calculation Date immediately preceding such Settlement Date.

being specified that:

- the formula and the minimum percentage of referred to in paragraph (b) above may be updated by the Seller and the Management Company according to the historical performances of the Purchased Receivables recorded by the Seller, subject to the prior written notice in a reasonable time to the Relevant Rating Agencies and provided that such update shall not result in the downgrade or the withdrawal of the then current ratings of the then outstanding Rated Notes by any of the Relevant Rating Agencies;

- the Commingling Reserve Required Amount will be equal to zero (0) once the Rated Notes have been redeemed in full.

“**Commingling Reserve Subordinated Facility**” means the credit facility granted under the Commingling Reserve Subordinated Facility Agreement.

“**Commingling Reserve Subordinated Facility Agreement**” means the credit facility agreement dated 7 April 2017 and made between the Fund, represented by the Management Company and the Commingling Reserve Subordinated Facility Provider.

“**Commingling Reserve Subordinated Facility Provider**” means SFC.

“**Common Receivables**” means the Non-Purchased Receivables and the Purchased Receivables arising from the same Client Account.

“**Conditions Precedent to the Purchase of Receivables**” means:

- (a) no Seller Event of Default has occurred and is continuing on the relevant Purchase Date;
- (b) no Servicer Termination Event has occurred and is continuing unless a Replacement Servicer has been appointed after the occurrence of such Servicer Termination Event on or prior to the relevant Purchase Date;
- (c) the Maximum Portfolio Amount will not be exceeded;
- (d) no Fund Liquidation Event has occurred on the relevant Purchase Date;
- (e) in the context of Initial Transfers only, the Management Company has determined that (i) the Maximum Addition Amount criteria will be met on the relevant Purchase Date or (ii) if such Maximum Addition Amount criteria will not be met on the relevant Purchase Date, the Relevant Rating Agencies have confirmed to the Management Company that the transfer of Receivables in the context of an Initial Transfer (only) on the relevant Purchase Date will not result in a downgrade or withdrawal of the then current ratings of the then outstanding Rated Notes;
- (f) in the context of Initial Transfers only, the Seller has validly made a Sale Offer of Receivables to the Fund;
- (g) during the Programme Accelerated Amortisation Period only, the Sale Offer made by the Seller to the Fund does not include any Receivables in the context of Initial Transfers; and
- (h) the Seller has audited financial statements for the previous two (2) financial years without reservations (*salvedades*) which may affect the Receivables and these have been filed with the CNMV. In particular, for the transfer of Receivables to be made

on the Fund Incorporation Date, the Seller has audited financial statements for 2014 and 2015

“**Confirmation Date**” means eight (8) Business Days following each Monthly Reporting Date. For clarification purposes, the first Confirmation Date after the Fund Incorporation Date will be 13 June 2017.

“**Consumer Credit Legislation**” means all the applicable consumer laws and regulations governing the Credit Card Agreements, including, without limitation Royal Legislative Decree 1/2007, of 16 November, approving the Consolidated Text of the General Consumer and user protection law and other complementary laws, as amended, restated or supplemented from time to time.

“**Contractual Documents**” means the Credit Card Agreements and any other documents relating to the Purchased Receivables.

“**Corrected Available Collections**” means all amounts subject to any adjustment of the Available Collections with respect to the previous Collection Periods as determined by the Management Company on the Calculation Date.

“**Corrected Available Principal Collections**” means all amounts subject to any adjustment of the Available Principal Collections with respect to the previous Collection Periods as determined by the Management Company on the Calculation Date.

“**Credit Card**” means the PASS credit card delivered to the Borrower by the Seller in connection with each Credit Card Agreement.

“**Credit Card Agreement**” means any credit card agreement (*Contrato de Apertura de Cuenta de Tarjeta*) made between the Seller and a Borrower.

“**Credit Limit**” means the maximum amount of the credit which can be drawn by any Borrower under a Credit Card Agreement.

“**Credit Support Annex**” means the ISDA Credit Support Annex or the CMOF Credit Support Annex.

“**CRR**” means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012.

“**CRR Amendment Regulation**” means the European Commission published legislative proposal dated 30 September 2015 intended to implement the revised securitisation framework developed by BCBS.

“Curable Events” means:

- (a) any breach by the Servicer of any of its material non-monetary obligations (other than the failure to provide the Monthly Servicer Report to the Management Company) under any Programme Document to which it is a party (except if the breach is due to force majeure).
- (b) any of the representations or warranties made or given by the Servicer under any Programme Document to which it is a party or in any certificate delivered pursuant to the Programme Documents to which it is a party is materially false or incorrect in any material respect.
- (c) that the Servicer has not provided the Management Company with the Monthly Servicer Report on two consecutive Monthly Reporting Dates (except if the breach is due to force majeure).

“Cut-Off Date” means the last calendar day of each calendar month (except for the first Cut-Off Date which shall be the 31 May 2017).

“Credit Policies” shall mean the Seller's usual policies, procedures and practices relating to the operation of its revolving credit business including, without limitation, the usual policies, procedures and practices adopted by it as the grantor of credit in relation to Receivables from originated Client Accounts and/or (as the case may be) its usual policies, procedures and practices for dealing with matters relating to the obligations and liabilities of the Seller under applicable laws and regulations, for determining the creditworthiness of its revolving credit customers, the extension of the credit (including the increase or decrease of the maximum credit authorisation to its customers), and relating to the maintenance of revolving credit accounts, as such policies, procedures and practices may be amended or varied from time to time.

“Data Protection Agent” means the Spanish public notary appointed from time to time by the Management Company to act in such condition.

“DBRS” means DBRS Ratings Limited.

“Decoding Key” means the decoding key necessary to access the data included in the Encrypted Data File.

“Deed of Incorporation” means the public deed of incorporation of the Fund and which will be drafted in Spanish language).

“Deed of Issue” means the relevant deed of issue (*escritura de emisión*) in relation to the issue of any unlisted Class A Notes, Class B Notes and any Class C Notes. Each Deed of Issue shall include, *mutatis mutandi*, the information included in Schedule 2 “Form of Final Terms”.

“**Default Amount**” means, on any Calculation Date and with respect to the Client Account which has become a Defaulted Client Account during the immediately preceding Collection Period, the Outstanding Principal Balances of the Purchased Receivables of such Client Account on the Cut-Off Date preceding such Calculation Date.

“**Defaulted Client Account**” means any Client Account:

- (a) corresponding to a Credit Card Agreement in respect of which, six (6) or more consecutive Instalments are in arrears;
- (b) in respect of which the Credit Card Agreement has been accelerated or a part of principal due has been written-off or made a provision against any definitive losses at any time prior to the expiry of the period referred to in (a) above;
- (c) in respect to which the Seller has become aware that the Borrower is insolvent (*en concurso*),

provided that, for the avoidance of doubt, the classification of a Defaulted Client Account shall be irrevocable.

“**Deferred Purchase Price**” means, on any Calculation Date and in respect of the Receivables transferred to the Fund on the Purchase Period immediately preceding such Calculation Date, the portion of the Purchase Price of such purchased Receivables which is not to be paid by the Fund on the following Monthly Payment Date in accordance with the applicable Priority of Payments.

“**Delinquent Client Account**” means any Client Account (which is not classified as Defaulted Client Account) for which related Borrower has not settled all sums due and payable in accordance with the terms of the corresponding Credit Card Agreement unless the payment deferred has been authorised by the Seller in accordance with the Servicing Policies.

“**Determination Date**” means, during the Programme Revolving Period and the Programme Amortisation Period, five (5) Business Days following each Monthly Reporting Date on which the Management Company notifies to the Seller the Available Purchase Amount and the Minimum Purchase Amount. The Seller shall communicate to the Management Company before 10h00 (Madrid Time) on such date, its intention to exercise any repurchase option and the Target Amount (or any required information). For clarification purposes, the first Determination Date after the Fund Incorporation Date will be 8 June 2017.

“**Determination Period**” means the period from and including an Interest Determination Date in any year to but excluding the next Interest Determination Date.

“**Dilutions**” means, on each Determination Date, in respect of the Collection Period immediately preceding such Determination Date, the Outstanding Principal Balance of any given outstanding Purchased Receivables cancelled by the Seller (in part or in full) for the benefit of the Borrowers, as the result of any return, rebate, deduction, retention, undue

restitution, legal set-off (*compensación legal*), contractual set-off (*compensation convencional*), judicial set-off (*compensation judicial*), fraudulent or counterfeit transactions, or in respect of merchandise which was refused or returned by a Borrower.

“**Disbursement Date**” or “**Notes Issue Disbursement Date**” means the day on which the amount for the subscription of the Notes from each Notes Series should be disbursed in accordance with the relevant Issuing Document and at the latest two (2) Business Days before any Monthly Payment Date (ie. no later than three (3) Business Days after the relevant Issue Date for such Note Series).

“**Drawing**” means any drawdowns made by the Borrower (or any other authorized user) under the revolving credit facility granted under each Client Account associated to each Credit Card Agreement, and which includes (i) any fees financed by the Seller, (ii) any unpaid insurance premium under the optional Insurance Policy entered by the Borrower financed by the Seller and (ii) any unpaid single interest-free instalment financed by the Seller with the prior consent of the Borrower (“*basculación*”).

“**Drawing Date**” means any date on which a Drawing is made by the Borrower in accordance with the Credit Card Agreement.

“**Drawing Purchase Report**” means each of the electronic files with information on an individual basis on the Drawings of each Eligible Receivable subject matter of an Additional Transfer, as of their applicable Effective Purchase Date.

“**DPP Interest**” shall have the meaning set out in section 3.3.1.14 of the Additional Building Block.

“**ECB**” means the European Central Bank.

“**Early Liquidation**” means the early liquidation of the Fund and hence the early redemption of the Notes in all Notes Series in accordance with the procedure set out in section 4.4.3 of the Registration Document.

“**Early Termination Date**” has the meaning ascribed in the relevant Hedging Agreement.

“**Effective Purchase Date**” means, other than for the transfer of Receivables made on the Fund Incorporation Date:

- (a) in the context of Initial Transfers, the first calendar day after the relevant Confirmation Date on which the Seller has proceeded to mark internally in its system the transfer of Eligible Receivables to the Fund; and
- (b) in the context of Additional Transfers, the Drawing Date of the corresponding Receivables.

“**Effective Purchase Price**” means, on any Calculation Date and in respect of the Receivables transferred to the Fund on any Purchase Period immediately preceding such Calculation Date:

- (a) during the Programme Revolving Period and the Programme Amortisation Period only, the portion of the Purchase Price of such Eligible Receivables which is to be effectively paid by the Fund on the following Monthly Payment Date in accordance with the Principal Priority of Payments and which shall be funded by the Available Principal Amount; and
- (b) during the Programme Accelerated Amortisation Period only, (i) as long as any Notes of any outstanding Note Series has not been fully redeemed, zero (0) and (ii) once all Notes of all Note Series have been redeemed in full, the portion of the Purchase Price of such Eligible Receivables which is to be effectively paid by the Fund on the following Monthly Payment Date in accordance with the Accelerated Priority of Payments and which shall be funded by the Available Distribution Amount.

“**Effective Repurchase Date**” means in respect of any Purchased Receivable, the calendar day after a Confirmation Date on which the Seller will proceed to mark the selected Purchased Receivables in the context of a repurchase of Purchase Receivables to occur on the next available Repurchase Date after said Confirmation Date.

“**Eligibility Criteria**” means:

General Eligibility Criteria and Specific Eligibility Criteria

The General Eligibility Criteria shall apply to the Initial Transfers and the Additional Transfers. The Specific Eligibility Criteria shall apply to the Initial Transfers (only).

General Eligibility Criteria of the Credit Card Agreements

- (a) Each Credit Card Agreement has been executed pursuant to, and in compliance with, the applicable provisions of Spanish legislation and all other applicable legal and regulatory provisions, including but not limited all applicable anti-money laundering legislation.
- (b) Each Credit Card Agreement has been entered into between the Seller and one Eligible Borrower liable for the full payment of the corresponding Receivable.
- (c) Each Credit Card Agreement (i) is documented on the basis of the terms and conditions applicable for the card and for the mercantile loan (*Condiciones Generales de la Tarjeta. Condiciones Comunes de la Tarjeta y del Préstamo Mercantil con Tarjeta*) and the specific terms and conditions (*Condiciones Específicas de la Tarjeta*) of the Seller in force from time to time and (ii) derives from the Standard Forms which has not been varied in any material respect (except in accordance with section 3.3.1.10 of the Additional Building Block).

- (d) Each Credit Card Agreement is governed by Spanish law and any related claim is subject to the jurisdiction of the Spanish competent courts.
- (e) Each Credit Card Agreement complies in all material respects with the applicable provisions of the Consumer Credit Legislation and all other applicable legal and regulatory provisions, including, but not limited to, where applicable, the provisions of Law 16/2011 and its developing regulations and or Law of Repression of Usury, in granting each Credit Card Agreement the Seller has complied with all pre-contract requirements set out in articles 8 et seq. of Law 16/2011 and no Credit Card Agreement contains any abusive clauses (*cláusulas abusivas*) for the purposes of Law 1/2007, of 16 November, on Consumers and Users Protection (*Texto Refundido de la Ley General para la Defensa de Consumidores y Usuarios y otras Leyes complementarias*).
- (f) Each Credit Card Agreement constitutes legal, valid, binding and enforceable obligations of the relevant Borrower in accordance with its respective terms in all material respects against the relevant Borrower (subject to applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of rights of creditors generally and general principles of applicable law restricting the enforcement of obligations or providing for borrower relief).
- (g) No Credit Card Agreement is regarded as a *contrato de crédito vinculado*, as defined in article 29 of Law 16/2011, being a contract linked to, or associated with, a sale agreement or a service agreement.
- (h) No Credit Card Agreement contains confidentiality provisions which may restrict the Fund's exercise of its rights as owner of the Receivables.
- (i) No Credit Card Agreement requires the Borrower's consent to be obtained in relation to a transfer of any Receivables thereunder.
- (j) No Credit Card Agreement has been accelerated.

General Eligibility Criteria of the Receivables

- (a) Each Receivable exists, was originated in the ordinary course of the Seller's business and derives from (i) a Credit Card Agreement which complies with the "General Eligibility Criteria of the Credit Card Agreements" and (ii) a Client Account which complies with the "General Eligibility Criteria of the Client Accounts".
- (b) Each Receivable was originated in accordance with the Seller's Credit Policies described in section 2.2.7 of the Additional Building Block.
- (c) Each Receivable constitutes, without limitation and in respect of the relevant Borrower, the obligation to pay the relevant amount due, and such obligation is enforceable in accordance with the terms of the corresponding Credit Card

Agreement in all material respects (subject to applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of rights of creditors generally and general principles of applicable law restricting the enforcement of obligations or providing for borrower relief).

- (d) The Receivable corresponds to an amount which will be due and payable by the Borrower in accordance with the Credit Card Agreement.
- (e) Prior to its transfer to the Fund, the Seller has full and unencumbered legal title to each Receivable and the right to dispose thereof.
- (f) The Seller is the sole holder of the Receivable and did not purchase it or acquire it otherwise from a third party. Each Receivable is free and clear of any right that could be exercised by third parties against the Seller, or the Fund.
- (g) No Receivable is subject to restrictions on transferability.
- (h) The payment of each Receivable is not subject to the performance of any administrative action or step, or to the execution of any document of any kind whatsoever, or to any formalities, either prior to or after the purchase of such Receivable, which has not already been carried out or obtained.
- (i) Each Receivable is denominated and payable only in EUR.
- (j) Each Receivable is not subject, either totally or partially, to transfer, delegation or pledge, attachment, claim or encumbrance of whatever type which would constitute an impediment to the purported transfer.
- (k) Other than in case of the Common Receivables (as defined in section 3.3.1.6 below), the amounts received in connection with each Receivable can be designated, identified and segregated from the amounts pertaining to other receivables owned by the relevant Seller and from the amounts pertaining to the other Receivables.
- (l) To the best knowledge of the Seller, no Receivable has been disputed by the corresponding Borrower on any ground whatsoever.
- (m) All information which are provided by the Seller to the Fund with respect to the Receivables is, in all material respects, true, accurate and complete.
- (n) The information contained in and attached to each Sale Offer does not contain any statement which is untrue, misleading or inaccurate in any material respect.

General Eligibility Criteria of the Client Account

- (a) Each Client Account is governed by a Credit Card Agreement which complies with the “General Eligibility Criteria of the Credit Card Agreements”.

- (b) Each Client Account has been originated by the Seller.
- (c) Each Client Account exists and is maintained with the Seller prior to or at the applicable Purchase Date.
- (d) Each Client Account has been operated by the Seller in all material respects in accordance with that Seller's Credit Policies described in section 2.2.7 of the Additional Building Block and usual practices for the operation of its revolving credit business.
- (e) No Client Account is classified as a Defaulted Client Account, Non-Compliant Client Account or Delinquent Client Account on the relevant Purchase Date of the Receivables.
- (f) The information set out in the Client Account relating to each Receivable is, to the best of the Seller's knowledge, true, accurate and correct.
- (g) Each Client Account has been established in compliance with applicable data protection laws, and any notifications to be made or approvals to be obtained under such laws for that purposes have been made or obtained.
- (h) The Client Account does not include exposures to credit-impaired obligors, where a credit-impaired obligor is a Borrower who:
 - (i) has been declared insolvent (*en concurso*) in accordance with the Insolvency Law as at the relevant Purchase Date and the Seller is aware of this circumstance;
 - (ii) at the time of execution of the Credit Card Agreement, was on Asnef's registries with adverse credit history;
 - (iii) at the time of execution of the Credit Card Agreement, had an internal credit assessment indicating a significant credit risk in accordance with the credit requirements of the Seller.

Specific Eligibility Criteria with respect to the Credit Card Agreements:

Each Credit Card Agreement:

- (i) has been entered into at least one (1) month prior to the Purchase Date of Receivables arising from such Credit Card Agreement in the context of an Initial Transfer (unless such Credit Card Agreement results from a permitted amendment to an existing Credit Card Agreement).
- (ii) is in full force and effect and there is no right or entitlement of any kind for the non-payment of any amount due in respect of the Receivable when due.

- (iii) is a Credit Card Agreement with respect to which the Seller has performed all obligations required to be performed by it thereunder in order for the corresponding Borrower to be obliged to pay the Receivable arising therefrom; and
- (iv) is a Credit Card Agreement as to which neither the Seller nor the corresponding Borrower is in breach of its material terms and which has not been contested by the Seller or the corresponding Borrower (or having been contested, such petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement).

Specific Eligibility Criteria with respect to the Receivables

- (a) The Outstanding Principal Balance of the Receivable is not lower than one hundred euros (EUR 100) and not greater than ten thousand euros (EUR 10,000).
- (b) Each Receivable has already given rise to the effective and full payment of at least one instalment by the Borrower under the Client Account on the last three months before the Purchase Date.
- (c) As at its Purchase Date, no Receivable is subject to any amicable or contentious recovery proceeding and the Seller has not begun a termination claim with respect to the relevant Credit Card Agreement for a breach by the Borrower(s) of its (their) obligations under the terms of such Credit Card Agreement or at the occurrence of an event of default howsoever described under the Credit Card Agreement, including amongst others things, with respect to the timely payment of amounts due.
- (d) No procedures adverse to the Fund have been used by the Seller in selecting the Receivables in the context of Initial Transfers from its portfolio.

Specific Eligibility Criteria with respect to the Client Accounts

No Client Account is a non-performing, doubtful, disputed, declared as a Delinquent Client Account, nor a Defaulted Client Account or classified by the Seller as fraudulent in accordance with the Servicing Policies of the Seller described in section 3.7.2.13 of the Additional Building Block.

“**Eligible Borrower**” means a person:

- (a) who is an individual of legal age and, to the best of the Seller’s knowledge, with full capacity to enter into contracts and comply with his/her obligations thereunder;
- (b) who was a resident in Spain on the signing date of the Credit Card Agreement and whose most recent billing address is located in Spain as at the Purchase Date;
- (c) who has signed a Credit Card Agreement in its own behalf and its capacity as consumer within the meaning set out in article 2.1 of Law 16/2011;

- (d) who is not an employee of the Seller;
- (e) who is the main Borrower under only one single outstanding Credit Card Agreement with the Seller; and
- (f) in respect of which the Seller has obtained credit information from Asnef-Equifax prior to the granting of the relevant Credit Card Agreement and, the credit information obtained from the aforementioned source has proven to be satisfactory and in compliance with the credit requirements of the Seller.

“Eligible Hedging Counterparty” means any Hedging Counterparty having the Hedging Counterparty Required Ratings.

“Eligible Institution” means a depository institution organised under the laws of any state which is a member of the European Union which complies with (i) the Account Bank Required Ratings with respect to the Issuer Accounts Bank and (ii) with the Collection Account Bank Required Ratings with respect to the Collections Accounts Banks, and is authorised to take deposits in Spain.

“Eligible Institution Replacement Event” means the Collections Accounts Bank ceasing to be an Eligible Institution.

“Eligible Paying Agent” means a depository institution organised under the laws of any state which is a member of the European Union, and is authorised to take deposits in Spain.

“Eligible Receivable” means a Receivable satisfying the Eligibility Criteria.

“Encrypted Data File” means the electronic and encrypted file containing the personal data of the Borrowers provided in respect of (i) each Borrower for each Purchased Receivables identified in the latest Sale Offer and (ii) each Borrower of an outstanding Purchased Receivable. The data tape will be sent by the Servicer to the Management Company on or prior the Fund Incorporation Date and on each Monthly Reporting Date.

“Enforcement Event” means the occurrence of a Servicer Termination Event which is continuing and has not been cured within the relevant cure period.

“EONIA” means, in respect of each Interest Accrual Period, the rate equal to the overnight rate as calculated by the ECB and appearing on the Relevant Screen Page two (2) TARGET2 Business Days before the date on which such Interest Accrual Period begins.

“ESMA” means the European Securities and Markets Authority.

“EURIBOR” means the Reference Rate for the relevant Interest Period as calculated in accordance with paragraph (b) of section 4.8.6 of the Securities Note.

“EUCJ” means the European Union Court of Justice.

“**Eurosystem Eligible Collateral**” means the assets recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

“**Euro-Zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

“**Expenses Facility Interest Amount**” means with respect to the Expenses Subordinated Facility an amount calculated on the basis of an annual interest rate, which will be EONIA + 0,02%, payable on each Monthly Payment Date subject to the applicable Priority of Payments. The interest rate cannot be lower than 0%.

“**Expenses Facility Principal Amount**” means, as calculated by the Management Company in respect of each Monthly Payment Date, an amount equal to the Available Distribution Amount after deducting the amounts ranking ahead of it in the relevant Priority of Payments.

“**Expenses Subordinated Facility**” means the credit facility granted under the Expenses Subordinated Facility Agreement.

“**Expenses Subordinated Facility Agreement**” means the credit facility agreement dated 7 April 2017 and made between the Fund, represented by the Management Company and the Expenses Subordinated Facility Provider.

“**Expenses Subordinated Facility Provider**” means the Seller.

“**Extraordinary Expenses**” shall include:

- (a) expenses that are incurred in liquidating the Fund;
- (b) expenses arising from the preparation and formal execution of the amendment of the Deed of Incorporation and of the Fund's Agreements, Prospectus Supplement as well as for the execution of additional contracts.
- (c) the expenses necessary for the enforcement of the Receivables and those derived from the necessary recovery actions;
- (d) where applicable, the amount of Initial Expenses that exceeds the initial amount available for Initial Expenses;
- (e) all fees, costs, expenses and taxes required to be paid in order to preserve the existence of the Fund or to maintain it in good standing or to comply with the applicable legislation;
- (f) any expenses incurred in case of termination of the issue of a Notes Series;

- (g) extraordinary audit and legal advice expenses; and
- (h) in general, any other extraordinary expenses incurred by the Fund or by the Management Company, on behalf of and for the account of the same.

“**FATCA**” means the Foreign Account Tax Compliance Act.

“**Financial Income**” means the income generated (if any) on the credit balances of the Issuer Accounts (except the Hedging Collateral Account(s), if any). The interest accrued and credited into Hedging Collateral Account(s) (if any) will be transferred to the relevant Hedging Counterparty in accordance with the relevant Hedging Agreement.

“**Fitch**” means Fitch Ratings España, S.A.U.

“**Fixed Rate Notes**” means:

- (a) any Class A Fixed Rate Notes;
- (b) any Class B Fixed Rate Notes; and/or
- (c) any Class C Fixed Rate Notes.

“**Floating Rate Notes**” means:

- (a) any Class A Floating Rate Notes;
- (b) any Class B Floating Rate Notes; and/or
- (c) any Class C Floating Rate Notes.

“**Fund Available Cash**” means the monies standing from time to time to the credit of the Issuer Accounts.

“**Fund Incorporation Date**” means the date of execution of the Deed of Incorporation, on 7 April 2017.

“**Fund Legal Maturity Date**” means the date on which the Fund will be extinguished, which is scheduled for the Monthly Payment Date of December 2092.

“**Fund Liquidation Date**” means the date on which the Fund will be liquidated in accordance with section 4.4.3 of the Registration Document.

“**Fund Liquidation Event**” means the occurrence of any of the following circumstances:

- (a) if so directed by the Seller, where the aggregate Principal Amount Outstanding of all outstanding Notes is equal or less than 10% of the aggregate Initial Principal Amount thereof; or

- (b) where the Notes issued by the Fund are held solely by the Seller or there are no Notes outstanding and the Seller requests the liquidation of the Fund; or
- (c) mandatorily, if four (4) months have elapsed since the occurrence of an event giving rise to the mandatory replacement of the Management Company due to the declaration of an insolvency proceeding (concurso) thereof (as provided in article 33 of Law 5/2015) or in case that its authorisation to act as management company were to be revoked without a new management company having been found that is prepared to take over the management of the Fund appointed pursuant to section 3.7.1 of the Additional Building Block; or
- (d) six (6) months prior to the Fund Legal Maturity Date; or
- (e) when the Management Company has the consent and the express acceptance of all the Noteholders and the counterparties to the Fund (including for the avoidance of doubt the Seller), in relation to the payment of the amounts related to the Early Liquidation and the procedure to carry out such Early Liquidation.

“Fund Non-Operative Expenses” means the Initial Expenses and the Note Series Issue Expenses.

“Further Note Series Issuance Conditions Precedent”:

- (a) the issue of any Note Series shall not result in the Maximum Outstanding Balance of the Programme being exceeded.
- (b) the Scheduled Amortisation Starting Date of any new Note Series shall fall after the Scheduled Amortisation Starting Date of any previously issued Note Series which remains outstanding on the Issue Date of such new Note Series;
- (c) no Revolving Termination Event and no Accelerated Amortisation Event shall have occurred;
- (d) if the Class A Notes, Class B Notes and/or Class C Notes of any Note Series bear a floating rate, a Class A Hedging Agreement and/or a Class B Hedging Agreement and/or Class C Hedging Agreement have been entered into between the Fund and any Eligible Hedging Counterparty unless such Class A Notes and/or Class B Notes and/or Class C Notes bear a Maximum Interest Rate;
- (e) on the Calculation Date corresponding to such Issue Date, the Management Company has determined that the Class A Principal Deficiency Ledger and the Class B Principal Deficiency Ledger will not be in debit on the next Monthly Payment Date after the application of the Interest Priority of Payments;
- (f) the Class A Notes of the new Note Series to be issued are assigned a preliminary rating of “AA(high)(sf)” and “AA+(sf)” (or are preliminarily assigned the then

current rating of the outstanding Class A Notes) respectively by DBRS and Fitch and/or the equivalent ratings from the other Relevant Rating Agencies provided (i) always that the Class A Notes shall be rated at least by two of the Relevant Rating Agencies and (ii) the issuance of the Class A Notes does not result in the downgrade or withdrawal by the Relevant Rating Agencies of the then current rating of outstanding Class A Notes;

- (g) as applicable, (i) the Class B Notes of the new Note Series to be issued (as the case may be) are rated at least by two of the Relevant Rating Agencies and (ii) if any Class B Notes are outstanding, (a) the Class B Notes of the new Note Series are assigned preliminarily at least the then current rating of the outstanding Class B Notes by the Relevant Rating Agencies and (b) the issuance of the Class B Notes of the new Note Series does not result in the downgrade or withdrawal by the Relevant Rating Agencies of the then current rating of the outstanding Class B Notes;
- (h) if the Class C Notes of the new Note Series are Rated Notes, (i) the Class C Notes of the new Note Series to be issued (as the case may be) are rated at least by two of the Relevant Rating Agencies;
- (i) the Class A Notes Subscribers have agreed to subscribe for or underwrite or purchase the Class A Notes of such Note Series with the signing of a Class A Notes Subscription Agreement on or prior the Issue Date;
- (j) if any, the Class B Notes Subscribers have agreed to subscribe for or underwrite or purchase the Class B Notes (if any) of such Note Series with the signing of a Class B Notes Subscription Agreement on or prior the Issue Date; and
- (k) the Class C Notes Subscribers have agreed to subscribe for or underwrite or purchase the Class C Notes of such Note Series with the signing of a Class C Notes Subscription Agreement on or prior the Issue Date.

“**General Account**” means one of the Issuer Accounts on which the Available Collections will be credited by the Servicer.

“**General Reserve Account**” means one of the Issuer Accounts with the Issuer Accounts Bank for the purposes set out in the Deed of Incorporation.

“**General Reserve Amount**” means, at any date, the credit balance of the General Reserve Account.

“**General Reserve**” means any amount credited by the Seller to the General Reserve Account and adjusted thereafter, in accordance with the Deed of Incorporation.

“**General Reserve Decrease Amount**” means, on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the minimum between (a) and (b):

- (a) being equal to the positive difference (if any) on such Monthly Payment Date between:
 - (i) (x) the credit balance of the General Reserve Account (before application of the Priority of Payments on such Monthly Payment Date and excluding the Financial Incomes) less (y) the amount of the use made under the General Reserve Account on such Monthly Payment Date in accordance with items (b) and (c) of the Interest Shortfall Priority of Payments; and
 - (ii) the applicable General Reserve Required Amount on such Monthly Payment Date.
- (b) being equal to the outstanding amount of the General Reserve Subordinated Facility on such Monthly Payment Date (before application of the Priority of Payments on such Monthly Payment Date).

The General Reserve Decrease Amount shall be equal to zero (0) during the Programme Accelerated Amortisation Period.

“General Reserve Increase Amount” means, on any Issue Date during the Programme Revolving Period when a new Note Series is issued, the amount that the Seller shall credit to the General Reserve Account in order to increase the credit balance of the General Reserve Account up to the General Reserve Required Amount as determined by the Management Company.

“General Reserve Interest Amount” means with respect to the General Reserve Subordinated Facility an amount calculated on the basis of an annual interest rate, which will be EONIA + 0,02%, payable on each Monthly Payment Date subject to the applicable Priority of Payments. The interest rate cannot be lower than 0%.

“General Reserve Replenishment Amount” means, on any Monthly Payment Date when no new Note Series is issued, the amount equal to the difference (if positive) between (i) the General Reserve Required Amount as of such Monthly Payment Date and (ii) the then current credit balance of the General Reserve Account.

“General Reserve Required Amount” means on any Monthly Payment Date the sum of:

- (a) the Class A General Reserve Required Amount; and
- (b) the Class B General Reserve Required Amount.

“General Reserve Shortfall Amount” means, as calculated in respect of each Monthly Payment Date:

- (a) During the Programme Revolving Period and the Programme Accelerated Amortisation Period, the positive difference between (i) and (ii):

- (i) is equal to the aggregate amount of all uses made under the General Reserve Account in accordance with the relevant Priority of Payments since the Fund Incorporation Date (including any use to be made as the case may be on such Monthly Payment Date);
 - (ii) is equal to the sum of:
 - (A) the aggregate amount of all General Reserve Replenishment Amounts made since the Fund Incorporation Date (including any General Reserve Replenishment Amount to be made as the case may be on such Monthly Payment Date); and
 - (B) the aggregate amount of all General Reserve Shortfall Amounts effectively repaid to the General Reserve Subordinated Facility Provider since the Fund Incorporation Date (excluding the General Reserve Shortfall Amount to be repaid as the case may be on such Monthly Payment Date).
- (b) During the Programme Accelerated Amortisation Period, the outstanding amount of the General Reserve Subordinated Facility on such Monthly Payment Date (before the application of the Priority of Payments on such Monthly Payment Date).

“**General Reserve Subordinated Facility**” means the credit facility granted under the General Reserve Subordinated Facility Agreement.

“**General Reserve Subordinated Facility Agreement**” means the credit facility agreement dated 7 April 2017 and made between the Fund, represented by the Management Company and the General Reserve Subordinated Facility Provider.

“**General Reserve Subordinated Facility Provider**” means the Seller.

“**General Tax Regulations**” means the General Regulations regarding tax management and inspection courses of action and procedures and developing the common rules of tax application procedures, passed by Royal Decree 1065/2007, of 27 July (*Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por el Real Decreto 1065/2007, de 27 de julio*).

“**Global Coordinator**” means the arranger and global coordinator specified in any Issuing Document with respect to the issue and the placement of a Note Series. The Arrangers will act as Global Coordinators in respect of the first Note Series.

“**Glossary of Terms**” means this glossary including the defined terms used in this Base Prospectus.

“**Guideline**” means the Guideline of the European Central Bank, of 20 September 2011, on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2011/14) as amended and applicable from time to time.

“**Hedged Notes**” means the Notes of a Class of Notes hedged by the entering into a Hedging Agreement.

“**Hedging Agreement**” means:

- (a) any Class A Hedging Agreement; and/or
- (b) any Class B Hedging Agreement; and/or
- (c) any Class C Hedging Agreement.

“**Hedging Collateral Account Priority of Payments**” means the priority of payments applicable to payments debited and made by the Fund from the Hedging Collateral Accounts (including in relation to the payment of the Hedging Senior Termination Payment, the Hedging Subordinated Termination Payment and the Replacement Hedging Premium).

“**Hedging Collateral Account Surplus**” means the surplus remaining (if any) in any Hedging Collateral Account, following satisfaction in full of all amounts owing to the relevant outgoing Hedging Counterparty, in accordance with the Hedging Collateral Account Priority of Payments.

“**Hedging Collateral Accounts**” means, with respect to the Notes of any Note Series and with respect to any Hedging Counterparty, the hedging collateral accounts held and maintained with the Issuer Accounts Bank on which will be credited (i) the collateral, in the form of cash or securities, which is required to be transferred by any Hedging Counterparty in favour of the Fund pursuant to the terms of the applicable Hedging Agreement; (ii) any interest, distributions thereon and liquidation proceeds on or of such collateral; (iii) any Hedging Counterparty Termination Amounts; and (iv) any Replacement Hedging Premium paid by a replacement hedging counterparty to the Fund. The Hedging Collateral Accounts may comprise a cash collateral account (the **Hedging Collateral Cash Account**) and a securities collateral account, (the **Hedging Collateral Securities Account**).

“**Hedging Counterparty**” means the entity specified in any Issuing Document with respect to the issue of a Note Series with Class A Floating Rate Notes and/or Class B Floating Rate Notes and/or Class C Floating Rate Notes which interest rate is hedged with Hedging Agreements.

“**Hedging Counterparty Required Ratings**” means, with respect to the Eligible Hedging Counterparty (or any successor or eligible replacement or guarantor), the required ratings of such Hedging Counterparty, as specified in any Issuing Document with respect to the issue of Floating Rate Notes of any Note Series.

“Hedging Counterparty Termination Amount” means, with respect to a Hedging Agreement, on any date, the aggregate of the early termination amount due and payable by the relevant Hedging Counterparty to the Fund as a result of an Event of Default or a Termination Event (in each case as defined in the relevant Hedging Agreement).

“Hedging Counterparty Termination Amount Surplus” means on any date for a relevant Hedging Agreement the surplus between the Hedging Counterparty Termination Amount and any Replacement Hedging Premium which shall be paid to any replacement hedging counterparty outside the Priority of Payments.

“Hedging Net Amount” means, with respect to any Hedging Agreement, the positive difference corresponding to the netting of (i) any amount to be paid by the Fund to any Hedging Counterparty under any Hedging Agreement and (ii) any amount to be paid by any Hedging Counterparty (or any guarantor) to the Fund under such Hedging Agreement, so that the relevant party will only pay to the other party the net amount (if positive) resulting from such netting. For the avoidance of doubt, any (a) Hedging Counterparty Termination Amount, Hedging Senior Termination Payment, Hedging Subordinated Termination Payment, or (b) collateral transferred by a Hedging Counterparty prior to the occurrence of an early termination date under the relevant Hedging Agreement shall not be included in the calculation of Hedging Net Amount.

“Hedging Senior Termination Payment” means in relation to any Hedging Agreement, the sum of any termination payments due and payable by the Fund to the relevant Eligible Hedging Counterparty under such Hedging Agreement other than as a result of the occurrence of (a) an Event of Default or (b) a Termination Event (in each case (a) and (b) as defined in the relevant Hedging Agreement), where the Eligible Hedging Counterparty is not the Defaulting Party or the Affected Party, as applicable (in each case as defined in the relevant Hedging Agreement).

“Hedging Subordinated Termination Payment” means in relation to any Hedging Agreement, the sum of any termination payments due and payable by the Fund to the relevant Eligible Hedging Counterparty under such Hedging Agreement as a result of the occurrence of (a) an Event of Default or (b) a Termination Event (other than a Tax Event or Illegality) (in each case (a) and (b) as defined in the relevant Hedging Agreement) where the Eligible Hedging Counterparty is the Defaulting Party or the Affected Party, as applicable (in each case as defined in the relevant Hedging Agreement).

“IBERCLEAR” means the entity “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.”

“Illegality” has the meaning ascribed in the relevant Hedging Agreement.

“Ineligible Client Account” means a Client Account (i) which does not meet the applicable Eligibility Criteria at any time after the Initial Transfer of Receivables arising from such Client Account or (ii) a Purchased Receivable of which has been (or will be) subject to an amendment, variation or waiver not mitigated by the payment of a Seller Dilution in

accordance with section 3.7.2.12(c)(i), and elected to be repurchased by the Seller in accordance with section 3.7.2.12(c)(i).

“Initial Expenses” means the estimate of the initial expenses incurred in the incorporation of the Fund and disclosed in section 6.1 of the Securities Note.

“Initial Note Series Issuance Conditions Precedent”:

- (a) the Class A Notes of the Note Series to be issued are assigned a preliminary rating of “AA(high)(sf)” and “AA+(sf)” respectively by DBRS and Fitch;
- (b) the Class A Notes Subscribers have agreed to subscribe for or underwrite or purchase the Class A Notes of such Note Series with the signing of a Class A Notes Subscription Agreement on or prior the Issue Date; and
- (c) the Class C Notes Subscribers have agreed to subscribe for or underwrite or purchase the Class C Notes of such Note Series with the signing of a Class C Notes Subscription Agreement on or prior the Issue Date.

“Initial Principal Amount” means, with respect to each Class of Notes of any Note Series, the principal amount of such Class of Notes on their Issue Date.

“Initial Transfer” means, with respect to any Eligible Receivable deriving from a Credit Card Agreement which has not already been the subject of an Initial Transfer, the initial transfer of any Eligible Receivable deriving from such Credit Card Agreement by the Seller to the Fund.

“Insolvency Law” means Law 22/2003, of 9 July, on Insolvency (*Ley 22/2003, de 9 de julio, Ley Concursal*).

“Insolvency Event” means, with respect to any entity, a declaration of insolvency (*declaración de concurso*) (or any analogous procedure in any jurisdiction) in respect thereto.

“Instalment” means with respect to each Credit Card Agreement and on any Instalment Due Date, the scheduled and unscheduled (in case of any prepayment or amicable recovery which are paid by the relevant Borrower to the Seller with a direct debit on the basis of a mutual agreement between the Seller and such Borrower) amount of principal and interest due and payable (which is at least equal to the Monthly Minimum Instalment) on such date, in accordance with the terms of the Credit Card Agreement.

“Instalment Due Date” means, with respect to each Credit Card Agreement, the monthly date as agreed between the Seller or the Servicer, as the case may be, and the Borrower from time to time, on which payment of principal and interest is due and payable.

“Insurance Indemnifications” means any amounts payable to the Seller under any Insurance Policies entered into by the relevant Borrower in connection with any Credit Card Agreement.

“**Insurance Policies**” means the optional insurance policies entered into by the Borrowers in connection with any Credit Card Agreement in respect of which the Seller has been, and remains, designated as “beneficiary” (*beneficiario*).

“**Insurance Premia**” means the insurance premia payable to the Insurance Companies in connection with the Purchased Receivables.

“**Interchange Fees**” means the fees received by the Seller as member participating in the MasterCard® associations as partial compensation, for amongst other things, taking credit risk and absorbing fraud losses. Interchange Fees are not transferred to the Fund.

“**Interest Account**” means one of the Issuer Accounts held with the Issuer Accounts Bank to which is standing the Available Interest Amount.

“**Interest Accrual Period**” means each of the consecutive interest accrual periods applicable to the relevant Subordinated Facility comprising the days effectively elapsed between each Monthly Payment Date, including in each Interest Accrual Period the initial Monthly Payment Date and excluding the final Monthly Payment Date.

“**Interest Determination Date**” with respect to any Floating Rate Notes and in relation to an Interest Period, the date specified as such in the relevant Issuing Document or, if none is so specified, two (2) Business Days before the date on which such Interest Period begins.

“**Interest Distribution Ledger**” means a ledger within the Interest Account in relation to a specific Class of Notes of a Note Series with a Quarterly Payment Date, Semi-Annual Payment Date or Annual Payment Date.

“**Interest Period**” means:

- (a) with respect to all Classes of Notes of any Note Series during the Programme Revolving Period and the Programme Amortisation Period, any period beginning on (and including) the previous Payment Date and ending on (but excluding) such Payment Date, save for the first Interest Period of any Note Series which shall begin on (and include), as applicable, the Disbursement Date of such Note Series and shall end on (but exclude) the first Payment Date specified in the relevant Issuing Document; and
- (b) with respect to all Classes of Notes of any Note Series during the Programme Accelerated Amortisation Period, any period beginning on (and including) the previous Monthly Payment Date and ending on (but excluding) such Monthly Payment Date; save for the first Interest Period during the Programme Accelerated Amortisation Period of any Note Series which shall begin on (and include) the previous Payment Date and shall end on (but exclude) the first Monthly Payment Date of such Note Series.

“**Interest Rate**” means the rate or rates (including, for the avoidance of doubt, any Relevant Margin, Step-up Interest Rate or Step-up Margin) expressed as a percentage per year of interest payable in respect of any Notes issued under the Programme specified in the relevant Issuing Document or calculated or determined in accordance with the provisions of section 4.8 of the Securities Note and/or the relevant Issuing Document.

“**Interest Shortfall Priority of Payments**” set out in section 3.4.7.2 of the Additional Building Block.

“**Intermoney Titulización**” means Intermoney Titulización, S.G.F.T., S.A

“**Investor Available Amortisation Amount**” means on any Calculation Date during the Programme Revolving Period and the Programme Amortisation Period, the sum of the Note Series 20xx-yy Total Available Amortisation Amount of all Note Series.

“**Investor Report**” has the meaning given to this term in section 4.1.3.1 of the Additional Building Block.

“**Investor Share**” means, on any Calculation Date, the ratio between:

- (a) the aggregate of the Principal Amount Outstanding of all outstanding Note Series on the last Monthly Payment Date (taking into account any redemption of any Class of Notes of any Note Series or any further issue of Note Series, to be made on or before the next immediately Monthly Payment Date);
- (b) the minimum between:
 - (i) the sum of:
 - (A) the Outstanding Principal Balances of the Purchased Receivables (excluding any Non-Compliant Receivables) under the Performing Client Accounts as of the immediately prior Cut-Off Date to such Calculation Date; plus
 - (B) the Outstanding Principal Balances of the Purchased Receivables transferred in the context of Initial Transfers on the Purchase Date prior to the Calculation Date; minus
 - (C) the Outstanding Principal Balances of any outstanding Purchased Receivables (other than those deriving from Defaulted Client Accounts or Non-Compliant Client Accounts) repurchased by the Seller on such Calculation Date;
 - (ii) the Principal Amount Outstanding of all Note Series as of the Monthly Payment Date immediately following such Calculation Date (taking into account any redemption or issuance of Note Series to be made between on or

before the next Monthly Payment Date), multiplied by the sum of (i) one and (ii) the Required Seller Share.

“Irrevocable Power of Attorney” means the irrevocable power of attorney granted by the Servicer in favour of the Management Company, acting in the name of the Fund, in relation to the Pledge in order to ensure compliance with the undertakings assumed by virtue of the Collections Accounts Security Document.

“IRSs” means interest rate swap transactions.

“ISDA Credit Support Annex” means the schedule and the credit support annex to the ISDA Master Agreement.

“ISDA Master Agreement” means the master netting agreement in the form of the 2002 ISDA Master Agreement (Multicurrency-Cross Border), as published by the International Swaps and Derivatives Association, Inc.

“Issue Date” means (i) with respect to the first Note Series issued by the Fund, the Fund Incorporation Date and (ii) for any other Note Series issued by the Fund during the Programme Revolving Period, five (5) business days before a Monthly Payment Date.

“Issuer” means the Fund.

“Issuer Accounts” means the following accounts of the Fund: (i) the General Account, (ii) the Interest Account, (iii) the Principal Account, (iv) the Revolving Account, (v) the General Reserve Account, (vi) the Commingling Reserve Account, (vii) the Spread Account and (viii) any Hedging Collateral Account in relation to any Eligible Hedging Counterparty. The Issuer Accounts shall be held and operated by the Issuer Accounts Bank under the terms set out in section 3.4.5 of the Additional Building Block.

“Issuer Accounts Bank” means Banco Santander, S.A. or, if the appointment of Banco Santander, S.A. is terminated, such other bank as appointed by the Management Company.

“Issuer Accounts Bank Substitution Requirements”:

- (a) The New Issuer Accounts Bank:
 - (i) is a credit institution duly authorised to provide banking services in Spain;
 - (ii) is an Eligible Institution having at least the Account Bank Required Ratings;
 - (iii) has, in the Management Company’s opinion, extensive experience and a proven operational track record in functions similar to those described in section 3.4.5 of the Additional Building Block;
 - (iv) in the Management Company’s opinion can assume in substance the rights and obligations of the Issuer Accounts Bank; and

- (v) shall have agreed with the Management Company to perform the duties and obligations of the Issuer Accounts Bank;
- (b) the Relevant Rating Agencies shall have been given prior notice of such substitution and such substitution shall not entail the downgrade or withdrawal of any of the ratings then assigned by the Relevant Rating Agencies to the Notes; and
- (c) such substitution is made in compliance with the then applicable laws and regulations.

“Issuer Accounts Bank Termination Event” means any of the following events:

- (a) any material representation or warranty made by the Issuer Accounts Bank under any Programme Document to which it is a party is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within five (5) Business Days after the Management Company has given notice thereof to the Issuer Accounts Bank or (if sooner) the Issuer Accounts Bank has knowledge of the same, provided that the Management Company, at its discretion, certifies that it is material and prejudicial to the interests of the Noteholders;
- (b) the Issuer Accounts Bank has failed to comply with any of its material obligations under any Programme Document to which it is a party unless such breach is capable of remedy and is remedied within five (5) Business Days after the Management Company has given notice thereof to the Issuer Accounts Bank or (if sooner) the Issuer Accounts Bank has knowledge of the same, provided that the Management Company, at its discretion, certifies that it is material and prejudicial to the interests of the Noteholders;
- (c) an Insolvency Event occurs in respect of the Issuer Accounts Bank;
- (d) at any time it is or becomes unlawful for the Issuer Accounts Bank to perform or comply with any or all of its material obligations under any Programme Document to which it is a party or any or all of its material obligations under any Programme Document to which it is a party are not, or cease to be, legal, valid and binding;
- (e) any failure by the Issuer Accounts Bank to make any payment under any Programme Documents to which it is a party, when due, except if such failure is due to technical or administrative reasons and is remedied within five (5) Business Days after such failure; or
- (f) the Issuer Accounts Bank ceases to be an Eligible Institution.

“Issuer Operating Expenses” means the Ordinary Expenses and the Extraordinary Expenses.

“**Issuing Document**” each document executed by the Management Company, for and on behalf of the Fund, whereby the issuance of Notes of the successive Notes Series will be instrumented, including, each Final Terms, each Terms and Conditions and each Deed of Issue.

“**Italian Banking Act**” means Legislative Decree No. 385 of 1 September 1993, as amended.

“**Italian Securities and Exchange Commission**” or “**CONSOB**” means the *Commissione Nazionale per le Società e la Borsa*.

“**Italian Financial Services Act**” means the Legislative Decree No. 58 of 24 February 1998, as amended.

“**Italian Regulation No. 11971**” means CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time.

“**Japan Financial Instruments and Exchange Act**” means the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended).

“**Joint Lead Managers**” means Banco Santander, S.A. and Natixis in connection with the first Note Series issued by the Fund.

“**Judgment**” means the Judgment 628/2015 of 25 November issued by the Spanish Supreme Court.

“**Law 5/2015**” means Law 5/2015, of 27 April, on the Business Financing Promotion.

“**Law 10/2014**” means Law 10/2014, of 26 June, on regulation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*).

“**Law 16/2011**” means Law 16/2011, of 24 June, on Consumer Credit Contracts (*Ley 16/2011, de 24 de junio, de contratos de crédito al consumo*).

“**Law 27/2014**” means Law 27/2014, of 27 November, on Corporate Income Tax.

“**Law of Repression of Usury**” means *Ley de 23 de julio de 1908, de la Usura*.

“**Legislative Royal Decree 4/2015**” or the “**Securities Market Law**” means Legislative Royal Decree 4/2015, dated 23 October, approving the consolidated text of the Securities Market Law.

“**Management Company**” means Intermoney Titulización, S.G.F.T., S.A.

“**Management Report**” means the management report prepared by the Management Company.

“**MARF**” means the Alternative Fixed-Income Market. MARF it is an unregulated market.

“**Margin**” means the margins applicable to the Floating Rate Notes and which shall be specified in the applicable Issuing Document.

“**Master Definitions Agreement**” means the master definitions agreement dated 7 April 2017 (as amended and/or restated from time to time in relation to the issue of any Note Series) and made between the Management Company, the Fund, the Seller, the Servicer, the Commingling Reserve Subordinated Facility Provider, the Expenses Subordinated Facility Provider, the General Reserve Subordinated Facility Provider, the Seller Interest Credit Facility Provider, the Issuer Accounts Bank and the Paying Agent.

“**Master Receivables Sale and Purchase Agreement**” means the master receivables sale and purchase agreement dated 7 April 2017 and made between the Management Company and the Seller.

“**Master Servicer**” means the Management Company as master servicer of the Purchased Receivables pursuant to article 26.1 b) of Law 5/2015.

“**Maximum Addition Amount**” means, with respect to the offer of the Receivables to be sold and transferred by the Seller to the Fund in the context of Initial Transfers (only), the criteria which is satisfied if, on any applicable Purchase Date during the Programme Revolving Period and the Programme Amortisation Period conditions (1) and (2) below are both satisfied:

(a) Condition (1): A' is equal to, or less than, the product of B' and C', where:

”**A**” is equal to the aggregate number of new Eligible Receivables assigned in the context of Initial Transfers during the last twelve (12) months preceding such applicable Purchase Date (or since the Fund Incorporation Date if the applicable Purchase Date occurs less than twelve (12) months after the Fund Incorporation Date), including the number of Eligible Receivables to be transferred in the context of Initial Transfers on such applicable Purchase Date;

“**B**” is equal to the maximum between (i), (ii) and (iii) debajo de:

- (i) the aggregate number of outstanding Purchased Receivables as of the preceding Purchase Date which occurred on the twelfth month before such applicable Purchase Date;
- (ii) the aggregate number of outstanding Purchased Receivables as of the Purchase Date immediately following the date on which the Relevant Rating Agencies have confirmed that the sale and transfer of Receivables on such Purchase Date will not result in a downgrade or withdrawal of the then current ratings of the Notes by the Relevant Rating Agencies, provided that this paragraph (ii) would be only be taken into account for the calculation of

B' where the Fund has requested confirmation of the ratings of the Rated Notes by the Relevant Rating Agencies to exceed the Maximum Addition Amount on a Purchase Date in the past;

- (iii) the aggregate number of outstanding Purchased Receivables as of the Purchase Date on which the Relevant Rating Agencies have confirmed that the issuance of a further Note Series on such Purchase Date will not result in a downgrade or withdrawal of the then current ratings of the then outstanding Notes by the Relevant Rating Agencies (including the Fund Incorporation Date);

“C” is equal to 25 per cent. (25%) (or any other percentage otherwise specified in the last Prospectus Supplement).

- (b) Condition (2): A' is equal to, or less than, the product of B' and C', where:

“A” is equal to the aggregate Outstanding Principal Balance of new Eligible Receivables transferred in the context of Initial Transfers during the last twelve (12) months preceding such applicable Purchase Date (or since the Fund Incorporation Date if the applicable Purchase Date occurs less than twelve (12) months after the Fund Incorporation Date), including the Outstanding Principal Balance of Eligible Receivables to be transferred in the context of Initial Transfers on such applicable Purchase Date;

“B” is equal to the maximum between (i), (ii) and (iii) debajo de:

- (i) the aggregate Outstanding Principal Balance of outstanding Purchased Receivables as of the preceding Purchase Date which occurred on the twelfth month before such applicable Purchase Date;
- (ii) the aggregate Outstanding Principal Balance of outstanding Purchased Receivables as of the Purchase Date immediately following the last date on which the Relevant Rating Agencies have confirmed that the sale and transfer of Receivables on such Purchase Date will not result in a downgrade or withdrawal of the then current ratings of the Rated Notes by the Relevant Rating Agencies, provided that this paragraph (ii) would be only be taken into account for the calculation of B' where the Fund has requested confirmation of the ratings of the Rated Notes by the Relevant Rating Agencies to exceed the Maximum Addition Amount on a Purchase Date in the past;
- (iii) the aggregate Outstanding Principal Balance of outstanding Purchased Receivables as of the Purchase Date on which the Relevant Rating Agencies have confirmed that the issuance of a further Note Series on such Purchase Date will not result in a downgrade or withdrawal of the then current ratings

of the then outstanding Rated Notes by the Relevant Rating Agencies (including the Fund Incorporation Date);

“C” is equal to 25 per cent. (25%) (or any other percentage otherwise specified in the last Prospectus Supplement).

“**Maximum Commingling Reserve Subordinated Facility Amount**” means the total amount of the Commingling Reserve Subordinated Facility which shall be EUR 30,000,000.00 (as such amount may be varied from time to time).

“**Maximum Expenses Subordinated Facility Amount**” means the total amount of the Expenses Subordinated Facility which shall be EUR 750,000 (as such amount may be varied from time to time).

“**Maximum General Reserve Subordinated Facility Amount**” means the total amount of the General Reserve Subordinated Facility which shall be EUR 5,640,000 (as such amount may be varied from time to time).

“**Maximum Interest Rate**” means, with respect to any Floating Rate Notes of any Note Series, the maximum interest rate, if applicable, as specified in the relevant Issuing Document.

“**Maximum Outstanding Balance of the Programme**” means the maximum aggregate Outstanding Principal Balance of all Note Series from time to time outstanding under the Programme, which as of the date of this Base Prospectus must not exceed EUR two billion (€2,000,000,000). The issue of any Note Series shall not result in the Maximum Outstanding Balance of the Programme being exceeded.

“**Maximum Portfolio Amount**” means, at any given time, the Outstanding Principal Balance of the Receivables transferred to the Fund which shall not exceed EUR 3,000,000,000.

“**Maximum Seller Interest Credit Facility Amount**” means the total amount of the Seller Interest Facility which shall be EUR 2,000,000,000 (as such amount may be varied from time to time).

“**Mazars**” means MAZARS Auditores, S.L.P.

“**Minimum Interest Rate**” means, with respect to any Floating Rate Notes of any Note Series, the minimum interest rate, if applicable, as specified in the applicable Issuing Document.

“**Minimum Portfolio Amount**” means an amount as determined by the Management Company on any Determination Date and equal to the product of:

- (a) the theoretical Principal Amount Outstanding of all Note Series as of the Monthly Payment Date immediately following such Determination Date (taking into account any redemption or issuance of Note Series to be made between on or before the next

Monthly Payment Date that would have been communicated to the Management Company on or before such date), and

- (b) the sum of:
 - (i) one (1); and
 - (ii) the applicable Required Seller Share on the Determination Date.

“Minimum Portfolio Amount Condition” means the condition that shall be deemed to have been satisfied on any Calculation Date during the Programme Revolving Period and the Programme Amortisation Period if the Minimum Portfolio Amount is lower than:

- (a) the Outstanding Principal Balances of the Purchased Receivables (excluding any Non-Compliant Receivables) under the Performing Client Accounts as of the immediately prior Cut-Off Date to such Calculation Date; plus
- (b) the Outstanding Principal Balances of the Purchased Receivables transferred in the context of Initial Transfers on the Purchase Date prior to the Calculation Date (included); minus
- (c) the Outstanding Principal Balances of any outstanding Purchased Receivables (other than those deriving from Defaulted Client Accounts or Non-Compliant Client Accounts) repurchased by the Seller on such Calculation Date.

“Minimum Purchase Amount” means on, any Determination Date during the Programme Revolving Period, the amount recorded by the Management Company in respect of the aggregate of Outstanding Principal Balances of the Receivables to be purchased by the Fund, if any, on the Purchase Date following such Determination Date, but only in the context of Initial Transfers, and equal to the positive difference between:

- (a) the Minimum Portfolio Amount; and
- (b) the Outstanding Principal Balances of all Purchased Receivables (excluding any Non-Compliant Receivables) relating to all Performing Client Accounts as at the Cut-Off Date immediately preceding such Determination Date, less any contemplated repurchase of Purchased Receivables by the Seller with respect to Client Accounts other than Non-Compliant Client Accounts and Defaulted Client Accounts, which would have been communicated by the Seller on such Determination Date).

“Monthly Amortisation Amount” means, with respect to the Class A Notes, the Class B Notes and the Class C Notes of all Note Series and the relevant Priority of Payments:

- (a) the Class A Notes Monthly Amortisation Amount;
- (b) the Class B Notes Monthly Amortisation Amount; and/or

(c) the Class C Notes Monthly Amortisation Amount.

“**Monthly Billing Period**” means the monthly billing periods or payment cycles on which the Drawings under the Client Account are accounted for, which starts on the twenty first (21st) day of each calendar month and ends on the twentieth (20th) day of the following calendar month and is referred to in the Credit Card Agreements as “billing period” (*periodo de liquidación*).

“**Monthly Interest Amount**” means, with respect to the Class A Notes, Class B Notes and the Class C Notes of all Note Series and the relevant Priority of Payments:

- (a) the Class A Notes Monthly Interest Amount;
- (b) the Class B Notes Monthly Interest Amount; and/or
- (c) the Class C Notes Monthly Interest Amount.

“**Monthly Hedging Net Amount**” means, with respect to all Classes of Notes of all Note Series and the relevant Priority of Payments:

- (a) the Class A Monthly Hedging Net Amounts;
- (b) the Class B Monthly Hedging Net Amounts and/or
- (c) the Class C Monthly Hedging Net Amounts.

“**Monthly Minimum Instalment**” means the amount of each monthly payment due by the Borrower set in the Credit Card Agreement and which shall be the lower of

- (a) the full outstanding debt of Borrower (comprising principal, capitalised interest, ordinary interest and any other amount due by the Borrower); or
- (b) a fixed pre-agreed amount set in the Credit Card Agreement (which shall be at least equal to 3% of the Credit Limit (with a minimum of EUR 15)).

“**Monthly Non-Direct Debit Payment Rate**” means as calculated in respect of each Calculation Date, the ratio between:

- (a) the Non-Direct Debit Payment collected on the Performing Purchased Receivables during the Collection Period immediately preceding such Calculation Date; and
- (b) the Outstanding Principal Balance of the Performing Purchased Receivables as of the immediately preceding Cut-Off Date.

“**Monthly Payment Date**” means the day falling on the 26th in each month of each year (subject to the Modified Following Business Day Convention). For clarification purposes, the first Monthly Payment Date after the Fund Incorporation Date will be 26 June 2017.

“**Monthly Prepayment Rate**” means as calculated in respect of each Calculation Date, the ratio between:

- (a) the Prepaid Amount collected on the Performing Purchased Receivables during the Collection Period immediately preceding such Calculation Date; and
- (b) the Outstanding Principal Balance of the Performing Purchased Receivables as of the second immediately preceding Cut-Off Date.

“**Monthly Reporting Date**” means the first (1st) calendar day of each month, and where such day is not a Business Day, the Business Day immediately thereafter on or before which the Servicer shall provide the Management Company with the Monthly Servicer Report with respect to the preceding Collection Period. For clarification purposes, the first Monthly Reporting Date after the Fund Incorporation Date will be 1 May 2017.

“**Monthly Servicer Report**” means each computer file established by the Servicer and supplied by it on each relevant Monthly Reporting Date to the Management Company.

“**Moody's**” means Moody's Investors Service España, S.A.

“**MPPR**” means monthly principal payment rate.

“**New Client Account Purchase Report**” means the electronic files with account by account information related to the selected Eligible Receivables with respect to the information available on the applicable Selection Date delivered by the Seller to the Management Company on the Selection Date in the context of Initial Transfers.

“**New Issuer Accounts Bank**” means the new Fund's accounts bank appointed by the Management Company upon receiving an early termination notice by the Issuer Accounts Bank.

“**New Paying Agent**” means the new Fund's paying agent appointed by the Management Company upon receiving an early termination notice by the Paying Agent.

“**Non-Compliant Client Account**” means a Client Account composed in part or in full of Non-Compliant Receivable(s) and which is not an Ineligible Client Account.

“**Non-Compliant Receivable**” means any Purchased Receivable which does not comply with the Eligibility Criteria on the relevant Purchase Date.

“**Non-Compliant Repurchase Amount**” means an amount payable by the Seller equal to:

- (a) the then aggregate Outstanding Principal Balance of each Non-Compliant Receivable and any other outstanding Purchased Receivables arisen from the same Client Account; plus

- (b) any accrued and unpaid outstanding interest thereon until (but excluding) the Effective Repurchase Date,

as of such Effective Repurchase Date. Payment will be effected on the immediately following Calculation Date.

“**Non-Curable Event**” means:

- (a) any breach by the Servicer of its obligations to transfer monies to the General Account on the Business Day following the date on which such monies are received by the Seller.
- (b) subject to (a) above, any breach by the Servicer of any of its monetary obligations when due under any Programme Document to which it is a party (except if the breach is due to force majeure).
- (c) the occurrence of any of the following events in respect of the Servicer:
 - (i) The Servicer is unable or admits 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.
 - (ii) Except as provided below, any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) a declaration of insolvency (*concurso*), winding up, intervention, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Servicer;
 - (B) a composition, compromise, assignment or arrangement with any creditor of the Servicer being owed more than €15,000,000 or (ii) a number of creditors of the Servicer being owed in aggregate more than €15,000,000, in either case, by reason of actual or anticipated financial difficulties;
 - (C) the appointment of a liquidator, administrator (judicial or otherwise) compulsory manager or other similar officer in respect of the Servicer or any of its assets;
 - (D) the revocation, withdrawal or suspension by the Bank of Spain of the license of the Servicer as an EFC or the taking of any disciplinary, resolution, recapitalisation or recovery action against the Servicer pursuant to legislation implementing Directive 2014/59/EU of the Parliament and of the Council, of 15 May 2014, in any jurisdiction

which has a material negative effect on the ability of the Servicer to perform its obligations under any Programme Document; or

(E) any analogous procedure or step is taken in any jurisdiction,

provided however that no such event would have occurred if any petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

(d) at any time (i) it is or becomes unlawful for the Servicer to perform or comply with any or all of its material obligations under the Servicing Agreement or (ii) any or all of its material obligations under the Servicing Agreement are not, or cease to be, legal, valid and binding (including as a result of any act, omission, failure, default or misconduct of the Servicer).

“Non-Direct Debit Payment” means, on any Calculation Date, in respect of the Collection Period immediately preceding such Calculation Date, the aggregate of the non-direct debit payments (excluding Insurance Premia) effectively paid with respect of the Performing Client Accounts in relation to the relevant Collection Period.

“Non-Purchased Receivables” means, in respect of a Client Account from which arise any Purchased Receivable(s), any outstanding receivable(s) under such Client Account which are not Purchased Receivables.

“Noteholder” means a holder of a Note issued by the Fund.

“Notes” means the Class A Notes, the Class B Notes and the Class C Notes.

“Notes Final Legal Maturity Date” or **“Note Series 20xx-yy Final Legal Maturity Date”** means, with respect to any Note Series, unless previously redeemed in full, the Payment Date specified in the applicable Issuing Document where the all the Principal Amount Outstanding of the Notes will be due and payable.

“Notes Interest Amount” means, indistinctively, the Class A Notes Interest Amount, the Class B Notes Interest Amount and the Class C Notes Interest Amount.

“Note Series” means, in respect of the Class A Notes, the Class B Notes (if any) and the Class C issued on the same Issue Date, any series of Notes issued by the Fund on such Issue Date.

“Note Series Amortisation Period” or **“Note Series 20xx-yy Amortisation Period”** means, with respect to any Note Series, the period which starts from (and including) the relevant Amortisation Starting Date and which ends at the earlier (included) of (i) the Payment Date on which the Principal Amount Outstanding of the Notes of such Note Series shall be reduced to zero (0), (ii) the Fund Liquidation Date and (iii) the Notes Final Legal Maturity Date of such Note Series.

“Note Series Issue Expenses” or **“Note Series 20xx-yy Issue Expenses”** mean any expenses incurred in connection with the issue of the Notes of any Notes Series (including the execution and filing of any Issuing Document and any fees and costs payable in connection therewith –ie. CNMV, IBERCLEAR, AIAF, Rating Agency fees, legal fees, etc.-).

“Note Series Noteholders” or **“Noteholders”** means, with respect to any Note Series, the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

“Note Series Revolving Period” or **“Note Series 20xx-yy Revolving Period”** means, with respect to any Note Series, the period which starts on the relevant Issue Date and which ends on the relevant Amortisation Starting Date (excluded).

“Note Series 20xx-yy Available Amortisation Amount” means, during the Programme Revolving Period and the Programme Amortisation Period:

- (a) with respect to any Calculation Date falling before the Calculation Date immediately preceding its Amortisation Starting Date: zero (0); and
- (b) with respect to any Calculation Date falling on or after the Calculation Date immediately preceding its Amortisation Starting Date, the product between:
 - (i) the Note Series 20xx-yy Principal Ratio on such Calculation Date; and
 - (ii) the Available Amortisation Amount on such Calculation Date.

“Note Series 20xx-yy Available Purchase Amount” means on each Calculation Date:

- (a) during the Programme Revolving Period:
 - (i) with respect to any Calculation Date falling before the Calculation Date immediately preceding the Amortisation Starting Date of such Note Series 20xx-yy, the product between:
 - (A) the Note Series 20xx-yy Principal Ratio on such Calculation Date; and
 - (B) the Available Amortisation Amount on such Calculation Date;
 - (ii) with respect to any Calculation Date falling on or after the Calculation Date immediately preceding the Amortisation Starting Date of such Note Series 20xx-yy, zero (0);
- (b) during the Programme Amortisation Period and the Programme Accelerated Amortisation Period, zero (0).

“Note Series 20xx-yy Call Date” means, with respect to the Note Series 20xx-yy, any call date (which is a Payment Date) specified in the applicable Issuing Document. Any Note

Series may have one or several Note Series 20xx-yy Call Date(s) which can be successive or not.

“**Note Series 20xx-yy Call Date Conditions**” means:

- (a) the Residual Principal Deficiency Ledger is not in debit on the Calculation Date preceding the Note Series 20xx-yy Call Date after the application of the Interest Priority of Payments;
- (b) the prior Seller's Optional Early Redemption Written Instruction has been given by the Seller to the Management Company within at least thirty (30) calendar days before any applicable Note Series 20xx-yy Call Date indicating
 - (i) its intention to exercise its option; and
 - (ii) the mean by which such redemption has to be instrumented (according to the various options described in point (c) below; and;
- (c) the Fund is able to pay the relevant early redemption amounts (as well as any amount ranking prior thereto or *pari passu* therewith) by means of:
 - (i) during the Programme Revolving Period, the issuance of a new Note Series to be subscribed for by any Class A Notes Subscribers, any Class B Notes Subscribers and any Class C Notes Subscribers provided that such new Notes Series are not terminated in accordance with section 4.4.7.1 of the Registration Document; and/or
 - (ii) during the Programme Revolving Period, the drawdown of the Seller Interest Credit Facility to be credited to the Principal Account at least on the corresponding Settlement Date; and/or
 - (iii) during the Programme Revolving Period and the Programme Amortisation Period, the exercise by the Seller of its option to repurchase certain Purchased Receivables as set out with section 3.3.1.12 of the Additional Building Block.

“**Note Series 20xx-yy Call Amount**” means, on a Monthly Payment Date and with respect to any Note Series 20xx-yy, an amount equal to the positive difference between:

- (a) the Principal Amount Outstanding of such Note Series 20xx-yy on such Monthly Payment Date;
- (b) the aggregate of:
 - (i) the Note Series 20xx-yy Available Amortisation Amount with respect to such Monthly Payment Date (subject it is a Payment Date for the Note Series); and

- (ii) any principal amounts recorded on the Principal Distribution Ledger with respect to the Class of Notes of such Note Series 20xx-yy until the next Payment Date (if any).

“**Note Series 20xx-yy Clean-Up Call Amount**” means, on a Monthly Payment Date and in respect of the Note Series 20xx-yy, an amount equal to the positive difference between:

- (a) the Principal Amount Outstanding of such Note Series 20xx-yy on the immediately preceding Payment Date; and
- (b) the aggregate of:
 - (i) the Note Series 20xx-yy Available Amortisation Amount with respect to such Payment Date; and
 - (ii) any principal amounts recorded on the Principal Distribution Ledger with respect to the Class of Notes of such Note Series until the next Payment Date (if any).

“**Note Series 20xx-yy Clean-Up Call Condition**” means, on any Payment Date during the Programme Revolving Period and Programme Amortisation Period and in respect of any Note Series 20xx-y, the condition that is satisfied if:

- (a) the Seller has notified through the relevant Seller's Optional Early Redemption Written Instruction to the Management Company at least thirty (30) calendar days before such Payment Date of:
 - (i) its intention to exercise its option; and
 - (ii) the means by which such redemption has to be instrumented (according to the various options described in point (b) below; and
- (b) the Fund is able to pay the relevant early redemption amounts (as well as any amount ranking prior thereto or *pari passu* therewith) by means of:
 - (i) during the Programme Revolving Period, the issuance of a new Note Series to be subscribed for by any Class A Notes Subscribers, any Class B Notes Subscribers and any Class C Notes Subscribers provided that such new Notes Series are not terminated in accordance with section 4.4.7.1 of the Registration Document; and/or
 - (ii) during the Programme Revolving Period, the drawdown of the Seller Interest Credit Facility to be credited to the Principal Account at least on the Settlement Date preceding such Payment Date; and/or

- (iii) during the Programme Revolving Period and the Programme Amortisation Period, the exercise by the Seller of its option to repurchase certain Purchased Receivables as set out with section 3.3.1.12 of the Additional Building Block.
- (c) on the immediately preceding Monthly Payment Date the Principal Amount Outstanding of the Note Series 20xx-yy was less than:
 - (i) 10 per cent. of the Note Series 20xx-yy Initial Principal Amount; or
 - (ii) the Initial Principal Amount of the Class C20xx-yy Notes; and
- (d) the Residual Principal Deficiency Ledger is not in debit on the Calculation Date preceding the Note Series 20xx-yy Clean Up Call Date after the application of the Interest Priority of Payments.

“**Note Series 20xx-yy Clean-Up Call Date**” means, in respect of any Note Series 20xx-yy, the Payment Date on which the Note Series 20xx-yy Clean-Up Call Condition is satisfied and any subsequent Payment Date.

“**Note Series 20xx-yy Initial Principal Amount**” means, with respect to any Note Series 20xx-yy, the principal amount of the Class A Notes, the Class B Notes (if any) and the Class C Notes of such Note Series 20xx-yy on the relevant Issue Date.

“**Note Series 20xx-yy Issue Amount**” means, in respect of the Class A20xx-yy Notes, the Class B20xx-yy Notes (if any) and the Class C20xx-yy Notes of any Note Series, the aggregate principal amount of such Notes on such Issue Date.

“**Note Series 20xx-yy Principal Ratio**” means, on each Calculation Date, with respect to any outstanding Note Series, the percentage equal to (which percentage shall never exceed 100 per cent.):

- (a) during the Programme Revolving Period:
 - (i) the Note Series 20xx-yy Initial Principal Amount; divided by
 - (ii) the aggregate of the Note Series 20xx-yy Initial Principal Amounts of all the then outstanding Note Series multiplied by the sum of (i) 1 and (ii) the Required Seller Share; and
- (b) during the Programme Amortisation Period:
 - (i) the Note Series 20xx-yy Initial Principal Amount; divided by
 - (ii) the aggregate of the Note Series 20xx-yy Initial Principal Amounts of all the then outstanding Note Series.

The sum of all Note Series 20xx-yy Principal Ratios shall never be greater than 100 per cent.

“Note Series 20xx-yy Retention Ratio” means:

- (a) one (1) with respect to a Note Series 20xx-yy with a Monthly Payment Date;
- (b) one third (1/3) with respect to a Note Series 20xx-yy with a Quarterly Payment Date;
- (c) one sixth (1/6) with respect to a Note Series 20xx-yy with a Semi-Annual Payment Date; or
- (d) one twelfth (1/12) with respect to a Note Series 20xx-yy with an Annual Payment Date.

“Note Series 20xx-yy Total Available Amortisation Amount” means, on any Calculation Date during the Programme Revolving Period and the Programme Amortisation Period and in respect of a Note Series 20xx-yy, the sum of:

- (a) the Note Series 20xx-yy Available Amortisation Amount of such Note Series 20xx-yy; and
- (b) following the occurrence of an Optional Early Redemption Event:
 - (i) the Note Series 20xx-yy Call Amount of such Note Series 20xx-yy; or
 - (ii) the Note Series 20xx-yy Clean-Up Call Amount of such Note Series 20xx-yy.

“Notes Subscription Agreements” means:

- (a) any Class A Notes Subscription Agreement;
- (b) any Class B Notes Subscription Agreement; and
- (c) any Class C Notes Subscription Agreement;

“Offer to Retransfer” has the meaning given to this expression in section 4.4.4 of the Registration Document.

“Operation Instructions Letter” means the operations instructions letter included in the Collections Accounts Security Document.

“Optional Early Redemption Event” means, with respect to any Note Series, either:

- (a) the exercise of the optional redemption of the relevant Note Series on the Note Series 20xx-yy Call Date specified in the applicable Issuing Document; or
- (b) the exercise of the optional redemption of the relevant Note Series on the applicable Note Series 20xx-yy Clean-Up Call Date.

“Ordinary Expenses” shall be those which are necessary for the regular operation of the Fund that may or will accrue in the Fund, including:

- (a) taxes (including administrative fees);
- (b) remuneration of the Management Company;
- (c) remuneration of the Paying Agent;
- (d) Servicer Fee;
- (e) remuneration of the Issuer Accounts Bank;
- (f) remuneration of the Auditor of the Fund;
- (g) remuneration of the auditor or third party expert appointed for the annual audit of the portfolio of Receivables pooled at the Fund;
- (h) expenses that may arise from mandatory administrative verifications (including CNMV, AIAF and IBERCLEAR fees), registrations and authorizations not included in the Initial Expenses;
- (i) fees payable to the Relevant Ratings Agencies for monitoring and maintaining the rating of the Notes;
- (j) expenses relating to the Notes bookkeeping, involving their representation by the book-entry system, any admission-related expenses that arise from time to time, and the maintenance of all of the above, not included in the Initial Expenses;
- (k) the expenses incurred in the redemption of the Notes (i.e. IBERCLEAR); and
- (l) the expenses incurred in the announcements and notifications relative to the Fund and/or the Notes.

“Outstanding Principal Balance” means:

- (a) in respect of any Receivables and on a given date, the total amount of principal which is due by the Borrower on such date (taking into account as the case may be, any principal amounts remaining unpaid increasing such total amount and any principal amounts prepaid decreasing such total amount); or, as the case may be,
- (b) in respect of any Client Account and on any given date: the result of the sum of: (i) total amount of principal which is due by the Borrower in respect of such Client Account, at the close of the immediately prior Monthly Billing Period, plus (ii) the sum of the Drawings made since the close of such Monthly Billing Period, minus (iii) any principal payments made since the close of such Monthly Billing Period.

“**Optional Repurchase Events**” means any event set out in section 3.3.1.11 of the Additional Building Block.

“**Order**” means the UK Financial Services and Markets Acts 2000 (Financial Promotion) Order 2005.

“**Order EHA/3537/2005**” means Order EHA/3537/2005, of 10 November, on the development of article 27.4 of Law 24/1998, of 28 July, on the Spanish Securities Market Law.

“**Participant Entities**” means the relevant participants in IBERCLEAR.

“**Paying Agency Agreement**” means the paying agency agreement dated 7 April 2017 and made between the Management Company and the Paying Agent.

“**Paying Agent**” means Banco Santander, S.A., in its capacity as paying agent appointed by the Management Company in order to, amongst others, pay any interest amounts and principal amounts due to the Noteholders, or such other entity as may be selected by the Management Company on behalf of the Fund to act in its place.

“**Paying Agent Substitution Requirements**”:

- (a) The New Paying Agent:
 - (i) is a credit institution duly authorised to provide banking services in Spain;
 - (ii) is an Eligible Paying Agent;
 - (iii) has, in the Management Company’s opinion, extensive experience and a proven operational track record in functions similar to those described in section 5.2 of the Securities Note;
 - (iv) in the Management Company’s opinion can assume in substance the rights and obligations of the Paying Agent; and
 - (v) shall have agreed with the Management Company to perform the duties and obligations of the Paying Agent;
- (b) the Relevant Rating Agencies shall have been given prior notice of such substitution and such substitution shall not entail the downgrade or withdrawal of any of the ratings then assigned by the Relevant Rating Agencies to the Notes; and
- (c) such substitution is made in compliance with the then applicable laws and regulations.

“**Paying Agent Termination Event**” means any of the following events:

- (a) any material representation or warranty made by the Paying Agent under any Programme Document to which it is a party is or proves to have been incorrect or misleading in any material respect when made, and the same is not remedied (if capable of remedy) within five (5) Business Days after the Management Company has given notice thereof to the Paying Agent or (if sooner) the Paying Agent has knowledge of the same, provided that the Management Company, at its discretion, certifies that it is material and prejudicial to the interests of the Noteholders;
- (b) the Paying Agent has failed to comply with any of its material obligations under any Programme Document to which it is a party unless such breach is capable of remedy and is remedied within five (5) Business Days after the Management Company has given notice thereof to the Paying Agent or (if sooner) the Paying Agent has knowledge of the same, provided that the Management Company, at its discretion, certifies that it is material and prejudicial to the interests of the Noteholders;
- (c) an Insolvency Event occurs in respect of the Paying Agent;
- (a) at any time it is or becomes unlawful for the Paying Agent to perform or comply with any or all of its material obligations under any Programme Document to which it is a party or any or all of its material obligations under any Programme Document to which it is a party are not, or cease to be, legal, valid and binding;
- (b) any failure by the Paying Agent to make any payment under any Programme Documents to which it is a party, when due, except if such failure is due to technical or administrative reasons and is remedied within five (5) Business Days after such failure; or
- (f) the Paying Agent ceases to be an Eligible Paying Agent.

“Payment Date” means:

- (a) a Monthly Payment Date;
- (a) a Quarterly Payment Date;
- (b) a Semi-Annual Payment Date; or
- (c) an Annual Payment Date.

“PCS” means Prime Collateralised Securities (PCS) UK Limited.

“PCS Label” means Prime Collateralised Securities label.

“PDL Cure Amounts” means the sum of (i) the Class A PDL Cure Amount, (ii) the Class B PDL Cure Amount and (iii) the Residual PDL Cure Amount.

“Performing Client Account” means any Client Account other than a Defaulted Client Account.

“Pledge” means the *in rem* rights of pledge granted by SFC to the Fund in respect of all sums due to the Fund and deposited from time to time in each Collections Accounts(including the interest accrued from time to time on such amounts and all claims and rights of SFC (as account holder) under each Collections Accounts Bank Agreement as security for the Secured Obligations.

“Potential Servicer Termination Event” means the occurrence of

- (a) a Non-Curable Event;
- (b) a Curable Event which has not been cured within one (1) Business Day of the day on which the Servicer has served the relevant notification to the Management Company or, if earlier, the day on which the Management Company is aware of it.

“Prepaid Amount” means, on any Calculation Date, in respect of the Collection Period immediately preceding such Calculation Date, the aggregate of the principal prepayments effectively paid with respect of the Performing Client Accounts in relation to the relevant Collection Period.

“Principal Account” means one of the Issuer Accounts held with the Issuer Accounts Bank to which, amongst other amounts, are credited the Available Principal Collections by debit of the General Account on each Settlement Date.

“Principal Amount Outstanding” means, with respect to any Note and on any date, the aggregate outstanding principal amount of such Note.

“Principal Deficiency Ledger” has the meaning given to that expression in section 3.4.2.1. of the Additional Building Block.

“Principal Distribution Ledger” means a ledger within the Principal Account in relation to a specific Class of Notes of a Note Series with a Quarterly Payment Date, Semi-Annual Payment Date or Annual Payment Date.

“Priority of Payments” means:

- (a) during the Programme Revolving Period and the Programme Amortisation Period:
 - (i) the Interest Priority of Payments; and
 - (ii) the Interest Shortfall Priority of Payments; and
 - (iii) the Principal Priority of Payments;

- (b) during the Programme Accelerated Amortisation Period, the Accelerated Priority of Payments.

“**Programme**” means the EUR 2,000,000,000 asset backed debt issuance programme for the issue of Note Series by the Fund.

“**Programme Accelerated Amortisation Period**” means the period which will start on the Monthly Payment Date (inclusive) following the date on which an Accelerated Amortisation Event occurs and end on the earlier of:

- (a) the Monthly Payment Date on which all Notes are redeemed in full; or
- (b) the Fund Liquidation Date.

“**Programme Amortisation Period**” means the period which will:

- (a) start on the Monthly Payment Date (inclusive) immediately following the occurrence of a Revolving Termination Event;
- (b) end on the Monthly Payment Date immediately following the occurrence of an Accelerated Amortisation Event.

“**Programme Documents**” means:

- (a) the Master Receivables Sale and Purchase Agreement;
- (b) each Sale Offer, Sale Acceptance, Repurchase Request and Offer to Retransfer;
- (c) the Servicing Agreement;
- (d) any Hedging Agreements with respect to any Note Series;
- (e) the Account Bank Agreement;
- (f) the Paying Agency Agreement;
- (g) the Notes Subscription Agreements;
- (h) the Master Definitions Agreement;
- (i) the Commingling Reserve Subordinated Facility Agreement;
- (j) the Expenses Subordinated Facility Agreement;
- (k) the General Reserve Subordinated Facility Agreement; and
- (l) the Seller Interest Credit Facility Agreement;
- (m) the Collections Accounts Security Document; and

(n) the Irrevocable Power of Attorney.

“Programme Parties” means:

- (a) the Management Company;
- (b) the Seller;
- (c) the Servicer;
- (d) the Issuer Accounts Bank;
- (e) the Paying Agent;
- (f) any Class A Notes Subscribers;
- (g) any Class B Notes Subscribers;
- (h) any Class C Notes Subscribers;
- (i) any Eligible Hedging Counterparties; and
- (j) any other party that may become a Programme Party in accordance with the relevant provisions of the corresponding Programme Documents.

“Programme Revolving Period” means the period which will start on the Fund Incorporation Date (included) and will terminate on the Monthly Payment Date (excluded) immediately following the occurrence of (i) a Revolving Termination Event or (ii) an Accelerated Amortisation Event.

“Prospectus Directive” means Directive 2003/71/EC, as amended.

“Prospectus Supplement” means any supplement to the Base Prospectus prepared by the Management Company in accordance with article 22 of Royal Decree 1310/2005. Additional details on Prospectus Supplement can be found in section 4.12.5 of the Securities Note.

“Purchase Date” means as the case may be, in respect of any Receivable:

- (a) in the context of Initial Transfers, the date of delivery by the Management Company of the Sale Acceptance which shall occur on the first Business Day following each Confirmation Date; and
- (b) in the context of Additional Transfers, the first Business Day after the Drawing Date of the corresponding Receivables.

“Purchase Period” means with respect to a Monthly Payment Date:

- (a) in the context of an Additional Transfer, the calendar month immediately preceding such Monthly Payment Date, and
- (b) in the context of an initial transfer, the Purchase Date immediately preceding such Monthly Payment Date.

“Purchase Price” means, on any Calculation Date and in respect of the Receivables transferred to the Fund on any Purchase Period immediately preceding such Calculation Date, an amount equal to 100% of the aggregate Outstanding Principal Balance of such Eligible Receivable as of the applicable Effective Purchase Date.

“Purchased Receivable” means:

- (a) on any Purchase Date, a Receivable deriving from such Credit Card Agreement and which has been sold by the Seller to the Fund pursuant to the Master Receivables Sale and Purchase Agreement in the context of an Initial Transfer or an Additional Transfer and (i) which remains outstanding and (ii) which has not been repurchased by the Seller; and
- (b) on any date, the credit balance of the Client Account which relates to the Credit Card Agreement and from which all Purchased Receivables have arisen and representing the debt of the Borrower under such Credit Card Agreement which has been transferred to the Fund on such date.

“Purchase Shortfall” means the fact that for the 6th consecutive Monthly Payment Dates the credit balance of the Revolving Account exceeds 15 per cent. (15%) of the aggregate Principal Amount Outstanding of all Note Series on such date.

The occurrence of a Purchase Shortfall shall trigger the end of the Programme Revolving Period and the commencement of the Programme Amortisation Period.

“Quarterly Payment Date” means, during the Programme Revolving Period and the Programme Amortisation Period, the quarterly day falling on the 26th day which falls on a Monthly Payment Date (subject to the Modified Following Business Day Convention) as specified in the Issuing Document.

“Rated Note” means any Note rated by the Relevant Rating Agencies specified in the applicable Issuing Document of each Note Series. The Class A Notes and the Class B Notes (if any) of any Note Series shall always be Rated Notes. It is not obligatory that the Class C Notes are Rated Notes.

“Rating Agency” means any rating agency between DBRS, Fitch, Moody’s and S&P.

“**Receivable**” means any and all amounts due by the relevant Borrower under any Credit Card Agreement and the related Client Account (excluding, for the avoidance of doubt, insurance premia not financed through a Drawing).

“**Recovery Department**” means the Seller’s in-house team dedicated to recovery-related matters.

“**Reference Banks**” means the three (3) major banks in the euro-zone inter-bank market selected by the Paying Agent from time to time and if any such bank is unable or unwilling to continue to act, such other bank as may be selected by the Paying Agent on behalf of the Fund to act in its place.

“**Reference Rate**” shall be (i) during the Programme Revolving Period and the Programme Amortisation Period either the EURIBOR for one (1) month, or the EURIBOR for three (3) months, or the EURIBOR for six (6) months or the EURIBOR for twelve (12) months, as specified in the relevant Issuing Document and (ii) during the Programme Accelerated Amortisation Period, EURIBOR for one (1) month.

“**Reference Repurchase Price**” means the Repurchase Price of the Purchased Receivables for the purposes of section 4.4.4 of the Registration Document.

“**Registration Document**” means the registration document prepared in accordance with Annex VII of Regulation 809/2004.

“**Registry-Book**” means the registry-book of Noteholders kept by the Management Company in case that any unlisted Notes are issued by the Fund where the Management Company shall register the ownership of such unlisted Notes, as well as any in rem right created over them.

“**Regulation 809/2004**” means Regulation (EC) N°. 809/2004 dated 29 April 2004, as amended.

“**Regulation 1060/2009**” means Regulation (EC) No 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies.

“**Regulation S**” means the regulation S under the Securities Act.

“**Release Notice**” means the notice to be delivered by the Management Company (acting on behalf of the Fund) to the Collections Accounts Banks whereby, amongst others, the Servicer shall resume to be entitled to give any debit or credit instruction in respect of the Collections Accounts.

“**Relevant Implementation Date**” means the date on which the Prospectus Directive is implemented in the Relevant Member State.

“**Relevant Margin**” means, with respect any Floating Rate Notes, the applicable margin specified in the relevant Issuing Document.

“Relevant Member State” means each Member State of the European Economic Area which has implemented the Prospectus Directive.

“Relevant Note Series” means an specific Note Series which Payment Date occurs annually, semi-annually and quarterly.

“Relevant Rating Agencies” means the Rating Agencies specified in the applicable Issuing Document in respect of any Class of Notes of any Note Series outstanding at such time.

“Relevant Screen Page” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Issuing Document.

“Replacement Servicer” means the replacement servicer which will be appointed by the Management Company after the occurrence of a Servicer Termination Event.

“Replacement Hedging Premium” means, in relation to any Hedging Agreement, the amount that the Fund or a replacement hedging counterparty would be liable to pay to the other party to such Hedging Agreement if the Fund and such replacement hedging counterparty entered into a replacement hedging agreement further to an early termination of such Hedging Agreement.

“Repurchase Conditions Precedent” means:

- (a) General conditions for all Optional Repurchase Events:
 - (i) satisfaction of the Minimum Portfolio Amount Condition as of the Calculation Date;
 - (ii) no Fund Liquidation Event has occurred; and
 - (iii) the Management Company is not aware that a Seller Event of Default has occurred and is continuing.
- (b) Specific conditions for the Optional Repurchase Event referred to in paragraph (d) of section 3.3.1.11:
 - (i) such repurchase of the Contemplated Repurchased Receivables does not result in the occurrence of a Revolving Termination Event (if the Repurchase Date occurs during the Programme Revolving Period) or an Accelerated Amortisation Event (if the Repurchase Date occurs during the Programme Revolving Period or the Programme Amortisation Period); and
 - (ii) on the relevant Calculation Date, the Management Company has determined that the Residual Principal Deficiency Ledger will not be in debit on the next Monthly Payment Date after the application of the Interest Priority of Payments.

“Repurchase Date” means the date on which a Purchased Receivable is sold by the Fund to the Seller and which shall occur on the Calculation Date following each Confirmation Date. On or prior such date, the Seller shall paid the Aggregate Repurchase Price to the Fund. For clarification purposes, the first Repurchase Date after the Fund Incorporation Date will be 19 June 2017.

“Repurchase File” means the list of the corresponding Client Accounts from which the Receivables to be repurchased derive.

“Repurchase Price” means:

- (a) the purchase price of the Purchased Receivables arising from a Client Account which has become, after any Purchase Date, an Ineligible Client Account will be equal to the Outstanding Principal Balance plus any accrued and unpaid outstanding interest as at the Effective Repurchase Date;
- (b) the purchase price of the Purchased Receivables arising from a Performing Client Account, a Defaulted Client Account or a Delinquent Client Account will be equal to the Outstanding Principal Balance plus any accrued and unpaid outstanding interest as at the Effective Repurchase Date; and
- (c) the purchase price of the Purchased Receivables which has become “*Zero Balance Client Account*” will be zero (0).

“Repurchase Request” means the repurchase written request to be delivered by the Seller to the Management Company to request the Fund to transfer back to the Seller any Purchased Receivables.

“Repurchased Receivable” means any Purchased Receivable which is repurchased by the Seller.

“Required Seller Share” shall have the meaning set out in section 3.3.1.5 of the Additional Building Block.

“Residual Principal Deficiency Ledger” means the sub-ledger of the Principal Deficiency Ledger established and maintained by the Management Company in respect of the Class C Notes and the SICF Principal Amount Outstanding and which records certain amounts as credit or debit entries in accordance with the terms of the Deed of Incorporation.

“Residual PDL Cure Amount” means any amounts retained at item (12) of the Interest Priority of Payment.

“Revolving Account” means one of the Issuer Accounts held with the Issuer Accounts Bank to which the Unapplied Revolving Amount is credited by debit of the Principal Account.

“Revolving Termination Event” will be deemed to have occurred if during the Programme Revolving Period (as long as any Rated Notes is outstanding):

- (a) on any Calculation Date, the Management Company has determined that for the third (3rd) consecutive Monthly Payment Date, the Residual Principal Deficiency Ledger is to remain in debit on the next Monthly Payment Date after the application of the Interest Priority of Payments; or
- (b) on any Calculation Date, the Management Company has determined that (i) any Class A Notes of any Note Series remain outstanding and (ii) the credit balance of the Class A General Reserve Ledger will be less than the Class A General Reserve Minimum Amount on the next Monthly Payment Date after the application of the relevant Priority of Payments; or
- (c) on any Calculation Date, the Management Company has determined that (i) all Class A Notes of any Note Series have been redeemed in full and (ii) any Class B Notes of any Note Series remain outstanding and (iii) the credit balance of the Class B General Reserve Ledger will be less than the Class B General Reserve Minimum Amount on the next Monthly Payment Date after the application of the relevant Priority of Payments; or
- (d) a Purchase Shortfall has occurred; or
- (e) the failure to appoint a Replacement Servicer within sixty (60) calendar days after the occurrence of a Servicer Termination Event; or
- (f) a failure by the Seller Interest Credit Facility Provider to make available the Seller Interest Credit Facility for an amount equal to the SICF Drawing Amount on any Settlement Date after the Fund Incorporation Date; or
- (g) the occurrence of a Seller Event of Default.

“**Rejected Payments**” means the rejected payments with respect to unpaid checks or rejected direct debits.

“**Risk Factors**” means the part of this Base Prospectus describing the main risk factors associated with the issue, with the securities and with the assets backing the issues.

“**Royal Decree 116/1992**” means Royal Decree 116/1992, of 14 February, on the representations of book entry and the clearing and settlement of stock market operations, as amended.

“**Royal Decree 878/2015**” means Royal Decree 878/2015, of 2 October, on the clearing, settlement and registration of negotiable securities represented by book entries representations of book entry and the clearing and settlement of stock market operations, as amended.

“**Royal Decree 1310/2015**” means Royal Decree 1310/2005, of 4 November, partly developing the Law 24/1998, of 28 July, on the Spanish Securities Market Law in regard to

admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose, as amended.

“**Royal Decree Law 5/2005**” means Royal Decree Law 5/2005 of 11 March, on urgent reforms to encourage, among others, productivity and improve public procurement (*Real Decreto Ley 5/2005, de 11 de marzo, de reformas urgentes para el impulso a la productividad y para la mejora de la contratación pública*).

“**Sale Acceptance**” means the acceptance to be sent by the Management Company to the Seller on the same Purchase Date on which a Sale Offer is received by the Management Company pursuant to the Master Receivables Sale and Purchase Agreement.

“**Sale Offer**” means an offer pursuant to which the Seller shall offer to sell Receivables to the Fund pursuant to the Master Receivables Sale and Purchase Agreement. Each Sale Offer shall be made on each Purchase Date.

“**Scheduled Amortisation Starting Date**” or “**Note Series 20xx-yy Scheduled Amortisation Starting Date**” means, with respect to any Note Series, the Monthly Payment Date on which the Notes of such Note Series shall start amortising on each applicable Payment Date. The Scheduled Amortisation Starting Date shall be specified in the applicable Issuing Document for the Class A Notes, the Class B Notes and the Class C Notes.

“**Secured Obligations**” means all payment obligations (whether present or future, actual or contingent) of the Servicer to the Fund pursuant to and in relation to any Programme Documents to which the Servicer is a party whether in principal, interests, costs, charges, expenses and ancillary costs, including enforcement costs.

“**Securities Act**” means United States Securities Act of 1933, as amended.

“**Securities Note**” means the securities note prepared in accordance with Annex XIII of Regulation 809/2014.

“**Securitized Portfolio**” means, on any date, the aggregate of the Outstanding Principal Balances of all outstanding Purchased Receivables related to the relevant Client Accounts.

“**Selection Date**” means, during the Programme Revolving Period and the Programme Amortisation Period and with respect to any Initial Transfer (only), at the latest two Business Days immediately following the relevant Determination Date. For clarification purposes, the first Selection Date after the Fund Incorporation Date will be 12 June 2017.

“**Seller**” means SERVICIOS FINANCIEROS CARREFOUR, E.F.C., S.A.

“**Seller Dilutions**” means the amount determined by the Management Company on the Determination Date and equal to (i) the Dilutions due by the Seller to the Fund plus (ii) with respect to Purchased Receivables relating to Performing Client Accounts only, the indemnity to be paid by the Seller in the event of a renegotiation of any Purchased Receivables

(including the case where such renegotiation is made by SFC acting as the Servicer) equal to the forgiveness of whole or part of any Outstanding Principal Balances of such Purchased Receivables. Such amount shall be paid by the Seller to the Fund on or prior the Calculation Date.

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

1. Breach of Obligations:

Any breach by the Seller of:

- (a) any of its material non-monetary obligations under any Programme Document to which it is a party (except if the breach is due to force majeure) and such breach is not remedied by the Seller within ten (10) Business Days (or within fifteen (15) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Seller by the Management Company to remedy such breach; or
- (b) any of its monetary obligations when due under any Programme Document to which it is a party (except if the breach is due to force majeure) and such breach is not remedied by the Seller within five (5) Business Days (or within ten (10) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Seller by the Management Company to remedy such breach; or
- (c) any of the representations or warranties given by the Seller under any Programme Document (other than, with respect to the Master Receivables Sale and Purchase Agreement, the representations or warranties given by the Seller with respect to the sale and transfer of Receivables, the Credit Card Agreements and the Client Accounts satisfying the Eligibility Criteria) to which it is a party or in any certificate delivered pursuant to the Programme Documents to which it is a party is materially false or incorrect in any material respect and, where such materially false or incorrect representation or warranty can be corrected or remedied by the Seller, is not corrected or remedied by the Seller within ten (10) Business Days (or within fifteen (15) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such misrepresentation and/or receipt of notification in writing to the Seller by the Management Company to remedy such false or incorrect representation or warranty;

2. Insolvency:

Any of the following events occurs in respect of the Seller:

- (a) The Seller is unable or admits 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) Except as provided below, any corporate action, legal proceedings or other procedure or step is taken in relation to:
- (i) a declaration of insolvency (*concurso*), winding up, intervention, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Seller;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Seller being owed more than €15,000,000 or (ii) a number of creditors of the Servicer being owed in aggregate more than €15,000,000, in either case, by reason of actual or anticipated financial difficulties;
 - (iii) the appointment of a liquidator, administrator (judicial or otherwise) compulsory manager or other similar officer in respect of the Seller or any of its assets;
 - (iv) the revocation, withdrawal or suspension by the Bank of Spain of the license of the Seller as an *Establecimiento Financiero de Crédito-Entidad de Pago Híbrida* or the taking of any disciplinary, resolution, recapitalisation or recovery action against the Seller pursuant to legislation implementing Directive 2014/59/EU of the Parliament and of the Council, of 15 May 2014, in any jurisdiction which has a material negative effect on the ability of the Seller to perform its obligations under any Programme Document; or
 - (v) any analogous procedure or step is taken in any jurisdiction

provided however that no Seller Event of Default would have occurred if any petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

“Seller Interest Credit Facility” means the credit facility granted under the Seller Interest Credit Facility Agreement.

“Seller Interest Credit Facility Agreement” means the credit facility agreement dated 7 April 2017 and made between the Fund, represented by the Management Company and the Seller Interest Credit Facility Provider.

“Seller Interest Credit Facility Amortisation Amount” or **“SICF Amortisation Amount”** means:

- (a) on any Monthly Payment Date during the Programme Revolving Period and if the Residual Principal Deficiency Ledger is not in debit as determined on the preceding Calculation Date, the lesser between:

- (i) the positive difference between the SICF Principal Amount Outstanding on the preceding Monthly Payment Date (after the application of the Priority of Payments) and the product of (x) Required Seller Share and (y) the Principal Amount Outstanding of all Note Series (taking into account any redemption or issuance of Note Series to be made between on or before the next Monthly Payment Date); and
- (ii) the positive difference between:
 - (A) the Available Principal Amount; and
 - (B) the sum of:
 - (I) the Investor Available Amortisation Amount determined on the preceding Calculation Date;
 - (II) the maximum between the Effective Purchase Price and the aggregate of the Note Series 20xx-yy Available Purchase Amounts with respect to such Monthly Payment Date;
 - (III) any SICF Drawing Amount drawn under the Seller Credit Interest Facility on such the Settlement Date preceding such Monthly Payment Date; and
 - (IV) as the case may be, the amount credited to the Interest Account pursuant to item (1) of the Principal Priority of Payments;
- (b) on any Monthly Payment Date during the Programme Revolving Period and if the Residual Principal Deficiency Ledger is in debit on the preceding Calculation Date, zero (0); and
- (c) on any Monthly Payment Date during the Programme Amortisation Period or the Programme Accelerated Amortisation Period:
 - (i) for so long as all Notes of all Note Series have not been redeemed in full: zero (0); and
 - (ii) upon redemption in full of the Notes of all Note Series: the SICF Principal Amount Outstanding as of close of the immediately preceding Monthly Payment Date.

“Seller Interest Credit Facility Drawing Amount” or **“SICF Drawing Amount”** means the amount that the Fund may request under the Seller Interest Credit Facility on the Fund Incorporation Date to be made available on the Disbursement Date of the first Note Series issued by the Fund Date for an amount of EUR 58,000,000, and thereafter on any Calculation Date to be made available on any Settlement Date:

- (a) during the Programme Revolving Period and if the Residual Principal Deficiency Ledger is not in debit at the preceding Calculation Date, the minimum between (i) and (ii) where:
 - (i) the SICF Required Drawdown Amount on such Settlement Date; and
 - (ii) the SICF Maximum Drawable Amount on such Settlement Date;
- (b) during the Programme Revolving Period (if the Residual Principal Deficiency Ledger is in debit at the preceding Calculation Date), the Programme Amortisation Period and the Programme Accelerated Amortisation Period, zero (0).

“**Seller Share Interest Rate**” means, on any Monthly Payment Date, the annual fixed interest rate which shall be calculated by the Management Company as follows:

- (a) for so long as the Class A Notes of any Note Series are outstanding, the average interest rate of all Class A Notes which are outstanding as weighted by their respective Principal Amount Outstanding on such Monthly Payment Date (taking into account the applicable swap rate plus margin for Class A Notes bearing a floating rate, if applicable);
- (b) once the Class A Notes of all Note Series have been redeemed in full and for so long as the Class B Notes of any Note Series are outstanding, the average interest rate of all Class B Notes which are outstanding as weighted by their respective Principal Amount Outstanding on such Monthly Payment Date (taking into account the applicable swap rate plus margin for Class B Notes bearing a floating rate, if applicable);
- (c) once the Class B Notes of all Note Series have been redeemed in full and for so long as the Class C Notes of any Note Series are outstanding, the average interest rate of all Class C Notes which are outstanding as weighted by their respective Principal Amount Outstanding on such Monthly Payment Date (taking into account the applicable swap rate plus margin for Class C Notes bearing a floating rate, if applicable); and
- (d) in any other cases, 1.50 per cent or any other percentage specified as such in the last Prospectus Supplement.

“**Seller Interest Credit Facility Interest Amount**” or “**SICF Interest Amount**” means the interest amount on the Seller Interest Credit Facility as calculated by the Management Company on the Calculation Date and equal to the product of:

- (a) the relevant Share Facility Interest Rate;
- (b) the SICF Principal Amount Outstanding as of the preceding Monthly Payment Date; and

- (c) the day count fraction corresponding to the ratio between (i) the actual effective days in each Interest Accrual Period and (ii) a 360-day year,

and rounding the resultant figure to the nearest cent.

During the Programme Accelerated Amortisation Period, the Seller Interest Credit Facility shall not bear any interest and no interest amount shall be paid under the Seller Interest Credit Facility.

“Seller Interest Credit Facility Principal Amount Outstanding” or **“SICF Principal Amount Outstanding”** means, on any date, the principal amount outstanding of all SICF Drawing Amounts made under the Seller Interest Credit Facility.

“Seller Interest Credit Facility Provider” means the Seller.

“Seller's Optional Early Redemption Written Instruction” means the prior written instruction given by the Seller to the Management Company in accordance with section 4.9.5 of the Securities Note.

“Seller Share Interest Payable Amount” means, on any Monthly Payment Date during the Programme Revolving Period and the Programme Amortisation Period, the amount equal to:

- (a) the aggregate of (i) the SICF Interest Amount and (ii) the Aggregate DPP Interest Amount, due on such Monthly Payment Date; less
- (b) any Seller Dilutions due by the Seller to the Fund on or prior to the Calculation Date (if not already received by the Fund on or prior such Calculation Date),

as calculated by the Management Company on the Calculation Date immediately preceding such Monthly Payment Date.

“Semi-Annual Payment Date” means, during the Programme Revolving Period and the Programme Amortisation Period, the semi-annual day falling on the 26th day which falls on a Monthly Payment Date (subject to the Modified Following Business Day Convention) as specified in the Issuing Document.

“Servicer” means SERVICIOS FINANCIEROS CARREFOUR, E.F.C., S.A. in its capacity as servicer (or any authorised substitute) of the Purchased Receivables.

“Servicer Fee” means with respect to any Monthly Payment Date, the fee payable by the Fund to the Servicer on such Monthly Payment Date.

“Servicer Termination Events” means any of the following events:

1. Breach of Obligations

Any breach by the Servicer of:

- (a) any of its material non-monetary obligations (other than the failure to provide the Monthly Servicer Report to the Management Company) under any Programme Document to which it is a party (except if the breach is due to force majeure) and such breach is not remedied by the Servicer within ten (10) Business Days (or within fifteen (15) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such breach; or
- (b) any failure to transfer monies to the General Account on the Business Day following the date on which such monies are received by the Seller and such failure is not remedied by the Servicer within three (3) Business Days after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such breach; or
- (c) subject to (b) por encima de, any of its monetary obligations when due under any Programme Document to which it is a party (except if the breach is due to force majeure) and such breach is not remedied by the Servicer within five (5) Business Days (or within ten (10) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such breach and/or receipt of notification in writing to the Servicer by the Management Company to remedy such breach;
- (d) any of the representations or warranties made or given by the Servicer under any Programme Document to which it is a party or in any certificate delivered pursuant to the Programme Documents to which it is a party is materially false or incorrect in any material respect and, where such materially false or incorrect representation or warranty can be corrected or remedied by the Servicer, is not corrected or remedied by the Servicer within ten (10) Business Days (or within fifteen (15) Business Days if the breach is due to technical reasons) after the earlier of the date on which it is aware of such misrepresentation and/or receipt of notification in writing to the Servicer by the Management Company to remedy such materially false or incorrect representation or warranty;

2. Monthly Servicer Reports

The Servicer has not provided the Management Company with the Monthly Servicer Report on two consecutive Monthly Reporting Dates and such breach is not remedied within five (5) Business Day (or (within ten (10) Business Days if the breach is due to force majeure or due to technical reasons) following the second Monthly Reporting Date.

3. Insolvency

Any of the following events occurs in respect of the Servicer:

- (a) The Servicer is unable or admits 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) Except as provided below, any corporate action, legal proceedings or other procedure or step is taken in relation to:
- (i) a declaration of insolvency (*concurso*), winding up, intervention, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Servicer;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Servicer being owed more than €15,000,000 or (ii) a number of creditors of the Servicer being owed in aggregate more than €15,000,000, in either case, by reason of actual or anticipated financial difficulties;
 - (iii) the appointment of a liquidator, administrator (judicial or otherwise) compulsory manager or other similar officer in respect of the Servicer or any of its assets;
 - (iv) the revocation, withdrawal or suspension by the Bank of Spain of the license of the Servicer as an EFC or the taking of any disciplinary, resolution, recapitalisation or recovery action against the Servicer pursuant to legislation implementing Directive 2014/59/EU of the Parliament and of the Council, of 15 May 2014, in any jurisdiction which has a material negative effect on the ability of the Servicer to perform its obligations under any Programme Document; or
 - (v) any analogous procedure or step is taken in any jurisdiction,

provided however that no Servicer Termination Event would have occurred if any petition is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

4. Illegality

At any time (i) it is or becomes unlawful for such Servicer to perform or comply with any or all of its material obligations under the Servicing Agreement or (ii) any or all of its material obligations under the Servicing Agreement are not, or cease to be, legal, valid and binding (including as a result of any act, omission, failure, default or misconduct of the Servicer) and no appropriate solution are found within thirty (30) calendar days between the Management Company and the Servicer to remedy such illegality, invalidity or unenforceability.

“**Servicing Agreement**” means the servicing agreement dated 7 April 2017 and made between the Management Company and the Servicer.

“**Servicing Policies**” means the servicing and management policies usually applied by the Servicer in relation to the Purchased Receivables, as amended from time to time.

“**Settlement Date**” means, with respect to each Collection Period, the second (2nd) Business Day, prior to each Monthly Payment Date. For clarification purposes, the first Settlement Date after the Fund Incorporation Date will be 22 June 2017.

“**SFA**” means the Securities and Futures Act, Chapter 289 of Singapore.

“**SICF Maximum Drawable Amount**” means on any Settlement Date, the positive difference between (a) and (b) where:

- (a) is the Maximum Seller Interest Credit Facility Amount; and
- (b) is SICF Principal Amount Outstanding (taking into account any repayment to be made on such Monthly Payment Date following such Settlement Date) on such Settlement Date

“**SICF Required Drawdown Amount**” means on any Settlement Date, the positive difference as calculated on the previous Calculation Date between (a) and (b) where:

- (a) the Asset-Liability Mismatch Amount; and
- (b) the SICF Principal Amount Outstanding (taking into account any repayment to be made on such Monthly Payment Date following such Settlement Date) on such Settlement Date.

“**Solvency II Regulation**” means Regulation (EU) 2015/35, of 10 October 2014, supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance.

“**Spanish Public Document**” means an *escritura pública* or *póliza*.

“**Spanish Supreme Court**” means the Spanish *Tribunal Supremo*.

“**Spread Account**” means one of the Issuer Accounts with the Issuer Accounts Bank for the purposes set out in the Deed of Incorporation.

“**Standard & Poor’s**” or “**S&P**” means Standard & Poor’s Credit Market Services Europe Limited.

“**Standard Form**” means the standard form (*modelo de contrato*) of credit card agreement from which the Credit Card Agreements entered into by the Seller derive (whether or not giving rise to a Purchase Receivables).

“**Step-up Interest Rate**” means, with respect to any Fixed Rate Notes, the step-up interest rate (if and as specified in the applicable Issuing Document) which may apply to the Class A

Fixed Rate Notes, Class B Fixed Rate Notes and/or the Class C Fixed Rate Notes of any Note Series if such Notes are not fully redeemed on the applicable Note Series 20xx-yy Call Date.

“**Step-up Margin**” means, with respect to any Floating Rate Notes, the step-up margin (as specified in the applicable Issuing Document) which may apply to the Class A Floating Rate Notes, Class B Floating Rate Notes and/or the Class C Floating Rate Notes of any Note Series if such Floating Rate Notes are not fully redeemed on the applicable Note Series 20xx-yy Call Date.

“**Stop Instruction Notice**” means the notice to be delivered by the Management Company (acting on behalf of the Fund) to the Collections Accounts Banks whereby, amongst others, the Servicer shall no longer be entitled to give any debit instruction in respect of the Collections Accounts.

“**STS Regulation**” means the European Commission published legislative proposal dated 30 September 2015 intended to harmonise and replace the risk retention and due diligence requirements applicable to certain EU regulated investors.

“**Subordinated Facilities**” means (i) the Commingling Reserve Subordinated Facility, (ii) the Expenses Subordinated Facility, (iii) the General Reserve Subordinated Facility and (iv) the Seller Interest Credit Facility.

“**Subordinated Facilities Providers**” means (i) the Commingling Reserve Subordinated Facility Provider, (ii) the Expenses Subordinated Facility Provider, (iii) the General Reserve Subordinated Facility Provider and (iv) the Seller Interest Credit Facility Provider.

“**Subscription Date**” means the date on which the Notes of each Notes Series are expected to be fully subscribed through the signing of the relevant Notes Subscription Agreement.

“**Subscription Period**” means the period of time on the Subscription Date in which the Notes of each Notes Series are expected to be fully subscribed.

“**Target Amount**” means, during the Programme Revolving Period (only), the target amount of the Outstanding Principal Balances of the Purchased Receivables expected to be repurchased by the Seller.

“**TARGET2 Business Day**” means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET2) is open.

“**Terms and Conditions**” means the terms and conditions (*terminos y condiciones* or *document privado de emisión*) which will be prepared by the Management Company in relation to the issue of any Class A Notes, Class B Notes and any Class C Notes to be listed in MARF or in any other unregulated market. Each Terms and Conditions shall include, *mutatis mutandi*, the information included in Schedule 2 “Form of Final Terms”.

“Unapplied Revolving Amount” means, on any Calculation Date:

- (a) during the Programme Revolving Period:
 - (i) if the Minimum Portfolio Amount Condition is satisfied, an amount equal to zero (0);
 - (ii) otherwise, an amount equal to the minimum between:
 - (A) the positive difference between:
 - (I) the Minimum Portfolio Amount; and
 - (II) the aggregate of:
 - i. the Outstanding Principal Balances of the Purchased Receivables (excluding any Non-Compliant Receivables) under the Performing Client Accounts as of the immediately prior Cut-Off Date to such Calculation Date; plus
 - ii. the Outstanding Principal Balances of the Purchased Receivables transferred in the context of Initial Transfers on the Purchase Date prior to the Calculation Date (included); minus
 - iii. the Outstanding Principal Balances of any outstanding Purchased Receivables (other than Non-Compliant and Defaulted Client Accounts) repurchased by the Seller on such Calculation Date;
 - (B) the positive difference between:
 - (I) the aggregate of the Note Series 20xx-yy Available Purchase Amounts; and
 - (II) the maximum between (i) the Effective Purchase Price of the Receivables sold by the Seller and (ii) the Purchase Price of all Receivables (in the context of Initial Transfers and/or Additional Transfers, as applicable) sold and transferred by the Seller on the Purchase Period preceding such Monthly Payment Date;
- (b) during the Programme Amortisation Period and the Programme Accelerated Amortisation Period, an amount equal to zero (0).

“UK” means the United Kingdom of Great Britain and Northern Ireland.

“**Variable Fee**” means the variable fee to be paid to the Seller on each Monthly Payment Date and equal to the Available Distribution Amounts remaining on such Monthly Payment Date after payment or retention of all other amounts payable or retainable by the Fund in accordance with the applicable Priority of Payments.

“**VAT**” means Value Added Tax.

“**Zero Balance Client Account**” means any Client Account which has recorded a nil outstanding balance of Receivables generated thereon or outstanding thereunder.

SCHEDULE 2

FORM OF FINAL TERMS

Set out below is a form of Final Terms that will be completed for the issue of the Class A20xx-yy Notes, Class B20xx-yy Notes and Class C20xx-yy Notes of any Note Series issued by the Fund to be listed in AIAF or in any other regulated market in accordance with the provisions of the Base Prospectus.

FINAL TERMS DATED [●]

*(to the Base Prospectus dated registered with the Spanish Securities and Exchange Commission
(Comisión Nacional del Mercado de Valores) on [●])*

Columbus Master Credit Cards,

Fondo de Titulización

EUR 2,000,000,000

Asset-Backed Debt Issuance
Programme for the issue of

Class A Asset Backed Notes
Class B Asset Backed Notes
Class C Asset Backed Notes

Final Terms

€[●] [Class A20xx-yy Notes/Class B20xx-yy Notes/Class C20xx-yy Notes] due [to be completed]
Note Series 20xx-yy

Issued under the Base Prospectus (the **Base Prospectus**) registered with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*) (the **CNMV**) on [●] [as supplemented on [●] (the **Prospectus Supplement**)].

The following final terms (the **Final Terms**) include the characteristics of the securities described in details therein.

The Base Prospectus, [the Prospectus Supplement] and the Final Terms may be consulted on the website of the Management Company (www.imtitulizacion.com) and the CNMV (www.cnmv.es).

The Fund will issue	[Class A20xx-yy Notes/Class B20xx-yy Notes/Class C20xx-yy Notes] (the Notes)
Principal Amount	EUR [●]

Issue Date	[●] (to occur on the Fund Incorporation Date and, during the Programme Revolving Period, five (5) business days before a Monthly Payment Date)
Disbursement Date	[●]
Interest Rate	[●]
Payment Dates	On each [Monthly Payment Date / Quarterly Payment Date / Semi-Annual Payment Date / Annual Payment Date] with a first applicable Payment Date on [●]
Scheduled Amortisation Starting Date	[●]
Note Series 20xx-yy Call Date[s]	[Not Applicable] / [to include date or dates where the call can be exercised]
Issue Price	[●] (or [●] per cent.)
Notes Final Legal Maturity Date:	[●]
ISIN / Common Code:	[●]
Relevant Rating Agencies :	[DBRS, Moody's, Fitch, S&P]

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER RELEVANT JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT (**REGULATION S**)), EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THE FOLLOWING FINAL TERMS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE SELLER INTENDS TO RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS THAT MEET CERTAIN REQUIREMENTS. CONSEQUENTLY, (A) ON ANY ISSUE DATE, THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY ANY PERSON EXCEPT FOR PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED UNDER THE U.S. RISK RETENTION RULES (**RISK RETENTION U.S. PERSONS**) AND (B) DURING THE DISTRIBUTION COMPLIANCE PERIOD, THE NOTES MAY NOT BE TRANSFERRED TO ANY PERSON EXCEPT FOR PERSONS THAT ARE NOT RISK RETENTION U.S. PERSONS (**U.S. RISK RETENTION TRANSFER RESTRICTIONS**). PURCHASERS AND TRANSFEREES OF THE NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT EACH PURCHASER OR TRANSFEREE (1) IS NOT A RISK RETENTION U.S. PERSON, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE AND (3) IS

NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES. PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF “U.S. PERSON” IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF U.S. PERSON UNDER REGULATION S.

Prospective investors should read this Final Terms and the Base Prospectus carefully before making an investment.

[Global Coordinators and] Joint Lead Managers

[●]

[●]

PERSONS RESPONSIBLE FOR THE INFORMATION

The securities described in these Final Terms are issued by Columbus Master Credit Cards, Fondo de Titulización (the **Fund** or the **Issuer**), with registered office at calle Príncipe de Vergara 131, planta 3ª, and Spanish Tax Identification Number (NIF) no.[●].

[●], in the name and on behalf of INTERMONEY TITULIZACIÓN, S.G.F.T., S.A., with registered address in Madrid, at calle Príncipe de Vergara 131, planta 3ª, and with Spanish tax identification number (NIF) A-83774885, acting as management company (**Intermoney Titulización** or the **Management Company**) of the Fund, assumes responsibility for the information set out in these Final Terms.

[●], on behalf of the Management Company, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Final Terms is, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its import.

DESCRIPTION, CLASS AND CHARACTERISTICS OF THE RELEVANT ISSUED SECURITIES

MAIN CHARACTERISTICS OF THE ISSUED SECURITIES

Capitalised words and expressions in this Final Terms shall have the same meanings as set out in the Base Prospectus except insofar as the context otherwise requires.

1.	Issuer:	The Fund
2.	Note Series [Number/Identification]:	[20xx-yy]
3.	Status of the [Class A20xx-yy Notes/Class B20xx-yy Notes/Class C20xx-yy Notes]:	[Class A20xx-yy Notes: (senior) unsubordinated] [Class B20xx-yy Notes:

	(mezzanine) subordinated] [Class C20xx-yy Notes: (junior) subordinated]
4. Currency:	EUR
5. Initial Principal Amount:	EUR [●]
6. Number of Notes composing the Class [Class A20xx-yy Notes/Class B20xx-yy Notes/Class C20xx-yy Notes]:	[Class A20xx-yy Notes: [●] [Class B20xx-yy Notes: [●] [Class C20xx-yy Notes: [●]
7. Issue Price:	[●]% of the Initial Principal Amount
8. Denominations:	EUR 100,000.00
9. Issue Date ³ :	[●]
10. Subscription Date:	[●]
11. Subscription Period:	From [●], [●] (CET) to [●] (CET) on [●].
12. Disbursement Date ⁴ :	[●]
13. Notes Final Legal Maturity Date:	[●] <i>[specify date or (for [Class A20xx-yy Notes/Class B20xx-yy Notes/Class C20xx-yy Notes]) Payment Date falling in or nearest to the relevant month and year]</i>
14. Interest Basis:	[[●] per cent. Fixed Rate] [EURIBOR for [●] Month[s] deposits +/- [●] per cent. Floating Rate] (further particulars specified below) (Additional information on the securities interest can be found in section[s] [20 and 21] of these Final Terms)
15. Redemption/Payment Basis:	Unless previously redeemed or cancelled, the [Class A20xx-yy Notes/Class B20xx-yy Notes/Class C20xx-yy Notes] will be redeemed

³ Issue Date shall be the date of execution of the Final Terms.

⁴ Disbursement Date to occur no later than three (3) Business Days after the relevant Issue Date.

	on their Notes Final Legal Maturity Date.
16. Optional Early Redemption:	[Yes/Not Applicable] (Additional information on the Optional Early Redemption can be found in section [22] of these Final Terms)
17. Representation of the securities	[Book entries managed by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, IBERCLEAR, with registered office at Plaza de la Lealtad, no. 1, 28014 Madrid. / [●]]
18. Listing and admission to trading	[Application has been made for the [Class A20xx-yy Notes/Class B20xx-yy Notes/Class C20xx-yy Notes] to be admitted to trading on [AIAF Fixed Income Market / other regulated market].] / [Not Applicable.]
19. Application for PCS Label	[Yes [on [●] an application [has been / will be] made to Prime Collateralised Securities (PCS) UK Limited for the Class Axx-yy Notes to receive the PCS Label.] / No]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

20. Fixed Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Interest Period(s):	[Monthly Payment Date / Quarterly Payment Date / Semi-Annual Payment Date / Annual Payment Date] during the Programme Revolving Period and the Programme Amortisation Period Monthly Payment Date during the Programme Accelerated Amortisation Period
(ii) Interest Rate:	[[●] per cent. per annum payable in arrears on each Payment Date]

(iii) Step-Up Interest Rate:	[Not Applicable] / [●] per cent. per annum payable in arrears on each Payment Date after the applicable Note Series 20xx-yy Call Date
(iv) Payment Date(s):	26th of [●] (subject to the Business Day Convention) during the Programme Revolving Period and the Programme Amortisation Period 26th of each month (subject to the Business Day Convention) during the Programme Accelerated Amortisation Period
(v) First Payment Date:	[●] of [●].
(vi) Business Day Convention:	Modified Following Business Day Convention
(vii) Day Count Fraction:	[Actual/365 / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 (ISDA)]
(viii) Party responsible for calculating Interest Amounts:	Management Company
21. Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Interest Period(s):	[[Between two consecutive] Monthly Payment Dates / Quarterly Payment Dates / Semi-Annual Payment Dates / Annual Payment Date] during the Programme Revolving Period and the Programme Amortisation Period Between two consecutive Monthly Payment Dates during the Programme Accelerated Amortisation Period

(ii) Payment Date(s)	26th of [●] (subject to the Business Day Convention) during the Programme Revolving Period and the Programme Amortisation Period 26th of each month (subject to the Business Day Convention) during the Programme Accelerated Amortisation Period
(iii) First Payment Date:	[●] of [●].
(iv) Business Day Convention:	Modified Following Business Day Convention
(v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	Paying Agent
(vi) Reference Rate:	During the Programme Revolving Period and the Programme Amortisation Period [EURIBOR for one (1) month / EURIBOR for three (3) months / EURIBOR for six (6) months / EURIBOR for twelve (12) months (provided that with respect to the first Interest Period, the rate which represents the linear interpolation of the [●] EURIBOR rates)] During the Programme Accelerated Amortisation Period, EURIBOR for one (1) month.
(vii) Interest Determination Date(s):	[●] [TARGET] Business Days in [specify city] for EURO prior to [the first day of each Interest Period/each Interest Payment Date]
(A) Relevant Screen Page:	[●]
(B) Relevant Margin(s):	[+/-][●] per cent. per annum
(C) Step-Up Margin:	[Not Applicable] / [[●] per cent. per annum payable in arrears on each Payment Date after the applicable Note Series 20xx-

	yy Call Date]
(D) Minimum Interest Rate:	[Not Applicable] / [●] per cent. per annum
(E) Maximum Interest Rate:	[Not Applicable] / [●] per cent. per annum
(F) Floor Interest Rate	[Zero per cent (0%)] [Not Applicable]
(G) Capped or floored EURIBOR	[Not Applicable] / [●]
(H) Day Count Fraction	[Actual/365 / Actual/Actual - ISDA / Actual/Actual – ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 (ISDA)]
(viii) Hedging Counterparty Required Ratings	[●]

PROVISIONS RELATING TO REDEMPTION

22. Scheduled Amortisation Starting Date:	[●]
23. Optional Early Redemption:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) Note Series 20xx-yy Call Date[s]:	[Not Applicable] / [<i>to include date or dates where the call can be exercised</i>]
(ii) Note Series 20xx-yy Clean-Up Call:	Applicable

OTHER PROVISIONS APPLICABLE TO THE NOTES

24. Hedging Agreements	[<i>Description if applicable (including hedging counterparties)</i>] / Not Applicable (Additional information on the hedging agreements can be found below)
25. Relevant Rating Agencies	[●]

<p>26. Ratings</p>	<p>[It is a condition of the issuance of the Class A Notes that (i) the Class A Notes are assigned at the relevant Issue Date a preliminary rating of “[●]” by [●] and “[●]” by [●].]</p> <p>[It is a condition of the issuance of the Class B Notes that (i) the Class B Notes are assigned at the relevant Issue Date a preliminary rating of “[●]” by [●] and “[●]” by [●].]</p> <p>[Class C Notes will not be rated / Class C Notes will be rated by [●] and [●].]</p> <p>Each of [●] and [●] established in the European Union, is registered under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”) and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website (www.esma.europa.eu/page/List-registered-and-certified-CRAs).</p>
<p>27. Estimated Note Series Issue Expenses</p>	<p>[●].</p> <p>[AIAF / Other] Expenses: [●]</p> <p>IBERCLEAR Expenses: [●]</p> <p>CNMV fee: [●]</p> <p>Rating agencies, notary's fees, [global coordinators / lead managers / underwriter fees], legal fees and others: [●]</p> <p>Total Note Series Issue Expenses: [●]</p>
<p>28. Class [A/B/C] Floating Rate Notes only - Historic Interest Rates</p>	<p>Details of historic EURIBOR rates can be obtained from [Reuters].</p>
<p>29. Operational Information</p>	
<p>ISIN Code:</p>	<p>[●]</p>
<p>Delivery:</p>	<p>Delivery [against/free of] payment</p>

30. Distribution:	
Group of potential Note Subscribers to whom the Notes Issue is intended:	[Class A Notes: Qualified investors / SFC / <i>[entity designated by SFC]</i> [Class B Notes: Qualified investors / SFC / <i>[entity designated by SFC]</i> [Class C Notes: Qualified investors / SFC / <i>[entity designated by SFC]</i>
Method of distribution:	[Syndicated]/[Non-syndicated]
Global Coordinator(s)	[Not Applicable/ <i>give names of global coordinators</i>]
Lead Managers:	[Not Applicable/ <i>give names of lead managers</i>]
Underwriters:	[Not Applicable/ <i>give name</i>]
Bookrunners:	[Not Applicable/ <i>give name</i>]
Billing and Delivery Agent:	[Not Applicable/ <i>give name</i>]

INFORMATION ON THE GLOBAL COORDINATORS, LEAD MANAGERS, BOOKRUNNERS, UNDERWRITERS AND BILLING AND DELIVERY AGENT

Below is information identifying the [global coordinators, lead managers, bookrunners, underwriters and billing and delivery agent] of this Notes Series:

(a) [Entity's name] [Entity's details] [Registration Data] [Address]

[TAX IDENTIFICATION NUMBER]

[Credit ratings]

[Relations with other participants]

[INFORMATION ON THE ADMISSION TO TRADING OF THE NOTES

An application will be made for the Notes described in these Final Terms to be admitted to trading on the [AIAF/*other regulated market*]. The Management Company shall carry out its best efforts to achieve that the admission to trading of the Notes of each Notes Series on [AIAF/*other regulated market*] is carried out not later than thirty (30) calendar days after the Disbursement Date.

[SUMMARY DESCRIPTION OF THE MAIN TERMS AND CONDITIONS OF THE HEDGING AGREEMENTS AND HEDGING TRANSACTIONS

[to be included if applicable]

[Type of transaction:]	[Interest rate swap/Interest Rate Collar/Interest Rate Cap/other]
[Documentation:]	[ISDA/CMOF/Other]
[Hedging Counterparty[Class A/Class B/Class/C]:]	[●]
[Calculation Agent:]	[●]
[Notional Amount:]	[●]
[Trade Date:]	[●]
[Effective Date:]	[●]
[Termination Date:]	[●]
[Fixed Amounts:]	[●]
[Fixed Rate Payer:]	[●]
[Fixed Rate Payer Payment Dates:]	[●]
[Floating Amounts:]	[●]
[Floating Rate Payer:]	[●]
[[Cap/Floor]Rate:]	[●]
[Floating Rate Payer Payment Dates:]	[●]
[Floating Rate for initial Calculation Period:]	[●]
[Floating Rate Option:]	[●]
[Designated Maturity:]	[●]
[Floating Rate Day Count Fraction:]	[●]
[Reset Dates:]	[●]

[Business Day Convention:]	[Following/Modified Following/Preceding/other]
[Calculation Agent and relevant calculation agency provisions:]	[●]
[Events of Default/Termination Events/Additional Termination Events (including Hedging Counterparty Required Ratings):]	[●]
[Rating Agencies and Rating Events:]	[●]
[Description of the Collateral Arrangements:]	[●]
[Other relevant provisions:]	[●]

WEIGHTED AVERAGE LIFE OF THE NOTES, INTERNAL RATE OF RETURN AND ASSUMPTIONS

[To include a table of the results Weighted Average Lives and Internal Rates of Return of each of Class of Notes, and the hypotheses and assumptions considered][to include exact wording as of the FTs]

General

The yields to maturity on the Class [A/B/C]20xx-yy Notes will be sensitive to and affected by the amount and timing of delinquencies, prepayment and payment pattern, revolving and credit card usage, dilution and default on the Purchased Receivables, the level of the relevant interest reference rate, the occurrence of any Revolving Termination Events or Accelerated Amortisation Events or any Fund Liquidation Events, the issuance of a new Note Series, the occurrence of an Optional Early Redemption Event or any Optional Repurchase Event and any other repurchases of the Purchased Receivables by the Seller. Each of such events may impact the weighted average lives, the internal rates of return, and the Duration of the Class [A/B/C]20xx-yy Notes.

Weighted Average Lives and Internal Rates of Return of the Class [A/B/C]20xx-yy Notes

The “Weighted Average Life” (WAL) of the Class [A/B/C]20xx-yy Notes refers to the average amount of time that will elapse from the date of issuance of the Class [A/B/C]20xx-yy Notes to the date of distribution to the investor of each Euro distributed in reduction of the principal of such security. The Weighted Average Life of the Class [A/B/C]20xx-yy Notes shall be affected by the available funds allocated to redeem the Class [A/B/C]20xx-yy Notes.

The “Internal Rate of Return” (IRR) of the Class [A/B/C]20xx-yy Notes refers to the rate of return that makes the net present value of all cash flows (both positive and negative) from the investment in

the Class [A/B/C]20xx-yy Notes equal to zero. The Internal Rate of Return of the Class [A/B/C]20xx-yy Notes shall be affected by the available funds allocated to pay interests due on the Class [A/B/C]20xx-yy Notes.

The model used for the purpose of calculating estimates presented in this document employs an assumed constant per MPPR (as defined below). The MPPR is an assumed monthly constant rate of payment of principal, when applied monthly, results in the expected portfolio of the Purchased Receivables balance and allows to calculate the monthly principal payment.

The information included in the tables below assume, among other things:

- (a) the Disbursement Date of the Note Series 20xx-yy is [●];
- (b) the Scheduled Amortisation Starting Date is [●];
- (c) the cut-off date is [[●] which is the Fund relevant Cut-Off Date prior to the issuance of such Notes for which an Investor Report is available /15th March 2017 corresponding to the reference date of the Audited Portfolio in the case of initial Note Series issued on the Fund Incorporation Date;
- (d) that on the Disbursement Date of the Note Series 20xx-yy, the Outstanding Principal Balances of the Purchased Receivables is equal to the Minimum Portfolio Amount which amounts to [●] as of such date. New Receivables are purchased (if required) in order to maintain such Minimum Portfolio Amount until the Scheduled Amortisation Starting Date of the Note Series 20xx-yy;
- (e) that the composition and the amortisation profile of the portfolio of the Purchased Receivables (and the new Receivables purchased during the Note Series Revolving Period of the outstanding Note Series) is similar to the composition and amortisation profile of the performing portfolio as at the cut-off date;
- (f) no new issuance of further Note Series occurs (however for calculation purposes, previously issued and outstanding Notes Series are considered);
- (g) the Seller does not repurchase any Receivables purchased by the Fund;
- (h) the rate of defaults on the Receivables is assumed constant at [●]%, which is consistent with the one [provided by the Management Company in the latest available Investor Report based on the observed performance of the Purchased Receivables as of [●] which is the Fund relevant Cut-Off Date prior to the issuance of such Notes for which an Investor Report is available / observed by the Seller in January 2017 as described in section 3.5 of the Base Prospectus (in the case of initial Note Series issued on the Fund Incorporation Date)];
- (i) interest payments on the Receivables will be received, if any at the applicable interest rate offered by SFC which as of the cut-off date stand at [●]%. No adjustment of the applicable interest rate under the Credit Card Agreements is offered by SFC;

- (j) the Fund excess margin is constant and sufficient to cover the assumed rate of defaults on the Receivables;
- (k) a constant monthly principal payment rate (**MPPR**). In respect of Class [A/B/C] Notes, the assumed MPPR is: (i) [●]% in respect of scenario 1; (ii) [●]% in respect of scenario 2; and (iii) [●]% in respect of scenario 3, according to the following tables. These scenarios have been defined based on the observed performance of the Purchased Receivables as of [●] which is the Fund relevant Cut-Off Date prior to the issuance of such Notes / historic information provided by the Seller in January 2017 as described in section 3.5 of the Base Prospectus (in the case of initial Note Series issued on the Fund Incorporation Date)];
- (l) the calculation of the weighted average life (in years) is calculated on an Actual/Actual basis;
- (m) the Note Series 20xx-yy Clean-Up Call Conditions will not be considered applicable;
- (n) none of the Fund Liquidation Events are considered applicable;
- (o) payment of principal and interest due and payable under the Notes will be received on the 26th day of each corresponding Payment Date;
- (p) zero per cent investment return is earned on the Issuer Accounts;
- (q) no Revolving Termination Event has occurred;
- (r) no Accelerated Amortisation Event has occurred; and
- (s) it is not necessary to use the Commingling Reserve or the General Reserve.

The actual characteristics and performance of the Purchased Receivables will differ from the assumptions used in constructing the tables set forth below, which are hypothetical in nature and provided only to give a general sense of how the principal cash flows might behave under varying monthly rate of principal payment scenarios. For example, it is unlikely that the receivables will pay at a constant monthly rate of principal payment until maturity. Any difference between such assumptions and the actual characteristics and performance of the Purchased Receivables, or actual monthly rate of principal payment of loss experiences, will affect the percentage of principal amount outstanding as well as interest payment over time and the Weighted Average Life and Internal Rate of Return of the Class [A/B/C]20xx-yy Notes.

Subject to the foregoing discussion and assumptions, the following tables indicate the Weighted Average Life, Duration and the Internal Rate of Return of the Class [A/B/C]20xx-yy Notes under the constant MPPR shown and depending on the exercise of the optional redemption of the Note Series 20xx-yy on the Note Series 20xx-yy Call Date.

Class [A/B/C] Notes / No Call			
Scenario Number	1	2	3
Monthly Principal Payment Rate (MPPR)			
Weighted Average Life (in years)			
First Principal Payment Date			
Expected Maturity			
Internal rate of Return (percentage)			
Duration (years)			

Class [A/B/C] Notes / Call			
Scenario Number	1	2	3
Monthly Principal Payment Rate (MPPR)			
Weighted Average Life (in years)			
First Principal Payment Date			
Expected Maturity			
Internal rate of Return (percentage)			
Duration (years)			

Portfolio Cumulative Default Ratio / No Call			
Scenario Number	1	2	3
Monthly Principal Payment Rate (MPPR)			
Cumulative Default Ratio			

Portfolio Cumulative Default Ratio / Call			
Scenario Number	1	2	3
Monthly Principal Payment Rate (MPPR)			
Cumulative Default Ratio			

[In addition Note Series payment cash flows will be provided for each class, MPPR scenario and Call/No Call as per the following model]

Class [A/B/C] Notes [Call/No Call] - Scenario [1/2/3]			
Payment Date	Notional Outstanding	Interest	Principal

[LEVEL OF CLASS C20XX-YY REQUIRED SPREAD AMOUNT⁵

[The Class C20xx-yy Required Spread Amount means [●].]

⁵ To be included for Final Terms of Class C Notes which have a Class C20xx-yy Required Spread Amount

These Final Terms have been countersigned on all their pages and signed in [●], on [●].

Signed on behalf of

INTERMONEY TITULIZACIÓN, S.G.F.T., S.A., (on behalf of [●], FONDO DE TITULIZACIÓN DE ACTIVOS)

Mr [●]

“COLUMBUS MASTER CREDIT CARDS, FONDO DE TITULIZACIÓN”

A securisation fund (*fondo de titulización*)
incorporated in Spain, pursuant to the provisions of Law 5/2015

MANAGEMENT COMPANY AND MASTER SERVICER

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