

FINAL VERSION

INMOBILIARIA COLONIAL, SOCIMI, S.A.

EUR 5,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

PROGRAMME MANUAL

CONTENTS

Clause	Page
1. Signed for Identification.....	2
2. The Programme	3
3. Interpretation	3
4. Settlement Procedures	4
5. Forms of the Notes	5
Schedule 1 Settlement Procedures for Non-Syndicated Issues of Bearer Notes	6
Schedule 2 Settlement Procedures for Syndicated Issues of Bearer Notes	11
Schedule 3 Settlement Procedures for Non-Syndicated Issues of Book-entry Notes.....	15
Schedule 4 Settlement Procedures for Syndicated Issues of Book-entry Notes.....	18
Schedule 5 Form of Final Terms for Bearer Notes	21
Schedule 6 Form of Final Terms for Book-entry Notes	34
Schedule 7 Form of Dealer Accession Letter	45
Schedule 8 Form of Notice of Increase of Authorised Amount	48
Schedule 9 Notice and Contact Details.....	50
Schedule 10 Form of Temporary Global Note	55
Schedule 11 Form of Permanent Global Note	70
Schedule 12 Form of Definitive Note.....	81
Schedule 13 Terms and conditions of the Bearer Notes	87
Schedule 14 Terms and Conditions of the Book-entry Notes.....	130

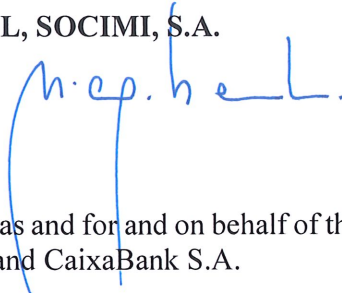
1. **SIGNED FOR IDENTIFICATION**

SIGNED for the purposes of identifying this Programme Manual as the Programme Manual referred to in the Programme Documents defined below:

For and on behalf of

INMOBILIARIA COLONIAL, SOCIMI, S.A.

By: Àngels Arderiu Ibars



For and on behalf of BNP Paribas and for and on behalf of the other Dealers except for Bankinter, S.A., Banco de Sabadell, S.A. and CaixaBank S.A.

BNP PARIBAS

By:

For and on behalf of

BANCO DE SABADELL, S.A.

By:

For and on behalf of

BANKINTER, S.A.

By:

For and on behalf of

CAIXABANK, S.A.

By:

By:

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BNP PARIBAS

By: 

HEIKE KRUGER
AUTHORISED SIGNATORY

For and on behalf of

BANCO DE SABADELL, S.A.

By:

For and on behalf of

BANKINTER, S.A.

By:

For and on behalf of

CAIXABANK, S.A.

By:

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BNP PARIBAS

By:

For and on behalf of

BANCO DE SABADELL, S.A.

By: 
GUSTAVO COUTO
DIRECTOR - DCM

For and on behalf of

BANKINTER, S.A.

By:

For and on behalf of

CAIXABANK, S.A.

By:

By:

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BNP PARIBAS

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For and on behalf of

BANCO DE SABADELL, S.A.

By:

For and on behalf of

BANKINTER, S.A.

By:



**Banca de Inversión
Bankinter, S.A.**

For and on behalf of

CAIXABANK, S.A.

By:

By:

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BNP PARIBAS

By:

For and on behalf of

BANCO DE SABADELL, S.A.

By:

For and on behalf of


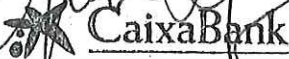
BANKINTER, S.A.

By:

For and on behalf of

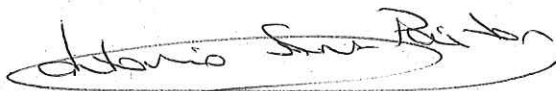
CAIXABANK, S.A.

By:

Miguel Lafont, CFA
Capital Markets
CaixaBank-CIB

By:



Antonio Sanz Pastor
Mercado de Capitales
CaixaBank

DATED: 19 December 2019

2. THE PROGRAMME

2.1 The Programme Documents

INMOBILIARIA COLONIAL, SOCIMI, S.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of notes (the "**Notes**"), in connection with which it has entered into an amended and restated dealer agreement dated 19 December 2019 (the "**Dealer Agreement**") and an amended and restated issue and paying agency agreement dated 19 December 2019 (the "**Bearer Notes Agency Agreement**") and a paying agency agreement in respect of the Book-entry Notes dated 19 December 2019 (the "**Book-entry Notes Agency Agreement**"), the Issuer has executed a deed of covenant for the Bearer Notes dated 19 December 2019 (the "**Bearer Notes Deed of Covenant**") and a deed of covenant for the Book-entry Notes dated 19 December 2019 (the "**Book-entry Notes Deed of Covenant**").

2.2 CNMV/AIAF

The Issuer will make applications to the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("**CNMV**") for Notes issued under the Programme to be admitted to listing on the Spanish AIAF Fixed Income Securities Market (*AIAF, Mercado de Renta Fija*) ("**AIAF**"), the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") or another MiFID Regulated Market. Notes may also be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. Unlisted Notes may not be issued under the Programme.

2.3 Base Prospectus

In connection with the Programme, the Issuer has prepared a base prospectus dated 19 December 2019 which has been approved by the CNMV as a base prospectus issued in compliance with Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

3. INTERPRETATION

3.1 Definitions

In this Programme Manual, the Dealer Agreement, the Bearer Notes Agency Agreement, the Book-entry Notes Agency Agreement, the Bearer Notes Deed of Covenant, the Book-entry Notes Deed of Covenant and the Base Prospectus are together referred to as the "**Programme Documents**". All terms and expressions which have defined meanings in the Programme Documents shall have the same meanings in this Programme Manual except where the context requires otherwise or unless otherwise stated.

3.2 **Construction**

All references in this Programme Manual to an agreement, instrument or other document (including the Base Prospectus and the Programme Documents) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time.

3.3 **Legal Effect**

This Programme Manual is not intended to create legal relations between any of the parties referred to in it or signing it for the purposes of identification. It is intended to illustrate certain ways in which the provisions of the Programme Documents can operate, and to contain suggested forms of certain documents which may be created during the existence of the Programme, but is not intended to affect the construction of any of the Programme Documents. In the case of any conflict between any of the provisions of this Programme Manual and any of the provisions of the Programme Documents, the provisions of the Programme Documents shall prevail.

4. **SETTLEMENT PROCEDURES**

4.1 **Non-syndicated issues of Bearer Notes**

The settlement procedures set out in Schedule 1 (*Settlement Procedures for Non-Syndicated Issues of Notes*) shall apply to each non-syndicated issue of Bearer Notes unless otherwise agreed between the Issuer and the Relevant Dealer.

4.2 **Syndicated issues of Bearer Notes**

The settlement procedures set out in Schedule 2 (*Settlement Procedures for Syndicated Issues of Notes*) shall apply to each syndicated issue of Bearer Notes unless otherwise agreed between the Issuer and the Relevant Dealers.

4.3 **Non-syndicated issues of Book-entry Notes**

The settlement procedures set out in Schedule 3 (*Settlement Procedures for Non-Syndicated Issues of Book-entry Notes*) shall apply to each non-syndicated issue of Book-entry Notes unless otherwise agreed between the Issuer and the Relevant Dealer.

4.4 **Syndicated issues of Book-entry Notes**

The settlement procedures set out in Schedule 4 (*Settlement Procedures for Syndicated Issues of Book-entry Notes*) shall apply to each syndicated issue of Book-entry Notes unless otherwise agreed between the Issuer and the Relevant Dealers.

4.5 **Euroclear and/or Clearstream, Luxembourg**

The settlement procedures set out in Schedules 1 (*Settlement Procedures for Non-Syndicated Issues of Bearer Notes*) and 2 (*Settlement Procedures for Syndicated Issues of Bearer Notes*) assume settlement through Euroclear and/or Clearstream, Luxembourg.

Settlement through alternative or additional clearing systems is permitted by the Programme but not illustrated in this Programme Manual.

4.6 **Iberclear**

The settlement procedures set out in Schedules 3 (*Settlement Procedures for Non-Syndicated Issues of Book-entry Notes*) and 4 (*Settlement Procedures for Syndicated Issues of Book-entry Notes*) assume settlement through Iberclear.

4.7 **New Issues Procedures for New Global Notes**

The settlement procedures set out in Schedules 1 (*Settlement Procedures for Non-Syndicated Issues of Bearer Notes*) and 2 (*Settlement Procedures for Syndicated Issues of Bearer Notes*) contemplate the settlement of issues of Global Notes in CGN form only. The settlement procedures for issues of Global Notes in NGN form are set out in the booklet entitled "New Issues Procedures for international bearer debt securities issued in NGN form through the ICSDs" dated May 2006 published by ICMSA, ICMA and the ICSDs (as amended, supplemented or restated) which can be found on the ICMSA website at www.capmkt serv.com.

5. **FORMS OF THE NOTES**

Schedules 10 (*Form of Temporary Global Note*), 11 (*Form of Permanent Global Note*) and 12 (*Form of Definitive Note*) contain the forms of the Notes. The Issuer has delivered to the Fiscal Agent a stock of Master Temporary Global Notes and Master Permanent Global Notes (in unauthenticated form but executed on behalf of the Issuer) based on the forms appearing in Schedules 10 (*Form of Temporary Global Note*) and 11 (*Form of Permanent Global Note*), respectively. The forms of Notes appearing in Schedules 10 (*Form of Temporary Global Note*), 11 (*Form of Permanent Global Note*) and 12 (*Form of Definitive Note*) may be amended or supplemented for use in respect of a particular Tranche of Notes by agreement between the Issuer, the Fiscal Agent and the Relevant Dealer(s).

SCHEDULE 1
SETTLEMENT PROCEDURES FOR NON-SYNDICATED ISSUES OF BEARER
NOTES

By no later than 2.00 p.m. (Local Time) three Local Banking Days before the Issue Date

- The Issuer agrees terms with a Dealer (which in this Schedule includes any institution to be appointed as a Dealer under the Dealer Accession Letter referred to below) for the issue and purchase of Bearer Notes (whether pursuant to an unsolicited bid from such Dealer or pursuant to an enquiry by the Issuer).
- The Relevant Dealer promptly confirms (by fax or email) the terms of such agreement to the Issuer, copied to the Fiscal Agent.
- The Relevant Dealer instructs the Fiscal Agent to obtain a common code (or any relevant code) and ISIN code from Euroclear or Clearstream, Luxembourg.
- In the case of the first Tranche of Notes of a Series, the Fiscal Agent telephones Euroclear or Clearstream, Luxembourg with a request for a common code (or any relevant code) and ISIN code for such Series and in the case of a subsequent Tranche of Notes of that Series the Fiscal Agent telephones Euroclear or Clearstream, Luxembourg with a request for a temporary common code and ISIN code for such Tranche.
- Each common code (or any relevant code) and ISIN code is notified by the Fiscal Agent to the Issuer and the Relevant Dealer.
- Where the purchasing institution is not a Dealer, arrangements are made for the execution of a Dealer Accession Letter (in or substantially in the form set out in Schedule 7 (*Form of Dealer Accession Letter*) to the Programme Manual) and for the collection and review of the required condition precedent documents.

By no later than 3.00 p.m. (Local Time) three Local Banking Days before the Issue Date

- The Relevant Dealer (or, if such Dealer so agrees with the Issuer, the Issuer) prepares (or procures the preparation of) the Final Terms based on or substantially on the form set out in Schedule 5 (*Form of Final Terms for Bearer Notes*) to the Programme Manual, and sends (by fax or email) a copy to the Issuer (or, as the case may be, the Relevant Dealer), with a copy to the Fiscal Agent.

By no later than 5.00 p.m. (Local Time) three Local Banking Days before the Issue Date

- The Final Terms are agreed between the Issuer and the Relevant Dealer.
- The Issuer confirms its instructions to the Fiscal Agent to carry out the duties to be carried out by the Fiscal Agent under the Agency Agreement and:
 - if a Master Global Note(s) is/are to be used, ensures that the Fiscal Agent receives such details as are necessary to enable it to complete a duplicate or duplicates of the appropriate Master Global Note(s); and
 - if a Master Global Note(s) is/are not to be used, ensures that there is delivered to the Fiscal Agent an appropriate Temporary Global Note and/or a Permanent Global Note (as the case may be), in unauthenticated form but executed on behalf of the Issuer.
- The Final Terms are executed and delivered (by fax or email) to the Relevant Dealer, with a copy to the Fiscal Agent.
- If required by the Conditions, a Calculation Agent is appointed.

No later than two Local Banking Days before the Issue Date

- The Relevant Dealer instructs Euroclear and/or Clearstream, Luxembourg to debit its account and pay the net subscription moneys to the Fiscal Agent's distribution account with Euroclear and/or Clearstream, Luxembourg for value the Issue Date, against delivery of the Notes for value the Issue Date to the specified account of the Relevant Dealer with Euroclear or Clearstream, Luxembourg.
- The Fiscal Agent receives details of such instructions through the records of Euroclear and/or Clearstream, Luxembourg.

By no later than two Dublin business days before the Issue Date

- In the case of Notes which are to be admitted to trading on the regulated market of Euronext Dublin, the Issuer notifies the CNMV by CIFRADO of the details of the Bearer Notes to be issued by sending the Final Terms to the CNMV for submission to Euronext Dublin.

By no later than the Local Banking Day before the Issue Date

- If a Master Global Note(s) is/are to be used, the Fiscal Agent completes a duplicate or duplicates of the appropriate Master Global Note(s), attaches a copy of the relevant Final Terms and authenticates the completed Global Note(s).
- If a Master Global Note(s) is/are not to be used, the Fiscal Agent checks and authenticates the completed Global Note(s) supplied to it by the Issuer.
- The conditions precedent in the Dealer Agreement are satisfied and/or waived.
- The Global Note(s) is/are then delivered by the Fiscal Agent to a common depository for Euroclear and Clearstream, Luxembourg to be held in the Fiscal Agent's distribution account to the order of the Issuer pending payment of the net subscription moneys.
- Instructions are given by the Fiscal Agent to Euroclear or, as the case may be, Clearstream, Luxembourg to credit the Notes represented by such Global Note to the Fiscal Agent's distribution account.
- If delivery "against payment" is specified in the relevant Final Terms, the Fiscal Agent further instructs Euroclear or, as the case may be, Clearstream, Luxembourg to debit from the Fiscal Agent's distribution account the nominal amount of such Notes which the Relevant Dealer has agreed to purchase and to credit such nominal amount to the account of such Dealer with Euroclear or Clearstream, Luxembourg against payment to the account of the Fiscal Agent of the net subscription moneys for the relevant Tranche of Notes for value the Issue Date.
- The Relevant Dealer gives corresponding instructions to Euroclear or Clearstream, Luxembourg.
- If delivery "free of payment" is agreed between the parties and specified in the Final Terms, the Issuer, the Relevant Dealer and the Fiscal Agent may agree alternative payment, settlement and delivery arrangements.
- The Issuer grants before a Spanish public notary a public deed (*escritura pública*) relating to the issue, in accordance with article 407 of the Spanish Companies Act.

By no later than 3.00 p.m. (Local Time) one Local Banking Day before the Issue Date

- In the case of Floating Rate Notes, the Fiscal Agent notifies Euroclear, Clearstream, Luxembourg, the Issuer, the relevant stock exchange (if applicable) and the Relevant

Dealer by fax or email of the Rate of Interest for the first Interest Period (if already determined).

- Where the Rate of Interest has not yet been determined, this will be notified in accordance with this paragraph as soon as it has been determined.

On the Issue Date

- Euroclear and/or Clearstream, Luxembourg debit and credit accounts in accordance with instructions received by them.
- Upon receipt of the net subscription moneys, the Fiscal Agent transfers such moneys for value the Issue Date to such account as has been designated by the Issuer.

On or subsequent to the Issue Date

- The Fiscal Agent notifies the Issuer forthwith in the event that the Relevant Dealer does not pay the net subscription moneys due from it in respect of a Note.
- The public deed (*escritura pública*) relating to the issue is registered with the Commercial Registry of Madrid. The Issuer to execute and register the notarised certificate (*acta notarial suscripción y desembolso*) in connection with the subscription and payment of the Notes with the Commercial Registry of Madrid.

On the Exchange Date (if necessary)
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- In the case of the first Tranche of a Series, where the Final Terms for such Tranche specifies that a Temporary Global Note shall be exchangeable for a Permanent Global Note:
 - if a Master Permanent Global Note is to be used, the Fiscal Agent completes a duplicate of the Master Permanent Global Note, attaches a copy of the relevant Final Terms, authenticates the completed Permanent Global Note (to the extent not already done) and delivers it to a common depository for Euroclear and Clearstream, Luxembourg; and
 - If a Master Permanent Global Note is not to be used, the Fiscal Agent checks and authenticates the completed Permanent Global Note supplied to it by the Issuer (to

the extent not already done) and delivers it to a common depositary for Euroclear and Clearstream, Luxembourg.

SCHEDULE 2
SETTLEMENT PROCEDURES FOR SYNDICATED ISSUES OF BEARER NOTES

No later than 5 Local Banking Days before the Issue Date (or such other number of days agreed between the Issuer, the Mandated Dealer and the Fiscal Agent)

- The Issuer agrees terms with a Dealer (which expression in this Schedule includes any institution to be appointed as a Dealer under the Subscription Agreement referred to below) for the issue and purchase of Notes (whether pursuant to an unsolicited bid from such Dealer or pursuant to an enquiry by the Issuer), subject to the execution of the Subscription Agreement referred to below.
- The Mandated Dealer promptly confirms (by fax or email) the terms of such agreement to the Issuer, copied to the Fiscal Agent.
- The Mandated Dealer may invite other Dealers approved by the Issuer to join the syndicate either on the basis of an invitation fax agreed between the Issuer and the Mandated Dealer or on the terms of the Final Terms referred to below and the Subscription Agreement.
- The Mandated Dealer instructs the Fiscal Agent to obtain a common code (or any relevant code) and ISIN code from Euroclear or Clearstream, Luxembourg.
- In the case of the first Tranche of Notes of a Series, the Fiscal Agent telephones Euroclear or Clearstream, Luxembourg with a request for a common code (or any relevant code) and ISIN code for such Series and in the case of a subsequent Tranche of Notes of that Series the Fiscal Agent telephones Euroclear or Clearstream, Luxembourg with a request for a temporary common code (or any relevant code) and ISIN code for such Tranche or, such Mandated Dealer applies for an ISIN and Common Code (or any relevant code) via EPIM.
- Each common code (or any relevant code) and ISIN code is notified by the Fiscal Agent to the Issuer and the Mandated Dealer.
- The Mandated Dealer (or, if such Dealer so agrees with the Issuer, the Issuer) prepares (or procures the preparation of) the Final Terms based on or substantially on the form set out in Schedule 5 (*Form of Final Terms for Bearer Notes*) to the Programme Manual. A draft Subscription Agreement (in or substantially in the form of Schedule 3 (*Pro Forma Subscription Agreement*)) to the Dealer Agreement or such other form as may be agreed between the Issuer and the Relevant Dealers) is also prepared.
- Copies of the draft Final Terms and draft Subscription Agreement are submitted for approval to each lawyer required to give a legal opinion in connection with the issue.

At least two full business days before the Subscription Agreement is intended to be signed

- The Mandated Dealer sends a copy of the draft Subscription Agreement and the draft Final Terms to the other Relevant Dealers.
- At the same time the Mandated Dealer sends a copy of the Base Prospectus and Dealer Agreement (together with such other conditions precedent documents) to any other Relevant Dealer which has not previously received such documents.

By 5.00 p.m. (Local Time) no later than three Local Banking Days before the Issue Date

- The Subscription Agreement and Final Terms are agreed and executed and a copy of the Final Terms is sent by email to the Fiscal Agent.
- The Issuer confirms by signed instruction to the Fiscal Agent to carry out the duties to be carried out by the Fiscal Agent under the Agency Agreement and:
 - if a Master Global Note(s) is/are to be used, ensures that the Fiscal Agent receives such details as are necessary to enable it to complete a duplicate or duplicates of the appropriate Master Global Note(s); and
 - if a Master Global Note(s) is/are not to be used, ensures that there is delivered to the Fiscal Agent an appropriate Temporary Global Note and/or a Permanent Global Note (as the case may be), in unauthenticated form but executed on behalf of the Issuer.
- If required by the Conditions, a Calculation Agent is appointed.

No later than two Local Banking Days before the Issue Date

- The Relevant Dealers instruct Euroclear and/or Clearstream, Luxembourg to debit their accounts and pay the net subscription moneys, for value the Issue Date, to the "New Issues Securities Clearance Account" of the Mandated Dealer with Euroclear and Clearstream, Luxembourg against delivery of the Notes for value the Issue Date, to the specified accounts of the Relevant Dealers with Euroclear or Clearstream, Luxembourg.

By no later than 12 (noon) (Irish time) two Dublin business days before the Issue Date

- In the case of Notes which are to be admitted to trading on the regulated market of Euronext Dublin, the Issuer notifies the CNMV by CIFRADOC of the details of the Bearer Notes to be issued by sending the Final Terms to the CNMV for submission to Euronext Dublin.

By 3.00 p.m. (Local Time) no later than one Local Banking Day before the Issue Date

- In the case of Floating Rate Notes, the Fiscal Agent notifies Euroclear, Clearstream, Luxembourg, the Issuer, the relevant stock exchange (if applicable) and the Mandated Dealer by fax or email of the Rate of Interest for the first Interest Period (if already determined).
- Where the Rate of Interest has not yet been determined, this will be notified in accordance with this paragraph as soon as it has been determined.
- The Issuer grants before a Spanish public notary a public deed (*escritura pública*) relating to the issue, in accordance with article 407 of the Spanish Companies Act.

On the "Payment Instruction Date", being either the Issue Date or, in the case of a pre-closed issue, the day which is one Local Banking Day before the Issue Date

- If a Master Global Note(s) is/are to be used, the Fiscal Agent completes a duplicate or duplicates of the appropriate Master Global Note(s), attaches a copy of the relevant Final Terms and authenticates the completed Global Note(s).
- If a Master Global Note(s) is/are not to be used, the Fiscal Agent checks and authenticates the completed Global Note(s) supplied to it by the Issuer.
- The conditions precedent in the Subscription Agreement and the Dealer Agreement are satisfied and/or waived.
- The Global Note(s) is/are then delivered by the Fiscal Agent to a common depositary for Euroclear and Clearstream, Luxembourg and instructions are given by the Fiscal Agent (on behalf of the Issuer) to the common depositary to hold the Notes represented by the relevant Global Note to the Issuer's order pending payment of the net subscription moneys.
- If delivery "against payment" is specified in the Final Terms, the Mandated Dealer instructs Euroclear and Clearstream, Luxembourg to pay the net subscription moneys to the common depositary for value the Issue Date, and instructs the common depositary via

signed instruction to pay the net subscription moneys to the Issuer, for value the Issue Date against delivery of the Notes represented by the relevant Global Note to the common depository.

- If delivery "free of payment" is agreed between the parties and specified in the Final Terms, the Issuer, the Mandated Dealer and the Fiscal Agent may agree alternative payment, settlement and delivery arrangements provided on signed instruction.

Issue Date

- Euroclear and/or Clearstream, Luxembourg debit and credit accounts in accordance with instructions received by them.
- The common depository pays the net subscription moneys to such account as has been designated by the Issuer, and instructed by the Mandated Dealer.
- On or subsequent to the Issue Date the public deed (*escritura pública*) relating to the issue is registered with the Commercial Registry of Madrid. The Issuer to execute and register the notarised certificate (*acta notarial suscripción y desembolso*) in connection with the subscription and payment of the Notes with the Commercial Registry of Madrid.

On the Exchange Date (if necessary)
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- In the case of the first Tranche of a Series, where the Final Terms for such Tranche specifies that a Temporary Global Note shall be exchangeable for a Permanent Global Note:
 - if a Master Permanent Global Note is to be used, the Fiscal Agent completes a duplicate of the Master Permanent Global Note, attaches a copy of the relevant Final Terms, authenticates the completed Permanent Global Note (to the extent not already done) and delivers it to a common depository for Euroclear and Clearstream, Luxembourg; and
 - If a Master Permanent Global Note is not to be used, the Fiscal Agent checks and authenticates the completed Permanent Global Note supplied to it by the Issuer (to the extent not already done) and delivers it to a common depository for Euroclear and Clearstream, Luxembourg.

SCHEDULE 3
SETTLEMENT PROCEDURES FOR NON-SYNDICATED ISSUES OF BOOK-ENTRY NOTES

By no later than 2.00 p.m. (Local Time) three Local Banking Days before the Issue Date

- The Issuer agrees terms with a Dealer (which in this Schedule includes any institution to be appointed as a Dealer under the Dealer Accession Letter referred to below) for the issue and purchase of Notes (whether pursuant to an unsolicited bid from such Dealer or pursuant to an enquiry by the Issuer).
- The Relevant Dealer promptly confirms (by fax or email) the terms of such agreement to the Issuer copied to the Fiscal Agent.
- The Relevant Dealer obtains a common code (or any relevant code) and the Issuer requests an ISIN code from the national agency of securities coding ("ANCV").
- Each common code (or any relevant code) and ISIN code is notified to the Issuer and the Relevant Dealer.
- Where the purchasing institution is not a Dealer, arrangements are made for the execution of a Dealer Accession Letter (in or substantially in the form set out in Schedule 7 (*Form of Dealer Accession Letter*) to the Programme Manual) and for the collection and review of the required condition precedent documents.

By no later than 3.00 p.m. (Local Time) three Local Banking Days before the Issue Date

- The Relevant Dealer (or, if such Dealer so agrees with the Issuer, the Issuer) prepares (or procures the preparation of) the Final Terms based on or substantially on the form set out in Schedule 6 (*Form of Final Terms for Book-entry Notes*) to the Programme Manual, and sends (by fax or email) a copy to the Issuer (or, as the case may be, the Relevant Dealer).

By no later than 5.00 p.m. (Local Time) three Local Banking Days before the Issue Date

- The Final Terms are agreed between the Issuer and the Relevant Dealer.
- The Final Terms are executed and delivered (by fax or email) to the Relevant Dealer.
- If required by the Conditions, a Calculation Agent is appointed.

No later than two Local Banking Days before the Issue Date

- In the case of Notes which are to be admitted to trading on AIAF, the Issuer notifies the CNMV by CIFRADO of the details of the Notes to be issued by sending the Final Terms.
- The Issuer submits to Iberclear (i) a physical copy of the Final Terms and (ii) a request to create the book entries representing the Book-entry Notes and (if applicable) the Base Prospectus.

By no later than the Local Banking Day before the Issue Date

- The Issuer submits to AIAF a physical copy of a request for listing of the Book-entry Notes.
- Instructions are given by the Spanish Paying Agent to Iberclear to credit the Book-entry Notes to the Spanish Paying Agent's distribution account.
- The conditions precedent in the Dealer Agreement are satisfied and/or waived.

By no later than 3.00 p.m. (Local Time) one Local Banking Day before the Issue Date

- In the case of Floating Rate Notes, the Spanish Paying Agent notifies Iberclear (if applicable), the Issuer, the relevant stock exchange (if applicable) and the Relevant Dealer by fax or email of the Rate of Interest for the first Interest Period (if already determined).
- Where the Rate of Interest has not yet been determined, this will be notified in accordance with this paragraph as soon as it has been determined.

On the Issue Date

- If delivery "against payment" is specified in the relevant Final Terms, the Spanish Paying Agent further instructs Iberclear to debit from the Spanish Paying Agent's distribution account the nominal amount of such Book-entry Notes which the Relevant Dealer has agreed to purchase and to credit such nominal amount to the account of such Dealer with Iberclear against payment to the account of the Spanish Paying Agent of the net subscription moneys for the relevant Tranche of Notes for value the Issue Date.

- The Relevant Dealer gives corresponding instructions to Iberclear.
- If delivery "free of payment" is agreed between the parties and specified in the Final Terms, the Issuer, the Relevant Dealer and the Spanish Paying Agent may agree alternative payment, settlement and delivery arrangements.
- Iberclear debit and credit accounts in accordance with instructions received by them.
- Upon receipt of the net subscription moneys, the Spanish Paying Agent transfers such moneys for value the Issue Date to such account as has been designated by the Issuer.
- The Issuer to submit to the CNMV via CIFRADOCC: (i) listing verification request, (ii) the Final Terms (if applicable), (iii) the relevant corporate resolutions, and (iv) a disbursement certificate.
- The Issuer submits to Iberclear a physical copy of the disbursement certificate.
- The Issuer delivers to AIAF:
 - (a) by e-mail: (i) a copy of the Final Terms, and (ii) the Base Prospectus and
 - (b) physically (i) *carta de coincidencia*, and (ii) *certificado de resultado de la colocación*.

On or subsequent to the Issue Date

- The Spanish Paying Agent notifies the Issuer forthwith in the event that the Relevant Dealer does not pay the net subscription moneys due from it in respect of a Note.
- CNMV and AIAF approve the admission to listing.

SCHEDULE 4
SETTLEMENT PROCEDURES FOR SYNDICATED ISSUES OF BOOK-ENTRY
NOTES

No later than 5 Local Banking Days before the Issue Date (or such other number of days agreed between the Issuer, the Mandated Dealer and the Spanish Paying Agent)

- The Issuer agrees terms with a Dealer (which expression in this Schedule includes any institution to be appointed as a Dealer under the Subscription Agreement referred to below) for the issue and purchase of Book-entry Notes (whether pursuant to an unsolicited bid from such Dealer or pursuant to an enquiry by the Issuer), subject to the execution of the Subscription Agreement referred to below.
- The Mandated Dealer promptly confirms (by fax or email) the terms of such agreement to the Issuer copied to the Fiscal Agent.
- The Mandated Dealer may invite other Dealers approved by the Issuer to join the syndicate either on the basis of an invitation fax agreed between the Issuer and the Mandated Dealer or on the terms of the Final Terms referred to below and the Subscription Agreement.
- The Relevant Dealer obtains a common code (or any relevant code) and the Issuer requests an
- Each common code (or any relevant code) and ISIN code is notified to the Issuer and the Mandated Dealer.
- The Mandated Dealer (or, if such Dealer so agrees with the Issuer, the Issuer) prepares (or procures the preparation of) the Final Terms based on or substantially on the form set out in Schedule 6 (*Form of Final Terms for Book-entry Notes*) to the Programme Manual. A draft Subscription Agreement (in or substantially in the form of Schedule 3 (*Pro Forma Subscription Agreement*)) to the Dealer Agreement or such other form as may be agreed between the Issuer and the Relevant Dealers) is also prepared.
- Copies of the draft Final Terms and draft Subscription Agreement are submitted for approval to each lawyer required to give a legal opinion in connection with the issue.

At least two full business days before the Subscription Agreement is intended to be signed

- The Subscription Agreement and Final Terms are agreed and executed.
- If required by the Conditions, a Calculation Agent is appointed.

No later than two Local Banking Days before the Issue Date

- In the case of Notes which are to be admitted to trading on AIAF, the Issuer notifies the CNMV by CIFRADO of the details of the Notes to be issued by sending the Final Terms.
- The Issuer submits to Iberclear (i) a physical copy of the Final Terms and (ii) a request to create the book entries representing the Book-entry Notes and (if applicable) the Base Prospectus.

By 3.00 p.m. (Local Time) no later than one Local Banking Day before the Issue Date

- The Issuer submits to AIAF a physical copy of a request for listing of the Book-entry Notes.
- Instructions are given by the Spanish Paying Agent to Iberclear to credit the Book-entry Notes to the Spanish Paying Agent's distribution account.
- The conditions precedent in the Dealer Agreement are satisfied and/or waived.
- In the case of Floating Rate Notes, the Spanish Paying Agent notifies Iberclear, the Issuer, the relevant stock exchange (if applicable) and the Mandated Dealer by fax or email of the Rate of Interest for the first Interest Period (if already determined).
- Where the Rate of Interest has not yet been determined, this will be notified in accordance with this paragraph as soon as it has been determined.

Issue Date

- If delivery "against payment" is specified in the relevant Final Terms, the Spanish Paying Agent further instructs Iberclear to debit from the Spanish Paying Agent's distribution account the nominal amount of such Book-entry Notes which the Relevant Dealer has agreed to purchase and to credit such nominal amount to the account of such Dealer with Iberclear against payment to the account of the Spanish Paying Agent of the net subscription moneys for the relevant Tranche of Notes for value the Issue Date.
- The Relevant Dealer gives corresponding instructions to Iberclear.

- If delivery "free of payment" is agreed between the parties and specified in the Final Terms, the Issuer, the Relevant Dealer and the Spanish Paying Agent may agree alternative payment, settlement and delivery arrangements.
- Iberclear debit and credit accounts in accordance with instructions received by them.
- Upon receipt of the net subscription moneys, the Spanish Paying Agent transfers such moneys for value the Issue Date to such account as has been designated by the Issuer.
- The Issuer to submit to the CNMV via CIFRADO: (i) listing verification request, (ii) the Final Terms (if applicable), (iii) the relevant corporate resolutions, and (iv) a disbursement certificate.
- The Issuer submits to Iberclear a physical copy of the disbursement certificate.
- The Issuer delivers to AIAF:
 - (a) by e-mail: (i) a copy of the Final Terms, and (ii) the Base Prospectus and
 - (b) physically (i) *carta de coincidencia*, and (ii) *certificado de resultado de la colocación*.

On or subsequent to the Issue Date

- The Spanish Paying Agent notifies the Issuer forthwith in the event that the Relevant Dealer does not pay the net subscription moneys due from it in respect of a Note.
- CNMV and AIAF approve the admission to listing.

SCHEDULE 5 FORM OF FINAL TERMS FOR BEARER NOTES

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and [, with effect from such date,] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.¹

[[MiFID II Product Governance / Professional investors and ECPs only target market] – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]²

Final Terms dated [•]

Inmobiliaria Colonial, SOCIMI, S.A.
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]³

Legal Entity Identifier (LEI): 9580020140005007414

[Indicate in title if the Notes are green bonds, i.e. if issued to finance or refinance Eligible Assets]

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used below shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Bearer Notes (the “**Conditions**”) set forth in the Base Prospectus dated 19 December 2019 [and the supplement to the Base Prospectus dated *[insert date]* which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described below for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus.]

¹ Square brackets or wording to be removed as appropriate for each issuance.

² Square brackets or wording to be removed as appropriate for each issuance.

³ Specify if the Notes are Green Bonds (see limb(b) under the “Use of Proceeds” section of the Base Prospectus).

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.

[Terms used below shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) incorporated by reference in the Base Prospectus dated [•]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated [•] [and the supplement to the Base Prospectus dated [date]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Regulation, save in respect of the Terms and Conditions which are set forth in the base prospectus dated [•] and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described below for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.]

The Base Prospectus has been published on the website of the CNMV (www.cnmv.es) and the Issuer’s website (www.inmocolonial.com).

The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

In accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described below.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

- | | | | |
|----|-------|--|---|
| 1. | (i) | Issuer: | Inmobiliaria Colonial, SOCIMI, S.A. |
| 2. | (i) | Series Number: | [•] |
| | (ii) | Tranche Number: | [•] |
| | (iii) | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below [which is expected to occur on or about [•]].] |
| 3. | | Specified Currency or Currencies: | [•] |
| 4. | | Aggregate Nominal Amount: | [•] |
| | (i) | Series: | [•] |
| | (ii) | Tranche: | [•] |
| 5. | | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•] (in the case of fungible issues only, if applicable)] |
| 6. | (i) | Specified Denominations: | [•] |

(No Notes may be issued which have a minimum denomination of less than EUR100,000 (or equivalent)

in another currency))

- (ii) Calculation Amount: [•]
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [[•]/Issue Date/Not Applicable]
8. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis: [[•] per cent. Fixed Rate (see paragraph 14 below)]
- [•][•] [EURIBOR/LIBOR/SONIA]+/- [•] per cent. Floating Rate (see paragraph 15 below)]
- [Zero Coupon (see paragraph 16 below)]
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at their nominal amount.
11. Change of Interest or Redemption/Payment Basis: [*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable*]
12. Put/Call Options: [Put Option]
- [Put Event]
- [Issuer Call]
- [Residual Maturity Call Option]
- [Substantial Purchase Event]
- [See paragraph[s] [17/18/19/20/21] below)]
13. [Date [Board] approval for issuance of Notes obtained:] [•]
- (N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date

- (ii) Interest Payment Date(s): [•] in each year
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) /Actual 360 / 30E/360]

15. **Floating Rate Note Provisions**

[Applicable/Not Applicable]

(If not applicable delete the remaining sub-paragraphs of this paragraph)

- (i) Interest Period(s): [•] [, subject to adjustment in accordance with the Business Day Convention set out in (v) below /, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]
- (ii) Specified Period: [•]
- (iii) Interest Payment Dates: [•]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
- (v) Additional Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [•] shall be the Calculation Agent
- (viii) Screen Rate Determination:
 - Reference Rate: [•] month [EURIBOR]/[LIBOR]/ [SONIA]
 - Interest Determination Date(s): [•]
 - “p” : [•]
 - Relevant Screen Page: [•]
 - Relevant Time: [•]
 - Relevant Financial Centre: [•]

- (ix) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - ISDA Benchmark Supplement: [Applicable / Not Applicable]
- (xi) Linear interpolation Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
- (xii) Margin(s): [+/-][•] per cent. per annum
- (xiii) Minimum Rate of Interest: [•] per cent. per annum
- (xiv) Maximum Rate of Interest: [•] per cent. per annum
- (xv) Day Count Fraction: [•]
16. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to Early Redemption Amount: [30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) /Actual 360 / 30E/360]

PROVISIONS RELATING TO REDEMPTION

17. Call Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s) (Call): [•]
- (ii) Optional Redemption Amount(s) (Call) of each Note: [[•] per Calculation Amount/Make Whole Amount]
- (If Make Whole Amount is selected, include items (a) through (e) below or relevant options as are set out in the Book-entry Conditions)]*
- (ii) Make Whole Amount: [Applicable/Not Applicable]
- (If not applicable delete the remaining subparagraphs of this paragraph)*
- [(a) Reference Bond: [[•]/Not Applicable]

(If not applicable delete the remaining subparagraphs of this paragraph)

- | | | |
|-----|--|---|
| | [Redemption Margin: | [•] per cent.] |
| | [Financial Adviser: | [•]] |
| | [Quotation Time: | [•]] |
| | [(b) Discount Rate: | [•]/Not Applicable] |
| | [(e) Make Whole Exemption Period: | [Not Applicable/From (and including) [•] to (but excluding) [•]/the Maturity Date] |
| | (iii) If redeemable in part: | |
| | (a) Minimum Redemption Amount: | [•] per Calculation Amount |
| | (b) Maximum Redemption Amount: | [•] per Calculation Amount |
| | (iv) Notice period: | [•] |
| 18. | Put Option | [Applicable/Not Applicable] |
| | | <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| | (i) Optional Redemption Date(s) (Put): | [•] |
| | (ii) Optional Redemption Amount(s) (Put) of each Note and calculation of such amount(s), if any: | [•] per Calculation Amount |
| | (iii) Notice period: | [•] |
| | | <i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)</i> |
| 19. | Put Event | [Applicable/Not Applicable] |
| 20. | Residual Maturity Call Option | [Applicable/Not Applicable] |
| | Date fixed for redemption: | [As per Condition 11(d)] [No earlier than [•] months before the Maturity Date] |
| 21. | Substantial Purchase Event | [Applicable/Not Applicable] |

- | | | |
|-----|--------------------------------------|----------------------------|
| 22. | Final Redemption Amount of each Note | [•] per Calculation Amount |
| 23. | Early Redemption Amount (Tax) | [•] per Calculation Amount |
| 24. | Early Termination Amount | [•] per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|---|---|
| 25. | Form of Notes: | <p>Bearer Notes:</p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes at any time/in the limited circumstances specified in the Permanent Global Note]</p> <p>[Temporary Global Note exchangeable for Definitive Notes]</p> <p><i>(N.B. In relation to any issue of Notes which are expressed to be represented by a Temporary Global Note exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to, or greater than €100,000 (or equivalent) and integral multiples thereof.)</i></p> <p>[Permanent Global Note exchangeable for Definitive Notes at any time/in the limited circumstances specified in the Permanent Global Note]</p> <p><i>(N.B. In relation to any issue of Notes which are expressed to be represented by a Permanent Global Note exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to, or greater than €100,000 (or equivalent) and integral multiples thereof.)</i></p> |
| 26. | New Global Note: | [Yes] [No] |
| 27. | Additional Financial Centre(s): | [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates] |
| 28. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.] |

Signed on behalf of Inmobiliaria Colonial, SOCIMI, S.A.:

By:
Duly authorised

PART B – OTHER INFORMATION

29. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*the Official List of the Irish Stock Exchange plc trading as Euronext Dublin/another Regulated Market*] with effect from [•].] Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*The Official List of the Irish Stock Exchange plc trading as Euronext Dublin /another MiFID Regulated Market*] with effect from [*30 days after the Issue Date/Other time period*].] (*Where documenting a fungible issue, need to indicate that original Notes are already admitted to trading.*)
- (ii) Admission to Trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin/another MiFID Regulated Market*] with effect from [•].]
- (*When documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
- (ii) Estimate of total expenses related to admission to trading: [•]

30. RATINGS

- The Notes to be issued [have been/are expected to be] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- Ratings: [Standard & Poor's: [•]]
- [Moody's: [•]]
- [Fitch: [•]]
- [[Other]: [•]]
- (*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*)

Option 1 - CRA established in the EEA and

registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority].

Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Option 4 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Option 5 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the “**CRA**”).

Regulation”).

Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

31. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]

32. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reasons for the offer: See [“Use of Proceeds”] in the Base Prospectus/*Give details*]

Estimated net proceeds: [•]

33. **[Fixed Rate Notes only – YIELD**

Indication of yield: [•]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

34.

OPERATIONAL INFORMATION

ISIN: [•]

Common Code: [•]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]/[Not Applicable]

Relevant Benchmark[s]: [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [name of administrator] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/ [Not Applicable]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the

future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

35.

DISTRIBUTION

- (i) Method of Distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
- (A) Names of Dealers: [Not Applicable/*give names*]
- (B) Stabilisation Manager(s), if any: [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give names*]
- (iv) U.S. Selling Restrictions: Reg S Compliance Category 2; [TEFRA C/TEFRA D]

7.

REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS

- Reasons for the offer: [•] [See[“*Use of Proceeds*”] in Base Prospectus”/Give details] [If reasons differ from what is disclosed in the Base Prospectus, give details here.]
- Estimated net proceeds: [•]

SCHEDULE 6 FORM OF FINAL TERMS FOR BOOK-ENTRY NOTES

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and [, with effect from such date,] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]⁴

[[MiFID II Product Governance / Professional investors and ECPs only target market] – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]⁵

Final Terms dated [•]

Inmobiliaria Colonial, SOCIMI, S.A.
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]⁶

Legal Entity Identifier (LEI): 9580020140005007414

[Indicate in title if the Notes are green bonds, i.e. if issued to finance or refinance Eligible Assets]

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used below shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Book-entry Notes (the “**Conditions**”) set forth in the Base Prospectus dated 19 December 2019 [and the supplement to the Base Prospectus dated *[insert date]*] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described below for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.]

The Base Prospectus has been published on the website of the CNMV (www.cnmv.es) and the Issuer’s website (www.inmocolonial.com).

The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

⁴ Square brackets or wording to be removed as appropriate for each issuance.

⁵ Square brackets or wording to be removed as appropriate for each issuance.

⁶ Specify if the Notes are Green Bonds (see limb (b) under the “Use of Proceeds” section of the Base Prospectus).

In accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described below.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

- | | | | |
|-----|-------|--|--|
| 36. | (i) | Issuer: | Inmobiliaria Colonial, SOCIMI, S.A. |
| 37. | (i) | Series Number: | [•] |
| | (ii) | Tranche Number: | [•] |
| | (iii) | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [•]/the Issue Date.] |
| 38. | | Specified Currency or Currencies: | [•] |
| 39. | | Aggregate Nominal Amount: | [•] |
| | (i) | Series: | [•] |
| | (ii) | Tranche: | [•] |
| | (iii) | Number of Notes: | [•] |
| 40. | | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•] [<i>in the case of fungible issues only, if applicable</i>]] |
| 41. | (i) | Specified Denominations: | [•] |
| | | | <i>(No Notes may be issued which have a minimum denomination of less than EUR100,000 (or equivalent in another currency))</i> |
| | (ii) | Calculation Amount: | [•] |
| 42. | (i) | Issue Date: | [•] |
| | (ii) | Interest Commencement Date: | [[•]/Issue Date/Not Applicable] |
| 43. | | Maturity Date: | [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] |
| 44. | | Interest Basis: | [[•] per cent. Fixed Rate (see paragraph 14 below)]
[[•][•] [EURIBOR/LIBOR/SONIA]+/- [•] per cent. |

- Floating Rate (see paragraph 15 below)]
- [Zero Coupon (see paragraph 16 below)]
45. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at their nominal amount.
46. Change of Interest or Redemption/Payment Basis: [*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable*]
47. Put/Call Options: [Put Option]
[Put Event]
[Issuer Call]
[Residual Maturity Call Option]
[Substantial Purchase Event]
[See paragraph[s] [17/18/19/20/21] below)]
48. [Date [Board] approval for issuance of Notes obtained:] [•]
(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

49. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [•] in each year
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) /Actual 360 / 30E/360]
50. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable delete the remaining sub-paragraphs of this paragraph)

- (i) Interest Period(s): [•] [, subject to adjustment in accordance with the Business Day Convention set out in (v) below /, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]
- (ii) Specified Period: [•]
- (iii) Interest Payment Dates: [•]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
- (v) Additional Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Spanish Paying Agent): [•] shall be the Calculation Agent
- (viii) Screen Rate Determination:
- Reference Rate: [•] month [EURIBOR]/[LIBOR]/[SONIA]
 - Interest Determination Date(s): [•]
 - “p” : [•]
 - Relevant Screen Page: [•]
 - Relevant Time: [•]
 - Relevant Financial Centre: [•]
- (ix) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - ISDA Benchmarks Supplement: [Applicable/Not Applicable]
- (xi) Linear interpolation Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be

calculated using Linear Interpolation (*specify for each short or long interest period*)

- (xii) Margin(s): [+/-][•] per cent. per annum
- (xiii) Minimum Rate of Interest: [•] per cent. per annum
- (xiv) Maximum Rate of Interest: [•] per cent. per annum
- (xv) Day Count Fraction: [•]

51. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to Early Redemption Amount: [30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) /Actual 360 / 30E/360]

PROVISIONS RELATING TO REDEMPTION

52. Call Option [Applicable/Not Applicable]

- (i) Optional Redemption Date(s) (Call): [•]
- (ii) Optional Redemption Amount(s) (Call) of each Note: [[•] per Calculation Amount/Make Whole Amount]
[(If Make Whole Amount is selected, include items (a) through (e) below or relevant options as are set out in the Bearer Conditions)]

(ii) Make Whole Amount: [Applicable/Not Applicable]

(If not applicable delete the remaining subparagraphs of this paragraph)

[(a) Reference Bond: [[•]/Not Applicable]

(If not applicable delete the remaining subparagraphs of this paragraph)

[Redemption Margin: [•] per cent.]

[Financial Adviser: [•]]

[Quotation Time: [•]]

[(b) Discount Rate: [•]/Not Applicable]

[(c) Make Whole Exemption [Not Applicable/From (and including) [•] to (but

	Period:	excluding) [•]/the Maturity Date]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[•] per Calculation Amount
	(b) Maximum Redemption Amount:	[•] per Calculation Amount
	(iv) Notice period:	[•]
53.	Put Option	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s) (Put):	[•]
	(ii) Optional Redemption Amount(s) (Put) of each Note and calculation of such amount(s), if any:	[•] per Calculation Amount
	(iii) Notice period:	[•]
		<i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Spanish Paying Agent)</i>
54.	Put Event	[Applicable/Not Applicable]
55.	Residual Maturity Call Option	[Applicable/Not Applicable]
	Date fixed for redemption:	[As per Condition 11(d)] [No earlier than [•] months before the Maturity Date]
56.	Substantial Purchase Event	[Applicable/Not Applicable]
57.	Final Redemption Amount of each Note	[•] per Calculation Amount
58.	Early Redemption Amount (Tax)	[•] per Calculation Amount
59.	Early Termination Amount	[•] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

60.	Form of Notes:	Book-entry notes (<i>anotaciones en cuenta</i>)
-----	----------------	---

61. Additional Financial Centre(s):

[Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates]

Signed on behalf of Inmobiliaria Colonial, SOCIMI, S.A.:

By:
Duly authorised

PART B – OTHER INFORMATION

62. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [AIAF] [with effect from [•] / within 30 days following the Issue Date / /Other time period].] *(Where documenting a fungible issue, need to indicate that original Notes are already admitted to trading).*

(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [•]

63. RATINGS

The Notes to be issued [have been/are expected to be rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings:

[Standard & Poor's: [•]]

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)

Option 1 - CRA established in the EEA and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No

1060/2009, as amended (the “**CRA Regulation**”), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority].

Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Option 4 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Option 5 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

64. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]

65. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reasons for the offer:

See [“Use of Proceeds”] in the Base Prospectus/*Give details*]

Estimated net proceeds:

[•]

66. **[Fixed Rate Notes only – YIELD**

Indication of yield:

[•]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

67. **OPERATIONAL INFORMATION**

ISIN:

[•]

Common Code:

[•]

Any clearing system(s) other than Iberclear and the relevant identification number(s):

[Not Applicable/*give name(s) and number(s)*]

Delivery:

Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any):

[•]/[Not Applicable]

Relevant Benchmark[s]:

[[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name]][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [name

of administrator] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/ [Not Applicable]

[Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

68. **DISTRIBUTION**

- | | |
|--|--|
| (i) Method of Distribution: | [Syndicated/Non-syndicated] |
| (ii) If syndicated: | |
| (A) Names of Dealers: | [Not Applicable/ <i>give names</i>] |
| (B) Stabilisation Manager(s), if any: | [Not Applicable/ <i>give names</i>] |
| (iii) If non-syndicated, name of Dealer: | [Not Applicable/ <i>give names</i>] |
| (iv) U.S. Selling Restrictions: | Reg S Compliance Category 2; [TEFRA C/TEFRA D] |

SCHEDULE 7
FORM OF DEALER ACCESSION LETTER

[New Dealer]
[Address]

Dear Sirs

INMOBILIARIA COLONIAL, SOCIMI, S.A.
EUR 5,000,000,000

Euro Medium Term Note Programme

We refer to our Euro Medium Term Note Programme (the "**Programme**") for the issuance of notes, in connection with which we have entered into an amended and restated dealer agreement dated 19 December 2019 (the "**Dealer Agreement**") [constituted by [•]]. All terms and expressions which have defined meanings in the Dealer Agreement shall have the same meanings in this letter except where the context requires otherwise or unless otherwise stated.

We have pleasure in inviting you to become a Dealer upon the terms of the Dealer Agreement [but only in respect of [*specify Tranche of Notes* (the "**Notes**")]]⁷, a copy of which has been supplied to you by us.

We are enclosing such copies of the conditions precedent as set out in Schedule 2 (*Initial Conditions Precedent*) to the Dealer Agreement as you have requested together with copies of any updates or supplements thereto as have been delivered to the existing Dealers. In addition, we enclose letters from Clifford Chance, S.L.P.U., Ramón y Cajal Abogados, S.L.P. and Freshfields Bruckhaus Deringer LLP entitling you to rely on the original letters referred to therein.

Please return a copy of this letter to us signed by an authorised signatory whereupon you will become a Dealer for the purposes of the Dealer Agreement with [,subject as hereinafter provided,]⁸ all the authority, rights, powers, duties and obligations of a Dealer under the Dealer Agreement [except that, following the issue of the Notes, you shall have no further authority, rights, powers, duties or obligations except such as may have accrued or been incurred prior to, or in connection with, the issue of the Notes].⁹

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law. The provisions of Clause 17 (*Law and Jurisdiction*) of the Dealer Agreement shall apply to this letter as if set out herein in full.

⁷ Insert only where the new Dealer is being appointed only in relation to a particular Tranche.

⁸ Insert only where the new Dealer is being appointed only in relation to a particular Tranche.

⁹ Insert only where the new Dealer is being appointed only in relation to a particular Tranche.

Yours faithfully

For and on behalf of

INMOBILIARIA COLONIAL, SOCIMI, S.A.

By:

CONFIRMATION

We hereby accept our appointment as a Dealer under the Dealer Agreement upon the terms of this letter [but only in respect of [*specify Tranche of Notes*]]¹⁰.

We confirm that we are in receipt of all the documents which we have requested and have found them to be satisfactory.

For the purposes of the Dealer Agreement our communication details are as set out below.

For and on behalf of

[NEW DEALER]

By:

Date:

Address: []
Fax: + [*number*]
Email []
Attention: [*name or department*]

[copies to:

- (i) all existing Dealers who have been appointed in respect of the Programme generally;

¹⁰ Insert only where the new Dealer is being appointed only in relation to a particular Tranche.

(ii) the existing Fiscal Agent.]¹¹

¹¹ Insert where the incoming Dealer is being appointed in respect of the Programme generally.

SCHEDULE 8
FORM OF NOTICE OF INCREASE OF AUTHORISED AMOUNT

To: [list all current Dealers appointed in respect of the Programme generally, and each of the Paying Agents]

Dear Sirs

INMOBILIARIA COLONIAL, SOCIMI, S.A.
EUR 5,000,000,000 Euro Medium Term Note Programme

We refer to our Euro Medium Term Note Programme (the "**Programme**") for the issuance of notes, in connection with which we have entered into a dealer agreement dated 19 December 2019 (the "**Dealer Agreement**") [constituted by [•]]. All terms and expressions which have defined meanings in the Dealer Agreement shall have the same meanings in this letter except where the context requires otherwise or unless otherwise stated.

Pursuant to Clause 14 (*Increase in Authorised Amount*) of the Dealer Agreement, we hereby request that the Authorised Amount of the Programme be increased from [currency] [amount] to [currency] [amount] with effect from [date] or such later date upon which the requirements of Clause 14.2 (*Effectiveness*) of the Dealer Agreement shall be fulfilled, subject always to the provisions of Clause 14.2 (*Effectiveness*) of the Dealer Agreement.

Unless we receive notice to the contrary from you no later than ten days after your receipt of this letter, you will (subject to our compliance with all matters contemplated in Clause 14.2 (*Effectiveness*) of the Dealer Agreement) be deemed to have consented to the increase in the Authorised Amount.

From the date upon which the increase in the Authorised Amount becomes effective, all references in the Dealer Agreement to the Programme and the Authorised Amount being in a certain principal amount shall be to the increased principal amount as specified herein.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law. The provisions of Clause 17 (*Law and Jurisdiction*) of the Dealer Agreement shall apply to this letter as if set out herein in full.

Yours faithfully,

For and on behalf of

INMOBILIARIA COLONIAL, SOCIMI, S.A.

By:

**SCHEDULE 9
NOTICE AND CONTACT DETAILS**

The Issuer

Inmobiliaria Colonial, SOCIMI, S.A.

Address: Avenida Diagonal 532
08006 Barcelona
Spain

Tel: +34 (93) 404 7900

Fax: +34 (93) 404 7975

Email: aarderiu@inmocolonial.com and mrodriguez@inmocolonial.com

Attention: Ángels Arderiu Ibars and Matías Rodríguez Montiel

The Dealers

Banco De Sabadell, S.A.

Address: Avenida Óscar Esplá 37
03007
Alicante
Spain

Telephone: +34 93 728 9671

Attention: Chief Financial Officer

Bankinter, S.A.

Address: Paseo de la Castellana, 29
28046 Madrid
Spain

Telephone: +34 91 339 83 03

Attention: Borja Uriarte

Barclays Bank Ireland PLC

Address: One Molesworth Street
Dublin 2
D02 RF29
Ireland

Email: MTNSNSyndicateEMEA@barclays.com

Attention: BBI MTN Syndicate

Barclays Bank PLC

Address: 5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom
Telephone: +44 (0)20 7773 9090
Attention: MTN Dealers
Email: mtndskldn@barclays.com

BNP Paribas

Address: 10 Harewood Avenue
London NW1 6AA
United Kingdom

Tel: +44 (0)20 7595 8601
Fax: +44 (0)20 7595 2555
Attention: MTN Desk

BofA Securities Europe SA

Address: 51 rue de la Boétie
75008 Paris
France

Tel: +33(0) 1 8770 0000
Email: dcm_eea@baml.com
Attention: EMTN Trading and Distribution Desk

CaixaBank, S.A.

Address: Paseo de la Castellana 51, 3rd floor
28046 Madrid
Spain

Telephone: +34 91 700 56 08 / +34 91 700 56 09 / +34 91 700 56 10
Attention: Debt Capital Markets
Email: lst.originacion.rf@caixabank.com; asanzpastor@caixabank.com;
mlafont@caixabank.com; araguiar@caixabank.com.

Crédit Agricole Corporate and Investment Bank

Address: 12, Place des Etats-Unis
CS 70052
92 547 Montrouge Cedex
France

Telephone: +33 (0) 14189 6787
Attention: DCM-Legal Department

Deutsche Bank AG, London Branch

Address: Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Email: db.dealerships@db.com
Attention: DB Dealerships

J.P. Morgan Securities plc

Address: 25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Email: EMTN_desk@jpmorgan.com
Attention: Euro Medium Term Note Desk

Mediobanca – Banca di Credito Finanziario S.p.A.

Address: Piazzetta Enrico Cuccia 1
20121 Milan
Italy

Telephone: +39 0 2882 9984
Email: MB_DCM_INTERNATIONAL_CORP@mediobanca.com
Attention: Nicola Vannucchi

Merrill Lynch International

Address: 2 King Edward Street
London EC1A 1HQ
United Kingdom

Telephone: +44 207 995 3966
Fax: +44 207 995 0048
Email: dcm_london@baml.com
Attention: EMTN Trading and Distribution Desk

Natixis

Address: BP 4
75060
Paris Cedex 02
France

Tel : +33 1 58 55 26 55 / 28 01

Fax: +33 1 58 55 27 99

Attention: Legal Department/Global Markets – Debt Solutions – Debt Capital Markets

NatWest Markets Plc

Address: 250 Bishopsgate
London EC2M 4AA
United Kingdom

Telephone: +44 20 7085 4154

Attention: EMTN Desk

NatWest Markets N.V.

Address: Claude Debussylaan 94
Amsterdam 1082 MD
The Netherlands

Telephone: + 31 20 464 2755

Facsimile: + 44 20 7085 2591

Email: stem@natwestmarkets.com

Attention: EMTN Desk

Société Générale

Address: 10 Bishops Square
London E1 6EG
United Kingdom

Telephone: +44 (0)20 7676 7329

Facsimile: + 44 (0)20 7072 3492

Email: Syndicate-mo@sgcib.com

Attention: Syndicate Desk GLFI/SYN/CAP/BND

Unicaja Banco

Address: Avenida de Andalucía 10-12
Málaga,
Spain

Telephone: + 34 91330 5844
Attention: Mr. Pablo González Martin

The Fiscal Agent

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London, EC2N 2DB

Fax: + 44 207 5476149
Email: tss-gds.eur@db.com
Attention: Debt & Agency Services

SCHEDULE 10
FORM OF TEMPORARY GLOBAL NOTE

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹²

INMOBILIARIA COLONIAL, SOCIMI, S.A.

*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR 5,000,000,000

Euro Medium Term Note Programme

TEMPORARY GLOBAL NOTE

1. INTRODUCTION

1.1 The Notes

This Temporary Global Note is issued in respect of the bearer notes (the "**Notes**") of Inmobiliaria Colonial, SOCIMI, S.A. (the "**Issuer**") described in the final terms (the "**Final Terms**") a copy of which is annexed hereto. A public deed (*escritura pública*) in relation to the Notes has been executed on [•] before the Notary of [•], [•], with number [•] of his/her protocol. The Notes:

- 1.1.1 *Deed of Covenant*: (insofar as they are represented by this Temporary Global Note) have the benefit of a deed of covenant dated 19 December 2019 (the "**Deed of Covenant**") executed by the Issuer; and
- 1.1.2 *Agency Agreement*: are the subject of an amended and restated issue and paying agency agreement dated 19 December 2019 (the "**Agency Agreement**") made between the Issuer and Deutsche Bank AG, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes).

1.2 Construction

All references in this Temporary Global Note to an agreement, instrument or other document (including the Agency Agreement and the Deed of Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time *provided that*, in the case of any amendment, supplement, replacement or novation made after the date hereof, it is

¹² Legend to appear on every Note with a maturity of more than one year.

made in accordance with the Conditions. Headings and sub-headings are for ease of reference only and shall not affect the construction of this Temporary Global Note.

1.3 **References to Conditions**

Any reference herein to the "**Conditions**" is to the Conditions as defined in the Agency Agreement, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Temporary Global Note.

2. **PROMISE TO PAY**

2.1 **Pay to bearer**

The Issuer, for value received, promises to pay to the bearer of this Temporary Global Note, in respect of each Note represented by this Temporary Global Note, the Redemption Amount on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions (or to pay such other amounts of principal on such dates as may be specified in the Final Terms), and to pay interest on each such Note on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions; *provided, however, that* such interest shall be payable only:

2.1.1 *Before the Exchange Date*: in the case of interest falling due before the Exchange Date (as defined below), to the extent that a certificate or certificates issued by Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), together with Euroclear, the international central securities depositaries or "**ICSDs**") and/or any other relevant clearing system dated not earlier than the date on which such interest falls due and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto is/are delivered to the Specified Office of the Fiscal Agent; or

2.1.2 *Failure to exchange*: in the case of interest falling due at any time, to the extent that the Issuer has failed to procure the exchange for a permanent global note of that portion of this Temporary Global Note in respect of which such interest has accrued.

2.2 **NGN Principal Amount**

If the Final Terms specify that the New Global Note form is applicable, this Temporary Global Note shall be a "**New Global Note**" or "**NGN**" and the principal amount of Notes represented by this Temporary Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression in this Temporary Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Temporary

Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Temporary Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

2.3 **CGN Principal Amount**

If the Final Terms specify that the New Global Note form is not applicable, this Temporary Global Note shall be a "**Classic Global Note**" or "**CGN**" and the principal amount of Notes represented by this Temporary Global Note shall be the amount stated in the Final Terms or, if lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in Schedule 1 (*Payments, Exchange and Cancellation of Notes*).

3. **NEGOTIABILITY**

This Temporary Global Note is negotiable and, accordingly, title to this Temporary Global Note shall pass by delivery.

4. **EXCHANGE**

4.1 Permanent Global Note

If the Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then on or after the day following the expiry of 40 days after the date of issue of this Temporary Global Note (the "**Exchange Date**"), the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note (which expression has the meaning given in the Agency Agreement) in accordance with the Agency Agreement to the bearer of this Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

4.1.1 *Presentation and surrender:* presentation and (in the case of final exchange) presentation and surrender of this Temporary Global Note to or to the order of the Fiscal Agent; and

4.1.2 *Certification:* receipt by the Fiscal Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the Exchange Date and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent; *provided, however, that* in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by this Temporary Global Note.

4.2 **Definitive Notes; Not D Rules**

If the Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specify that the C Rules are applicable or that neither the C Rules or the D Rules are applicable, then on or after the day following the expiry of 40 days after the date of issue of this Temporary Global Note (the "**Exchange Date**"), the Issuer shall procure the delivery of Definitive Notes (which expression has the meaning given in the Agency Agreement) in accordance with the Agency Agreement with Coupons and Talons (if so specified in the Final Terms) attached and in an aggregate principal amount equal to the principal amount of Notes represented by this Temporary Global Note to the bearer of this Temporary Global Note against presentation and surrender of this Temporary Global Note to or to the order of the Fiscal Agent.

4.3 **Definitive Notes; D Rules**

If the Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the D Rules are applicable, then on or after the day following the expiry of 40 days after the date of issue of this Global Note (the "**Exchange Date**"), the Issuer shall procure the delivery of Definitive Notes (which expression has the meaning given in the Agency Agreement) in accordance with the Agency Agreement with Coupons and Talons (if so specified in the Final Terms) attached against:

- 4.3.1 *Presentation and surrender:* presentation and (in the case of final exchange) surrender of this Temporary Global Note to or to the order of the Fiscal Agent; and
- 4.3.2 *Certification:* receipt by the Fiscal Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the Exchange Date and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto.

The Definitive Notes so delivered from time to time shall be in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent; *provided, however, that* in no circumstances shall the aggregate principal amount of Definitive Notes so delivered exceed the initial principal amount of Notes represented by this Temporary Global Note.

5. **DELIVERY OF PERMANENT GLOBAL OR DEFINITIVE NOTES**

5.1 **Permanent Global Note**

Whenever any interest in this Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of this Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of Notes represented by such

Permanent Global Note in accordance with its terms, in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of this Temporary Global Note to or to the order of the Fiscal Agent within 7 days of the bearer requesting such exchange.

5.2 **Definitive Notes**

Whenever this Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by this Temporary Global Note to the bearer of this Temporary Global Note against the surrender of this Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

6. **FAILURE TO DELIVER PERMANENT GLOBAL OR DEFINITIVE NOTES OR TO REPAY**

If:

6.1 *Permanent Global Note*: the Permanent Global Note has not been delivered or the principal amount thereof increased in accordance with paragraph 5 (*Delivery of Permanent Global Note or Definitive Notes*) above by 5.00 p.m. (London time) on the seventh day after the bearer has requested exchange of an interest in this Temporary Global Note for an interest in a Permanent Global Note; or

6.2 *Definitive Notes*: Definitive Notes have not been delivered in accordance with paragraph 5 (*Delivery of Permanent Global Note or Definitive Notes*) above by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of this Temporary Global Note for Definitive Notes; or

6.3 *Payment default*: this Temporary Global Note (or any part hereof) has become due and payable in accordance with the Conditions or the date for final redemption of this Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of this Temporary Global Note on the due date for payment,

then this Temporary Global Note (including the obligation to deliver a Permanent Global Note or Definitive Notes (as the case may be)) will become void at 5.00 p.m. (London time) on such seventh day (in the case of 6.1 (*Permanent Global Note*)) or at 5.00 p.m. (London time) on such thirtieth day (in the case of 6.2 (*Definitive Notes*)) or at 5.00 p.m. (London time) on such due date (in the case of 6.3 (*Payment default*)) and the bearer of this Temporary Global Note will have no further rights hereunder (but without prejudice to the rights which the bearer of this Temporary Global Note or others may have under the Deed of Covenant). The Deed of Covenant has been deposited at the Specified Office of the Fiscal Agent and a copy of it may be inspected at the Specified Office of each Paying Agent.

7. **WRITING DOWN**

On each occasion on which:

- 7.1 *Permanent Global Note*: the Permanent Global Note is delivered or the principal amount of Notes represented thereby is increased in accordance with its terms in exchange for a further portion of this Temporary Global Note; or
- 7.2 *Definitive Notes*: Definitive Notes are delivered in exchange for this Temporary Global Note; or
- 7.3 *Cancellation*: Notes represented by this Temporary Global Note are to be cancelled in accordance with Condition 10(l) (*Cancellation*),

the Issuer shall procure that:

- 7.3.1 if the Final Terms specify that the New Global Note form is not applicable, (i) the principal amount of Notes represented by the Permanent Global Note, the principal amount of such increase or (as the case may be) the aggregate principal amount of such Notes and (ii) the remaining principal amount of Notes represented by this Temporary Global Note (which shall be the previous principal amount of Notes represented by this Temporary Global Note less the aggregate of the amounts referred to in (i)) are entered in Schedule 1 (*Payments, Exchange and Cancellation of Notes*) hereto, whereupon the principal amount of Notes represented by this Temporary Global Note shall for all purposes be as most recently so entered; and
- 7.3.2 if the Final Terms specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered pro rata in the records of the ICSDs.

8. **PAYMENTS**

8.1 **Recording of Payments**

Upon any payment being made in respect of the Notes represented by this Temporary Global Note, the Issuer shall procure that:

- 8.1.1 *CGN*: if the Final Terms specify that the New Global Note form is not applicable, details of such payment shall be entered in Schedule 1 (*Payments, Exchange and Cancellation of Notes*) hereto and, in the case of any payment of principal, the principal amount of the Notes represented by this Temporary Global Note shall be reduced by the principal amount so paid; and
- 8.1.2 *NGN*: if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Temporary Global Note shall be reduced by the principal amount so paid.

8.2 Discharge of Issuer's obligations

Payments due in respect of Notes for the time being represented by this Temporary Global Note shall be made to the bearer of this Temporary Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

9. CONDITIONS APPLY

Until this Temporary Global Note has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Temporary Global Note shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the holder of Definitive Notes and any related Coupons and Talons in the smallest Specified Denomination and in an aggregate principal amount equal to the principal amount of the Notes represented by this Temporary Global Note.

10. NOTICES

Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by this Temporary Global Note (or by this Temporary Global Note and the Permanent Global Note) and this Temporary Global Note is (or this Temporary Global Note and the Permanent Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Agency Agreement), notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with the Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin (www.ise.ie).

11. AUTHENTICATION

This Temporary Global Note shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank AG, London Branch as fiscal agent.

12. EFFECTUATION

If the Final Terms specify that the New Global Note form is applicable, this Temporary Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.

13. GOVERNING LAW

This Temporary Global Note and any non-contractual obligations arising out of or in connection with it are governed by English law.

AS WITNESS the [manual/facsimile] signature of a duly authorised person for and on behalf of the Issuer.

INMOBILIARIA COLONIAL, SOCIMI, S.A.

By:
[*manual or facsimile signature*]
(*Director*)

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of
DEUTSCHE BANK AG, LONDON BRANCH as fiscal agent without
recourse, warranty or liability

By:
[*manual signature*]
(*duly authorised*)

EFFECTUATED for and on behalf of

.....
as common safekeeper without
recourse, warranty or liability

By:
[*manual signature*]
(*duly authorised*)

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Schedule 2

Form of Accountholder's Certification

INMOBILIARIA COLONIAL, SOCIMI, S.A.

*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR [•]

[*title of Notes*]

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (a) are owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("**United States persons**"), (b) are owned by United States person(s) that (i) are foreign branches of a United States financial institution (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(v)) ("**financial institutions**") purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the issuer or the issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in clause (c) (whether or not also described in clause (a) or (b)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "**United States**" means the United States of America (including the States and the District of Columbia); and its "**possessions**" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to [*currency*] [*amount*] of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange and delivery of definitive Securities (or, if relevant, exercise of any rights or collection of any interest) cannot be made until we do so certify.

Schedule 3

Form of Euroclear/Clearstream, Luxembourg Certification

INMOBILIARIA COLONIAL, SOCIMI, S.A.

*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR [•]

[title of Notes]

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our "**Member Organisations**") substantially to the effect set forth in the temporary global note issued in respect of the securities, as of the date hereof, [*currency*] [*amount*] principal amount of the above-captioned Securities (a) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("**United States persons**"), (b) is owned by United States persons that (i) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(v)) ("**financial institutions**") purchasing for their own account or for resale, or (ii) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in clause (c) (whether or not also described in clause (a) or (b)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

We further certify (1) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary global security excepted in such certifications and (2) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made by such Member Organisations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is

SCHEDULE 11
FORM OF PERMANENT GLOBAL NOTE

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹⁴

INMOBILIARIA COLONIAL, SOCIMI, S.A.
*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR 5,000,000,000
Euro Medium Term Note Programme

PERMANENT GLOBAL NOTE

1. INTRODUCTION

1.1 The Notes

This Global Note is issued in respect of the bearer notes (the "**Notes**") of Inmobiliaria Colonial, SOCIMI, S.A. (the "**Issuer**") described in the final terms (the "**Final Terms**") a copy of which is annexed hereto. A public deed (*escritura pública*) in relation to the Notes has been executed on [•] before the Notary of [•], [•], with number [•] of his/her protocol. The Notes:

- 1.1.1 *Deed of Covenant*: (insofar as they are represented by this Global Note) have the benefit of a deed of covenant dated 19 December 2019 (the "**Deed of Covenant**") executed by the Issuer; and
- 1.1.2 *Agency Agreement*: are the subject of an amended and restated issue and paying agency agreement dated 19 December 2019 (the "**Agency Agreement**") made between the Issuer and Deutsche Bank AG, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes).

1.2 Construction

All references in this Global Note to an agreement, instrument or other document (including the Agency Agreement and the Deed of Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time *provided that*, in the case of any amendment, supplement, replacement or novation made after the date hereof, it is made

¹⁴ Legend to appear on every Note with a maturity of more than one year.

in accordance with the Conditions. Headings and sub-headings are for ease of reference only and shall not affect the construction of this Global Note.

1.3 **References to Conditions**

Any reference herein to the "**Conditions**" is to the Terms and Conditions of the Notes set out in Schedule 2 (*Terms and Conditions of the Notes*) hereto, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Global Note.

2. **PROMISE TO PAY**

2.1 **Pay to bearer**

The Issuer, for value received, promises to pay to the bearer of this Global Note, in respect of each Note represented by this Global Note, the Redemption Amount on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions (or to pay such other amounts of principal on such dates as may be specified in the Final Terms), and to pay interest on each such Note on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

2.2 **NGN Principal Amount**

If the Final Terms specify that the New Global Note form is applicable, this Global Note shall be a "**New Global Note**" or "**NGN**" and the principal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression in this Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

2.3 **CGN Principal Amount**

If the Final Terms specify that the New Global Note form is not applicable, this Global Note shall be a "**Classic Global Note**" or "**CGN**" and the principal amount of Notes represented by this Global Note shall be the amount stated in the Final Terms or, if lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in Schedule 1 (*Payments, Exchange and Cancellation of Notes*).

3. **NEGOTIABILITY**

This Global Note is negotiable and, accordingly, title to this Global Note shall pass by delivery.

4. **EXCHANGE**

This Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of this Global Note, for Definitive Notes (which expression has the meaning given in the Agency Agreement) in accordance with the Agency Agreement:

4.1 *Upon notice*: on the expiry of such period of notice as may be specified in the Final Terms; or

4.2 *Upon demand*: at any time, if so specified in the Final Terms; or

4.3 *In limited circumstances*: if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

4.3.1 *Closure of clearing systems*: Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**", together with Euroclear, the international central securities depositories or "**ICSDs**") or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

4.3.2 *Event of Default*: any of the circumstances described in Condition 13 (*Events of Default*) occurs.

5. **DELIVERY OF DEFINITIVE NOTES**

Whenever this Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by this Global Note to the bearer of this Global Note against the surrender of this Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

6. **FAILURE TO DELIVER DEFINITIVE NOTES OR TO REPAY**

If:

6.1 *Failure to deliver Definitive Notes*: Definitive Notes have not been delivered in accordance with paragraph 5 (*Delivery of Definitive Notes*) above by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of this Global Note for Definitive Notes; or

6.2 *Temporary global note becomes void*: this Global Note was originally issued in exchange for part only of a temporary global note representing the Notes and such temporary global note becomes void in accordance with its terms; or

6.3 *Payment default*: this Global Note (or any part hereof) has become due and payable in accordance with the Conditions or the date for final redemption of this Global Note has

occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of this Global Note on the due date for payment,

then this Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of 7.1 (*Failure to deliver Definitive Notes*)) or at 5.00 p.m. (London time) on the date on which such temporary global note becomes void (in the case of 7.2 (*Temporary global note becomes void*)) or at 5.00 p.m. (London time) on such due date (in the case of 7.3 (*Payment default*)) and the bearer of this Global Note will have no further rights hereunder (but without prejudice to the rights which the bearer of this Global Note or others may have under the Deed of Covenant). The Deed of Covenant has been deposited at the Specified Office of the Fiscal Agent and a copy of it may be inspected at the Specified Office of each Paying Agent.

7. **WRITING DOWN**

On each occasion on which:

7.1 *Payment of principal*: a payment of principal is made in respect of this Global Note;

7.2 *Definitive Notes*: Definitive Notes are delivered; or

7.3 *Cancellation*: Notes represented by this Global Note are to be cancelled in accordance with Condition 10(1) (*Cancellation*),

the Issuer shall procure that:

7.3.1 if the Final Terms specify that the New Global Note form is not applicable, (a) the amount of such payment and the aggregate principal amount of such Notes; and (b) the remaining principal amount of Notes represented by this Global Note (which shall be the previous principal amount hereof less the aggregate of the amounts referred to in (a) above) are entered in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and Cancellation of Notes*) hereto, whereupon the principal amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and

7.3.2 if the Final Terms specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered pro rata in the records of the ICSDs.

8. **WRITING UP**

8.1 **Initial Exchange**

If this Global Note was originally issued in exchange for part only of a temporary global note representing the Notes, then all references in this Global Note to the principal amount of Notes represented by this Global Note shall be construed as references to the principal amount of Notes represented by the part of the temporary global note in exchange for which this Global Note was originally issued which the Issuer shall procure:

- 8.1.1 *CGN*: if the Final Terms specify that the New Global Note form is not applicable, is entered in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and Cancellation of Notes*) hereto, whereupon the principal amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and
- 8.1.2 *NGN*: if the Final Terms specify that the New Global Note form is applicable, is entered by the ICSDs in their records.

8.2 **Subsequent Exchange**

If at any subsequent time any further portion of such temporary global note is exchanged for an interest in this Global Note, the principal amount of Notes represented by this Global Note shall be increased by the amount of such further portion, and the Issuer shall procure that the principal amount of Notes represented by this Global Note (which shall be the previous principal amount of Notes represented by this Global Note *plus* the amount of such further portion) is:

- 8.2.1 *CGN*: if the Final Terms specify that the New Global Note form is not applicable, entered in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and Cancellation of Notes*) hereto, whereupon the principal amount of this Global Note shall for all purposes be as most recently so entered; and
- 8.2.2 *NGN*: if the Final Terms specify that the New Global Note form is applicable, entered by the ICSDs in their records.

9. **PAYMENTS**

9.1 **Recording of Payments**

Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:

- 5.1.1 *CGN*: if the Final Terms specify that the New Global Note form is not applicable, details of such payment shall be entered in Schedule 1 (*Payments, Exchange and Cancellation of Notes*) hereto and, in the case of any payment of principal, the principal amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and
- 5.1.2 *NGN*: if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.

9.2 **Discharge of Issuer's obligations**

Payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

10. **CONDITIONS APPLY**

Until this Global Note has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Global Note shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the holder of Definitive Notes and any related Coupons and Talons in the smallest Specified Denomination and in an aggregate principal amount equal to the principal amount of Notes represented by this Global Note.

11. **EXERCISE OF PUT OPTION**

In order to exercise the option contained in Condition 10(g) (*Redemption at the option of Noteholders*) (the "**Put Option**"), the bearer of this Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and Put Option Notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

12. **EXERCISE OF CALL OPTION**

In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, this Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

13. **NOTICES**

Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by this Global Note (or by this Global Note and a temporary global note) and this Global Note is (or this Global Note a temporary global note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Agency Agreement), notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with the Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Irish Stock Exchange and it is a requirement of applicable law or regulations, such notices shall also be

published in a leading newspaper having general circulation in Ireland or published on the website of the Irish Stock Exchange (www.ise.ie).

14. **AUTHENTICATION**

This Global Note shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank AG, London Branch as fiscal agent.

15. **EFFECTUATION**

If the Final Terms specify that the New Global Note form is applicable, this Permanent Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.

16. **GOVERNING LAW**

This Global Note and any non-contractual obligations arising out of or in connection with it are governed by English law.

AS WITNESS the [manual/facsimile] signature of a duly authorised person for and on behalf of the Issuer.

INMOBILIARIA COLONIAL, SOCIMI, S.A.

By:
[*manual or facsimile signature*]
(*duly authorised*)

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of
DEUTSCHE BANK AG LONDON BRANCH as fiscal agent without
recourse, warranty or liability

By:
[*manual signature*]
(*Director*)

EFFECTUATED for and on behalf of

.....
as common safekeeper without
recourse, warranty or liability

By:
[*manual signature*]
(*duly authorised*)

SCHEDULE 2

TERMS AND CONDITIONS OF THE NOTES

[Terms and Conditions to be inserted]

SCHEDULE 12
FORM OF DEFINITIVE NOTE

[On the face of the Note:]

[currency][denomination]

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹⁶

INMOBILIARIA COLONIAL, SOCIMI, S.A.

*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR [•]

[fixed rate Floating Rate] Notes due [maturity]

This Note is one of a series of notes (the "**Notes**") of Inmobiliaria Colonial, SOCIMI, S.A. (the "**Issuer**") described in the final terms (the "**Final Terms**") a copy of the relevant particulars of which is endorsed on this Note. Any reference herein to the "**Conditions**" is to the Terms and Conditions of the Notes endorsed on this Note, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Note.

A public deed (*escritura pública*) in relation to the Notes has been executed on [•] before the Notary of [•], [•], with number [•] of his/her protocol.

The Issuer, for value received, promises to pay to the bearer of this Note the Redemption Amount on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions (or to pay such other amounts of principal on such dates as may be specified in the Final Terms, and to pay interest on this Note on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

This Note shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank AG, London Branch as fiscal agent.

¹⁶ Legend to appear on every Note with a maturity of more than one year.

This Note and any non-contractual obligations arising out of or in connection with it are governed by English law.

AS WITNESS the facsimile signature of a duly authorised person for and on behalf of the Issuer.

INMOBILIARIA COLONIAL, SOCIMI, S.A.

By:
[*manual or facsimile signature*]
(*Director*)

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of
DEUTSCHE BANK AG, LONDON BRANCH as fiscal agent without
recourse, warranty or liability

By:
[*manual signature*]
(*duly authorised*)

[On the reverse of the Note:]

FINAL TERMS

The following is a copy of the relevant particulars of the Final Terms.

TERMS AND CONDITIONS

[As set out in the Base Prospectus]

[At the foot of the Terms and Conditions:]

FISCAL AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London, EC2N 2DB

Form of Coupon

[On the face of the Coupon:]

[For Fixed Rate Notes]

INMOBILIARIA COLONIAL, SOCIMI, S.A.
EUR [•] [fixed rate] Notes due [maturity]

Coupon for [currency][amount of interest payment] due on [interest payment date].

Such amount is payable, subject to the terms and conditions (the "**Conditions**") endorsed on the Note to which this Coupon relates (which are binding on the holder of this Coupon whether or not it is for the time being attached to such Note), against presentation and surrender of this Coupon at the specified office for the time being of any of the agents shown on the reverse of this Coupon (or any successor or additional agents appointed from time to time in accordance with the Conditions).

[For Floating Rate Notes]

INMOBILIARIA COLONIAL, SOCIMI, S.A.
EUR [•] Floating Rate Notes due [maturity]

This Coupon relates to a Note in the denomination of [currency] [amount].

Coupon for the amount of interest due on the Interest Payment Date falling in [month and year].

Such amount is payable, subject to the terms and conditions (the "**Conditions**") endorsed on the Note to which this Coupon relates (which are binding on the holder of this Coupon whether or not it is for the time being attached to such Note), against presentation and surrender of this Coupon at the specified office for the time being of any of the agents shown on the reverse of this Coupon (or any successor or additional agents appointed from time to time in accordance with the Conditions).

The Note to which this Coupon relates may, in certain circumstances specified in the Conditions, fall due for redemption before the maturity date of this Coupon. In such event, this Coupon shall become void and no payment will be made in respect hereof.

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹⁷

¹⁷ Legend to appear on every Coupon relating to a Note with a maturity of more than one year.

[On the reverse of the Coupon:]

Fiscal Agent: Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London, EC2N 2DB

Form of Talon

[On the face of the Talon:]

INMOBILIARIA COLONIAL, SOCIMI, S.A.

EUR [•] [Floating Rate] Notes due [maturity]

Talon for further Coupons.

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of the Coupon Sheet to which this Talon is (or was at the time of issue) attached, this Talon may be exchanged at the specified office for the time being of the fiscal agent shown on the reverse of this Talon (or any successor fiscal agent appointed from time to time in accordance with the terms and conditions (the "**Conditions**") of the Notes to which this Talon relates) for a further Coupon Sheet (including a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to the Conditions).

The Note to which this Talon relates may, in certain circumstances specified in the Conditions, fall due for redemption before the maturity date of such final Coupon. In such event, this Talon shall become void and no Coupon will be delivered in respect hereof.

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹⁸

[On the reverse of the Talon:]

Fiscal Agent: Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London, EC2N 2DB

¹⁸ Legend to appear on every Talon relating to a Note with a maturity of more than one year.

SCHEDULE 13

TERMS AND CONDITIONS OF THE BEARER NOTES

The following is the text of the terms and conditions which, save for the text in italics and subject to completion in accordance with the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Bearer Notes which are being (a) offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 1.4 of the Prospectus Regulation) or (b) admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Bearer Notes may complete any information in this Base Prospectus.

The terms and conditions applicable to any Bearer Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Bearer Notes while in Global Form” below.

1. Introduction

- (a) *Programme:* Inmobiliaria Colonial, SOCIMI, S.A. (the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to EUR5,000,000,000 in aggregate principal amount of notes in bearer form (the “**Bearer Notes**”) and in book-entry form. These terms and conditions relate to notes issued under the Programme in bearer form.
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a final terms (the “**Final Terms**”) which completes these terms and conditions (the “**Bearer Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Bearer Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Bearer Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an amended and restated fiscal agency agreement dated 19 December 2019 (the “**Agency Agreement**”) between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) *The Notes:* All subsequent references in these Bearer Conditions to “Bearer Notes” are to the Bearer Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer and on the Issuer’s website at www.inmocolonial.com.
- (e) *Summaries:* Certain provisions of these Bearer Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below and on the Issuer’s website at www.inmocolonial.com.
- (f) *Public Deed of Issuance:* If so required by Spanish law, the Issuer will execute a public deed (*escritura pública*) (the “**Public Deed of Issuance**”) before a Spanish Notary Public in relation to the Notes. The Public Deed of Issuance will contain, among other information, the terms and conditions of the Notes.

2. Interpretation

(a) *Definitions:* In these Bearer Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Authorised Officer**” means the Chief Executive Officer or the Chief Financial Officer of the Issuer, or anyone delegated by the Board of Directors of the Issuer;

“**Business Day**” means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next

calendar month, in which case it will be the first preceding day which is a Business Day;
and

- (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

- (e) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

“Calculation Amount” has the meaning given in the relevant Final Terms;

“Change of Control Period” means the period commencing on and including the Relevant Date in relation to a Change of Control of the Issuer and ending 90 days after the Change of Control of the Issuer (or such longer period for which the Bearer Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control of the Issuer) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

“Control” has the meaning assigned to that term in Article 42(1) of the Spanish Commercial Code;

“Coupon Sheet” means, in respect of a Bearer Note, a coupon sheet relating to the Bearer Note;

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Bearer Conditions or the relevant Final Terms and:

- (a) if **“Actual/Actual (ICMA)”** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

- (b) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation 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);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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 and D₁ is greater than 29, in which case D₂ will be 30”;

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

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

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 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; and

- (g) if “**30E/360 (ISDA)**” is so specified, 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,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“Discount Rate” will be as set out in the applicable Final Terms;

“Early Redemption Amount (Tax)” means, in respect of any Bearer Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“Early Termination Amount” means, in respect of any Bearer Note, its principal amount or such other amount as may be specified in these Bearer Conditions or the relevant Final Terms;

“EURIBOR” means, in respect of any Specified Currency and any Specified Period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

“Extraordinary Resolution” has the meaning given in the Agency Agreement;

“FA Selected Bond” means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Bearer Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Bearer Notes and of a comparable maturity to the remaining term of the Bearer Notes;

“Final Redemption Amount” means, in respect of any Bearer Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“Financial Adviser” means the entity so specified in the applicable Final Terms or, if not so specified or such entity is unable or unwilling to act, any financial adviser selected by the Issuer;

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed in whatever form;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the International Financial Reporting Standards (“**IFRS EU**”), be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding the deferred purchase price of assets or services acquired in the ordinary course of business or otherwise arising from normal trade credit;
- (g) amounts representing the balance deferred and unpaid for a period of more than 365 days of the

purchase price of any property except any amount that constitutes an accrued expense or trade payable;

- (h) shares which are expressed to be redeemable;
- (i) without double counting, any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (j) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above;

“Fixed Coupon Amount” has the meaning given in the relevant Final Terms;

“Group” means the Issuer and its Subsidiaries;

“Independent Financial Adviser” means an independent financial institution of international and reputable standing appointed by the Issuer in good faith and at its own expense;

“Interest Amount” means, in relation to a Bearer Note and an Interest Period, the amount of interest payable in respect of that Bearer Note for that Interest Period;

“Interest Commencement Date” means the Issue Date of the Bearer Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“Interest Determination Date” has the meaning given in the relevant Final Terms;

“Interest Payment Date” means any date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“Investment Grade Rating” means the following Ratings: (a) with respect to Standard & Poor’s, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); (b) with respect to Moody’s, any of the categories from and including Aaa to and including Baa3 (or equivalent successor categories); and (c) with respect to Fitch, any of the categories from and including AAA to and including BBB- (or equivalent successor categories);

“ISDA Definitions” means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Bearer Notes of the relevant Series (as specified in the relevant Final Terms) as

published by the International Swaps and Derivatives Association, Inc.);

“**Issue Date**” has the meaning given in the relevant Final Terms;

“**LIBOR**” means, in respect of any Specified Currency and any Specified Period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

“**Make Whole Exemption Period**” will be as set out in the applicable Final Terms;

“**Make Whole Reference Date**” will be set out in the relevant notice of redemption, such date to fall no earlier than the date falling 30 days prior to the date of such notice;

“**Margin**” has the meaning given in the relevant Final Terms;

“**Material Subsidiary**” means, at any relevant time, a Subsidiary of the Issuer:

- (a) whose total assets or gross revenues (or, where the Subsidiary in question prepares consolidated financial statements, whose total consolidated assets or gross consolidated revenues) at any relevant time represent no less than 10 per cent. of the total consolidated assets or gross consolidated revenues, respectively, of the Group, as calculated by reference to the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer and the latest accounts or six-monthly reports of each relevant Subsidiary (consolidated or, as the case may be, unconsolidated) prepared in accordance with IFRS EU, provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer relate, then for the purpose of applying each of the foregoing tests, the reference to the Issuer’s latest consolidated audited accounts or consolidated six-monthly reports shall be deemed to be a reference to such accounts or reports as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Issuer for the time being after consultation with the Issuer; or
- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Material Subsidiary;

“**Maturity Date**” has the meaning given in the relevant Final Terms;

“**Maximum Redemption Amount**” has the meaning given in the relevant Final Terms;

“**Minimum Redemption Amount**” has the meaning given in the relevant Final Terms;

a “**Negative Rating Event**” shall be deemed to have occurred if at such time as there is no rating assigned to the Bearer Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control of the Issuer seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Bearer Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least Investment Grade Rating by the end of the Change of Control Period;

“Non-Investment Grade Rating” means the following Ratings: (a) with respect to Standard & Poor’s, any of the categories below BBB- (or equivalent successor categories); (b) with respect to Moody’s, any of the categories below Baa3 (or equivalent successor categories); and (c) with respect to Fitch, any of the categories below BBB- (or equivalent successor categories);

“Optional Redemption Amount (Call)” means, in respect of any Bearer Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“Optional Redemption Amount (Put)” means, in respect of any Bearer Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“Optional Redemption Date (Call)” has the meaning given in the relevant Final Terms;

“Optional Redemption Date (Put)” has the meaning given in the relevant Final Terms;

“Participating Member State” means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

“Payment Business Day” means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“Permitted Security Interest” means any Security Interest created in respect of any Relevant Indebtedness of a company which has merged with the Issuer or one of its Subsidiaries or which has been acquired by the Issuer or one of its Subsidiaries, provided that such security was already in existence at the time of the merger or the acquisition, was not created for the purpose of financing the merger or the acquisition and is not increased in amount and not extended following the merger or the acquisition;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Pro Forma Unencumbered Total Assets Value” means the Unencumbered Total Assets Value as at the relevant Reference Date adjusted to include any event that has increased or decreased the Unencumbered Total Assets Value between the relevant Reference Date and the corresponding Reporting Date; and

“Pro Forma Unsecured Debt” means the Unsecured Debt as at the relevant Reference Date adjusted to include any event that has increased or decreased the Unsecured Debt between the relevant Reference Date and the corresponding Reporting Date.

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Bearer Note at the option of the Noteholder;

“Put Option Receipt” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Bearer Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Bearer Note at the option of the Noteholder;

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Bearer Notes specified in the relevant Final Terms;

“Rating Agency” means Moody’s Investors Service, Inc. (**“Moody’s”**), Fitch Ratings Ltd. (**“Fitch”**) or S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies Inc. (**“Standard & Poor’s”**) or any of their respective successors; and

“Ratings” means any ratings that may be assigned to the Bearer Notes by a Rating Agency from time to time, at the invitation of the Issuer or by its own volition.

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

“Reference Banks” has the meaning given in the relevant Final Terms or, if none, four major banks selected by an Independent Financial Adviser which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues;

“Redemption Margin” will be as set out in the applicable Final Terms;

“Reference Bond” shall be the bond so specified in the applicable Final Terms or, if not so specified or if no longer available, the FA Selected Bond;

“Reference Bond Price” means, with respect to any date of redemption: (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or (b) if the Financial Adviser obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

“Reference Bond Rate” means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

“Reference Date” means 30 June and 31 December of each year as the context requires;

“Reference Government Bond Dealer” means each of five banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

“Reference Government Bond Dealer Quotations” means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Make Whole Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

“Reference Price” has the meaning given in the relevant Final Terms;

“Reference Rate” means EURIBOR or LIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

“Regular Period” means:

- (a) in the case of Bearer Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Bearer Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Bearer Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“Relevant Potential Change of Control Announcement” means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control of the Issuer where within 180 days following the date of such announcement or statement, a Change of Control of the Issuer occurs;

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the

Noteholders;

“**Relevant Financial Centre**” has the meaning given in the relevant Final Terms;

“**Relevant Indebtedness**” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

“**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 Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given in the relevant Final Terms;

“**Remaining Term Interest**” means with respect to any Bearer Note, the aggregate amount of scheduled payment(s) of interest on such Bearer Note for the remaining term of such Bearer Note determined on the basis of the rate of interest applicable to such Bearer Note from and including the date on which such Bearer Note is to be redeemed by the Issuer in accordance with Condition 10(c).

“**Reporting Date**” means a date falling no later than 30 days after (i) the approval by the Issuer’s General Shareholders’ Meeting of the audited consolidated financial statements of the Issuer, with respect to a Reference Date falling on 31 December, or (ii) the approval by the Issuer’s board of directors of the Issuer’s semi-annual consolidated financial statements, with respect to a Reference Date falling on 30 June;

“**Reserved Matter**” means any proposal to change any date fixed for payment of principal or interest in respect of the Bearer Notes, to reduce the amount of principal or interest payable on any date in respect of the Bearer Notes, to alter the method of calculating the amount of any payment in respect of the Bearer Notes or the date for any such payment, to change the currency of any payment under the Bearer Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“**Secured Debt**” means, as at each Reference Date, that portion of the Total Debt that is secured by a Security Interest on any assets of the Group;

“**Security Interest**” means, without duplication, any mortgage, charge, pledge, lien or other security interest or other preferential interest or arrangement having a similar economic effect, excluding any right of set-off, but including any conditional sale or other title retention arrangement or any finance leases;

“**SFL**” means the French company Société Foncière Lyonnaise S.A.;

“**Similar Security**” means a reference bond or reference bonds issued by the German Federal Government having an actual or interpolated maturity comparable with the remaining term of the Bearer Notes that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bearer Notes;

“**Specified Currency**” has the meaning given in the relevant Final Terms;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Final Terms;

“**Subsidiary**” means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer;

“**Substantial Purchase Event**” shall be deemed to have occurred if at least 80 per cent. of the aggregate principal amount of the Bearer Notes of the relevant Series originally issued (which for these purposes shall include any further Bearer Notes of the same Series issued subsequently) is purchased by the Issuer or any Subsidiary of the Issuer (and in each case is cancelled in accordance with Condition 10(1));

“**Talon**” means a talon for further Coupons;

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

“**TARGET Settlement Day**” means any day on which TARGET2 is open for the settlement of payments in euro;

“**TARGET System**” means the TARGET2 system;

“**Total Assets of the Group**” means, as at each Reference Date, the aggregate value of the total assets of the Group as shown in the Issuer’s audited annual consolidated financial statements or in the Issuer’s semi-annual consolidated financial statements (as applicable) prepared as of the relevant Reference Date according to IFRS EU and adjusted to exclude any intangible assets and to include the unrealised capital gain arising from the revaluation of the assets for own use as reported in the relevant financial statements;

“**Total Debt**” means, as at each Reference Date, the aggregate amount of all Financial Indebtedness of the Group as shown in the Issuer’s audited annual consolidated financial statements or in the Issuer’s semi-annual consolidated financial statements (as applicable) for that Reference Date, excluding any derivative transaction entered into in connection with protection against or benefit from fluctuation of interest rates;

“**Treaty**” means the Treaty establishing the European Communities, as amended;

“**Voting Rights**” means, in respect of any person, the right generally to vote at a general meeting of shareholders of such person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

“**Unencumbered Total Assets Value**” means, as at each Reference Date, the value of the Total Assets of the Group which are not subject to a Security Interest as shown in the Issuer’s audited annual consolidated financial statements or in the Issuer’s semi-annual consolidated financial statements (as applicable) prepared as of the relevant Reference Date;

“**Unsecured Debt**” means, as at each Reference Date, that portion of the Total Debt that is not Secured Debt; and

“**Zero Coupon Note**” means a Bearer Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Bearer Conditions:

- (i) if the Bearer Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Bearer Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Bearer Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Bearer Note and any other amount in the nature of principal payable pursuant to these Bearer Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Bearer Conditions;
- (vi) references to Bearer Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Bearer Notes; and
- (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Bearer Notes.

3. **Form, Denomination and Title**

The Bearer Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination. Title to the Bearer Notes and the Coupons will pass by delivery. The holder of any Bearer Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Bearer Note under the Contracts (Rights of Third Parties) Act 1999.

4. **Status**

The Bearer Notes and Coupons constitute (subject to the provisions of Condition 5 (*Negative Pledge*)) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all time rank *pari passu* and without any preference among themselves except for any applicable legal and statutory exceptions. Upon insolvency of the Issuer, the obligations of the Issuer under the Bearer Notes shall (except for any applicable legal and statutory exceptions) at all times rank at least equally with all other unsecured and

unsubordinated obligations of the Issuer (unless they qualify as subordinated claims pursuant to article 92 of Law 22/2003 of 9 July, on Insolvency (*Ley Concursal*), as amended (the “**Spanish Insolvency Law**”) or equivalent legal provisions which replace it in the future).

Subject to the provisions of Condition 5 (Negative Pledge), in the event of insolvency (concurso) of the Issuer, under the Spanish Insolvency Law, claims relating to the Bearer Notes (which are not subordinated pursuant to article 92 of the Spanish Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Spanish Insolvency Law. Ordinary credits rank junior to credits against the insolvency estate (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank senior to subordinated credits.

Pursuant to article 59 of the Spanish Insolvency Law, the accrual of interest (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended as from the date of declaration of the insolvency of the Issuer. Interest on the Bearer Notes accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of article 92 of the Spanish Insolvency Law.

5. **Negative Pledge**

So long as any Bearer Note or Coupon remains outstanding (as defined in the Agency Agreement), the Issuer will not, and will ensure that none of its Material Subsidiaries (other than SFL will create, or have outstanding, any Security Interest (other than a Permitted Security Interest), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bearer Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

6. **Covenants**

For so long as any Bearer Note or Coupon remains outstanding (as defined in the Agency Agreement), the Issuer shall:

- (a) *Unencumbered Assets*: ensure that as at each Reference Date the Unencumbered Total Assets Value will be at least equal to the Unsecured Debt;
- (b) *Loan-to-Value Ratio*: ensure that as at each Reference Date the Loan-to-Value Ratio will be equal to or lower than 55%;

If the Loan-to-Value Ratio exceeds 55% as at each Reference Date, the Issuer undertakes to adopt the appropriate measures in order to restore the Loan-to-Value Ratio, including (without limitation) by means of a repayment of Indebtedness by making:

- (i) equity contributions from the shareholders; or
- (ii) assets disposals (which proceeds shall be applied for the repayment of Indebtedness),

in either case within 6 months (the “**LVR Rebalance Period**”) following the date on which the Issuer first becomes aware that the Loan-to-Value Ratio exceeds 55% (the “**LVR Rebalance Remedy**”).

The LVR Rebalance Remedy may not be exercised in two consecutive Calculation Periods, and in any event may not be exercised more than three times in total prior to the Maturity Date.

- (c) *Interest Coverage Ratio*: ensure that as at each Reference Date the Interest Coverage Ratio will be equal to or higher than 2.00x;
- (d) *Notice to Noteholders*: In addition to Condition 6(e) below, in the event that as at any Reference Date any covenant in Condition 6(a) to 6(c) above is breached (and, in the case of the covenants in Condition 6(a) and Condition 6(b), has not been remedied or a remedy is no longer available, as applicable), promptly (and in any event no later than the following relevant Reporting Date) notify the Noteholders in accordance with Condition 19 (*Notices*); and
- (e) *Certificate*: deliver a certificate to the Noteholders through the Fiscal Agent on each Reporting Date signed by one Authorised Officer of the Issuer, certifying that the Issuer is in compliance with the covenants set out in Conditions 6(a) to 6(c) above at the relevant Reference Date (or, if applicable, in respect of the covenant in Condition 6(a) only, is in compliance as at the relevant Reporting Date or in respect of the covenant in Condition 6(b) only, has been, and is, in compliance subject to the exercise of the LVR Rebalance Remedy), and containing (i) the formulae for the calculation of the relevant covenant, and (ii) a statement as to the correctness of such formulae. The Issuer shall deliver to the Noteholders through the Fiscal Agent a separate report issued by the Issuer's auditors setting out the procedures used to calculate the relevant covenant and reviewing the application of the formulae certified by the Issuer.
- (f) *Definitions*:

As used in this Condition 6:

"**Acceptable Bank**" means any bank or financial institution enjoying a rating of BB+ or above from Standard & Poor's Credit Market Services Limited ("**S&P**") or Fitch, or of Ba1 or above from Moody's.

"**CAPEX**" means the costs related to the new construction relating to office buildings, maintenance and refurbishment of the Rental Assets.

"**Cash**" means, at any time, a cash amount, immediately available or deposited into an account held by the Issuer or any of its wholly owned Subsidiaries, of which the Issuer or its wholly owned Subsidiaries are the sole holders and beneficiaries, provided that:

- (i) said cash is repayable within 30 days following the relevant calculation date;
- (i) the cash reimbursement does not depend on the prior payment of any other debt from any Group member or other person, or on the meeting of any other condition;
- (ii) there is no security over said that impedes its availability by the Issuer or its wholly owned Subsidiaries; and
- (iii) the cash amount is free and (except as provided in (i) above) immediately available for use towards early repayment of the Notes.

"**Cash-Equivalent Investments**" means, at all times:

- (i) deposit certificates with a maturity date within the year following the relevant calculation date, issued by an Acceptable Bank or other entity with a similar rating;

- (ii) any investment in negotiable debt obligations, issued by the government of the United States of America, the United Kingdom, any member of the European Economic Area, any Participating Member State, or any instrumental company or agency of any of these enjoying an equivalent rating, with maturity date within the year following the relevant calculation date, not convertible or exchangeable for any other title;
- (iii) a promissory note not able to be converted or exchanged for any other title:
 - (a) for which there is a recognised trading market;
 - (b) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
 - (c) with maturity during the year following the relevant calculation date; and
 - (d) enjoying a rating of A-1 or more, from S&P, or F1 or above from Fitch, or P-1 or above from Moody's, or, if the promissory note is rated by an issuer with an equivalent rating in relation to its unsecured long-term debt obligations, whose rating has not increased;
- (iv) any negotiable instrument entitled to a discount by the Bank of Spain or European Central Bank and, in any case, accepted by an Acceptable Bank or other similarly rated entity (or its equivalent uncapitalised amount);
- (v) any investment accessible within a 30-day term in monetary market funds, which (i) enjoys a rating of A-1 or above from S&P, or F1 or above from Fitch, or P-1 or above from Moody's, and (ii) essentially invests all its assets in securities of the kind described in (i) to (iv) above.

in any case, which are owned exclusively by the Issuer or any member of the Group (excluding SFL), not issued or secured by any Group member or subject to any security granted in favour of third parties not belonging to the Group.

“**Current Assets**” mean the commercial credit rights and other current assets, with maturity of less than 12 months after their computation date, excluding:

- (i) Cash and Cash-Equivalent Investments;
- (ii) credit rights related to Tax;
- (iii) extraordinary items, exceptional items and other non-operating items; and
- (iv) insurance claims.

“**Current Liabilities**” means the liabilities (including trade creditors and other current liabilities and accrued expenses) falling due within 12 months from the date of computation but excluding:

- (i) Indebtedness;
- (i) liabilities for Tax;
- (ii) extraordinary items, exceptional items and other non-operating items; and
- (iii) insurance claims.

"**EBITDA**" means the difference between Rental Income and Operating Expenses.

"**EPRA NAV**" means the latest net asset value (excluding transfer costs) provided by a company that follows the rules of the European Public Real Estate Association (EPRA).

"**General Costs**" all costs incurred by the Issuer or any of its 100% owned Subsidiaries that cannot be directly attributed to any Rental Assets, specifically including, without limitation, staff expenses and costs, expenses and costs incurred by advisors, remuneration of the Board of Directors, banking services, expenses and costs related to advertising and public relations (excluding those one off extraordinary costs or expenses incurred once and which are not susceptible to be repeated in the future).

"**Indebtedness**" means, at all times, the sum of all amounts due by a debtor by virtue of the following:

- (i) amounts borrowed on loan (whether under a loan agreement or a credit facility);
- (i) amounts resulting from the issue of bonds, obligations, promissory notes, bills of exchange or any other similar instrument;
- (ii) amounts due by virtue of financial leasing agreements;
- (iii) amounts received further to the assignment or discount of bills, commercial effects and other credit rights except for (i) non-recourse assignments; and (ii) the invoices set up by means of the "*Norma 19*";
- (iv) amounts obtained through any other interest-bearing operation with the same commercial effects as a loan (including trading with futures or sales subject to a repurchase option);
- (v) transactions with derivative instruments that are not used to hedge the interest rate risk or currency fluctuation risk in relation to any financial indebtedness or that can be considered speculative (on the understanding that such transactions will be valued in market value terms);
- (vi) counterguarantees granted in connection with endorsements or any other financial guarantees issued by credit entities (without double counting); and
- (vii) without double-counting, the amount of any due and payable liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vii) above.

"**Interest Coverage Ratio**" means, on each Reference Date, the percentage ratio resulting from dividing (i) the Recurring Cash Flow (based on the 12 months immediately preceding the relevant Reference Date) by (ii) the interest paid under the Total Colonial Debt (based on the 12 months immediately preceding the relevant Reference Date).

"**Loan-to-Value Ratio**" means the percentage ratio resulting from dividing the:

- (i) Total Colonial Debt, by the
 - (ii) Total Asset Value of Colonial,
- with respect to each Reference Date.

"**Operating Expenses**" means any expenses incurred (or to be incurred, as the case may be), in relation to any Rental Asset of the Issuer or any of its 100% owned Subsidiaries, which are necessary for its adequate operation and maintenance further to accounting standards applicable in Spain, including without limitation: repairs, maintenance, warranty, taxes, insurance, marketing.

"Recurring Cash Flow" means (without double counting) the result of:

- (i) EBITDA (which includes, for the sake of clarity, the real property tax),
- (ii) *plus* the dividends of its Subsidiaries (including Torre Marenstrum, S.L.) not entirely owned,
- (iii) *minus* the General Costs,
- (iv) *plus/minus* any changes in Working Capital (Spain),
- (v) *plus/minus* any maintenance CAPEX (Spain).

"Rental Assets" means any real estate assets owned by the Issuer or its 100% owned Subsidiaries, actually generating (or which could potentially generate) Rental Income.

"Rental Income" means all amounts paid or payable to (or to the benefit of) the Issuer, derived from the lease, use, enjoyment or occupation of all or part of the Rental Assets owned by the Issuer or companies in which the Issuer holds 100% of their shares, including (without limitation and without double counting):

- (i) leases, licence duties and equivalent sums, reserved or payable;
- (ii) insurance income for the loss of leases or lease interests;
- (iii) bills for the execution, cancellation or change of any lease, or the fair value thereof;
- (iv) any income from service costs related to any lease;
- (v) payments made due to the breach of an obligation or damage caused under any lease to the Rental Assets, and for expenses incurred in relation to such breach;
- (vi) any unrecoverable contribution made by a tenant under a lease;
- (vii) interest, damages or compensation in relation to any of the items within the definition; and
- (viii) any payment or other distribution received or collected from a guarantor, or other security over any of the items listed in this definition.

"SFL Shares" means the shares representing the capital stock of SFL.

"SFL Shares Owned by Colonial " means the SFL Shares that at any given time are owned, directly or indirectly, by the Issuer.

"Tax" means any tax, duty, rate, levy or other charge or withholding of a similar nature (including any sanction or default interest accrued in relation to any non-payment or delayed payment thereof).

"Total Asset Value of Colonial" means the value resulting from adding:

- (i) the market value of the real estate assets held by the Issuer and its wholly owned Subsidiaries, according to the latest Valuation Report; plus
- (ii) the number of SFL Shares Owned by Colonial, multiplied by the latest EPRA NAV of SFL; plus
- (iii) the net asset value of the shares and participations of Subsidiaries not entirely owned, directly or indirectly held by the Issuer; plus

- (iv) the Treasury Shares, valued in accordance with the latest reported net asset value.

"Total Colonial Debt" means the amount drawn down and pending repayment as Indebtedness undertaken by the Issuer and/or any of its wholly owned Subsidiaries, any interest accrued and not paid under said Indebtedness; and any other liquid amount not paid to the relevant creditors, all net of Cash and the Cash-Equivalent Investments of the Issuer.

"Treasury Shares" means the Shares of the Issuer that at any given time are owned by the Issuer.

"Valuer" means CBRE, Jones Lang Lasalle, Cushman & Wakefield, Savills, Aguirre Newman or Knight Frank or, such other entity of recognised international standing as may be selected by the Issuer.

"Valuation Report" means the latest "RICS" (Royal Institution of Chartered Surveyors Appraisal and Valuation Standards) Valuation Report for the real estate assets of the Issuer (and its Subsidiaries -excluding SFL-), issued by the Valuer within six months before the date on which it will be used to determine the Total Asset Value of Colonial.

"Working Capital" means, at any date, the Issuer's Current Assets minus its Current Liabilities.

7. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 7 (*Fixed Rate Note Provisions*) is applicable to the Bearer Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Bearer Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Bearer Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bearer Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Bearer Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Bearer Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Bearer Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Bearer Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

8. **Floating Rate Note Provisions (other than Floating Rate Notes referencing SONIA)**

- (a) *Application:* This Condition 8 (*Floating Rate Note Provisions*) is applicable to the Bearer Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) *Accrual of interest:* The Bearer Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Bearer Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 8 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bearer Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Bearer Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Bearer Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
- (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;
- provided, however, that*** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;
- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, an Independent Financial Adviser shall:
- (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (B) determine the arithmetic mean of such quotations; and

- (v) if fewer than two such quotations are provided as requested, an Independent Financial Adviser shall determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by any one or more major banks in the Principal Financial Centre of the Specified Currency, selected by the Independent Financial Adviser, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Bearer Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Bearer Notes in respect of a preceding Interest Period.

(vi) *Benchmark Replacement:*

- (i) If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall notify the Calculation Agent of the occurrence of such Benchmark Event and use its reasonable endeavours to appoint as soon as reasonably practicable, at the Issuer's own expense, an Independent Adviser to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 8(c)(vi)(iii)) and, in either case, an Adjustment Spread (in accordance with Condition 8(c)(vi)(iv)) and any Benchmark Amendments (in accordance with Condition 8(c)(vi)(v)).

An Independent Adviser appointed pursuant to this Condition 8(c)(vi)(i) shall act in good faith and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 8(c)(vi).

- (ii) If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 8(c)(vi)(iii) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Bearer Notes in respect of the preceding Interest Period (or alternatively if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period). For the avoidance of doubt, this Condition 8(c)(vi)(ii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 8(c)(vi).
- (iii) If the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 8(c)(vi)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Bearer Notes (subject to the operation of this Condition 8(c)(vi)); or
- (A) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 8(c)(vi)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Bearer Notes (subject to the operation of this Condition 8(c)(vi)).
- (iv) If the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).
- (v) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 8(c)(vi) and the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines (i) that amendments to these Bearer Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 8(c)(vi)(vi), without any requirement for the consent or approval of Noteholders, vary these Bearer Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments (*provided that* the Benchmark Amendments do not, without the prior agreement of the Fiscal Agent, the Calculation Agent, each Paying Agent as applicable, have the effect of increasing the obligations or duties, or decreasing the rights or protections, of the Fiscal Agent, each Paying Agent or the Calculation Agent under these Bearer Conditions and/or the Agency Agreement) with effect from the date specified in such notice.
- (vi) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 8(c)(vi) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 19 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date (which shall not be less than five Business Days prior to the next Interest Determination Date) of the Benchmark Amendments, if any.
- (vii) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
 - (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 8(vi); and
 - (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.
- (viii) The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad

faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread and such Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

- (ix) Without prejudice to Conditions 8(c)(vi)(i) to 8(c)(vi)(v), the Original Reference Rate and the other fallback provisions provided for in Condition 8(c) will continue to apply unless and until a Benchmark Event has occurred.
- (x) Notwithstanding any other provision of this Condition 8, if in the Fiscal Agent or, as the case may be, Calculation Agent's opinion there is, following determination and notification to such party of any Successor Rate, Alternative Rate, Adjustment Spread and/or any Benchmark Amendments, any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 8, the Fiscal Agent or, as the case may be, Calculation Agent shall promptly notify the Issuer thereof and the Issuer, having first consulted with the Independent Adviser, shall direct the Fiscal Agent or, as the case may be, Calculation Agent in writing as to which alternative course of action to adopt. If the Fiscal Agent or, as the case may be, Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Fiscal Agent or, as the case may be, Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.
- (xi) *Definitions:*

As used in this Condition 8(c)(vii):

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (A) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines, is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

- (C) (if the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines that no such industry standard is recognised or acknowledged), the Independent Adviser in its discretion, acting in a commercially reasonable manner and in good faith, determines to be appropriate.

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines in accordance with Condition 8(c)(vi)(iii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

“**Benchmark Amendments**” has the meaning given to it in Condition 8(c)(vi)(v).

“**Benchmark Event**” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (E) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Original Reference Rate is no longer representative of an underlying market; or
- (F) it has become unlawful for any Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in international debt capital markets appointed by the Issuer under Condition 8(c)(vi)(i).

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Bearer Notes.

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(d) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Bearer Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
- (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
 - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Bearer Notes in respect of the preceding Interest Period (or alternatively if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the

relevant Interest Period).

- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Bearer Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Bearer Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Bearer Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Bearer Note having the minimum Specified Denomination.
- (h) *Notifications etc.:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8A. Floating Rate Notes referencing SONIA

- (a) This Condition 8A is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the “Reference Rate” is specified in the relevant Final Terms as being “SONIA”.
- (b) Where “SONIA” is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

For the purposes of this Condition 8A:

“**Compounded Daily SONIA**”, with respect to an Interest Period, will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

“**d**” means, for any Interest Period, the number of calendar days in such Interest Period;

“**do**” means, for any Interest Period, the number of London Banking Days in such Interest Period;

“**i**” means, for any Interest Period, a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to, and including, the last London Banking Day in such Interest Period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling “p” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes are due and payable);

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**ni**” for any London Banking Day “i”, the number of calendar days from, and including, such London Banking Day “i” up to, but excluding, the following London Banking Day;

“**p**” for any Interest Period, means the number of London Banking Days specified in the relevant Final Terms provided that “p” shall not be less than three London Banking Days at any time and shall not be less than five London Banking Days without prior written approval of the Calculation Agent;

“**Reference Period**” means, in respect of an Interest Period, the period from, and including, the date falling “p” London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is “p” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

“**SONIA Reference Rate**” means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

“**SONIA_{i-pLBD}**” means, in respect of any London Banking Day “i” falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling “p” London Banking Days prior to the relevant London Banking Day “i”.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to

a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

If, in respect of any London Banking Day in the relevant Reference Period, the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be:

- (a) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- (b) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraphs above, if the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA Reference Rate for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Conditions, or the Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Interest Rate, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Agency Agreement.

If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 8A, the Interest Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

If the Notes become due and payable in accordance with Condition 13 (*Events of Default*), the final Interest Determination Date shall, notwithstanding the definition specified above, be deemed to be the date on which the Notes became due and payable and the Interest Rate on the Notes shall, for so long as the Notes remain outstanding, be the rate determined on such date.

9. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 9 (*Zero Coupon Note Provisions*) is applicable to the Bearer Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
- (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Bearer Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Bearer Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).
- (b) *Redemption for tax reasons:* The Bearer Notes may be redeemed at the option of the Issuer in whole, but not in part:
- (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Bearer Notes; and

- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Bearer Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bearer Notes were then due; or

- (2) where the Bearer Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bearer Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Bearer Notes in accordance with this Condition 10(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Bearer Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bearer Notes or, as the case may be, the Bearer Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

The Optional Redemption Amount (Call) will either be the specified percentage of the nominal amount of the Bearer Notes stated in the applicable Final Terms or, if Make Whole Amount is specified in the applicable Final Terms, will be the higher of (a) 100 per cent. of the principal amount outstanding of the Bearer Notes to be redeemed; and (b) the sum of the present values of the principal amount outstanding of the Bearer Notes to be redeemed and the Remaining Term Interest on such Bearer Notes (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at (i) the Reference Bond Rate plus the Redemption Margin; or (ii) the Discount Rate, in each case as may be specified in the applicable Final Terms. If the Make Whole Exemption Period is specified as applicable and the Issuer gives notice to redeem the Bearer Notes during the Make Whole Exemption Period, the Optional Redemption Amount will be 100 per cent. of the principal amount outstanding of the Bearer Notes to be redeemed.

- (d) *Residual maturity call option:* If the Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (which notice shall specify the date fixed for redemption), redeem all (but not some only) of the outstanding Bearer Notes comprising the relevant Series at their principal amount together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than (i) three months before the Maturity Date in respect of Bearer Notes having a maturity of not more than ten years or (ii) six months before the Maturity Date in respect of Bearer Notes having a maturity of more than ten years, unless otherwise specified in the relevant Final Terms.

For the purpose of the preceding paragraph, the maturity of not more than ten years or the maturity of more than ten years shall be determined as from the Issue Date of the first Tranche of the relevant Series of Bearer Notes.

All Bearer Notes in respect of which any such notice is given shall be redeemed on the date specified in such

notice in accordance with this Condition 10(d).

- (e) *Substantial Purchase Event*: If a Substantial Purchase Event is specified in the relevant Final Terms as being applicable and a Substantial Purchase Event has occurred and is continuing, then the Issuer may, subject to having given not less than 30 nor more than 60 days' irrevocable notice to the Noteholders, redeem the Bearer Notes comprising the relevant Series in whole, but not in part, in accordance with these Bearer Conditions at any time, in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the date of redemption.

All Bearer Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 10(e).

- (f) *Partial redemption*: in compliance with the requirements of the principal securities exchange, if any, on which that series of Bearer Notes are listed, and in compliance with the requirements of Euroclear or Clearstream, or if the Bearer Notes are not so listed or such exchange prescribes no method of selection and the Bearer Notes are not held through Euroclear or Clearstream, Luxembourg or Euroclear or Clearstream, Luxembourg prescribes no method of selection, on a pro rata basis by use of a pool factor; provided, however, that no Definitive Note of €100,000 in aggregate principal amount or less shall be redeemed in part and only Bearer Notes in integral multiples of €1,000 will be redeemed. The Fiscal Agent will not be liable for any selections made in accordance with this paragraph.

- (g) *Redemption at the option of Noteholders*: If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Bearer Note redeem such Bearer Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(g), the holder of a Bearer Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Bearer Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Bearer Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Bearer Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(g), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Bearer Note becomes immediately due and payable or, upon due presentation of any such Bearer Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Bearer Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Bearer Note is held by a Paying Agent in accordance with this Condition 10(g), the depositor of such Bearer Note and not such Paying Agent shall be deemed to be the holder of such Bearer Note for all purposes.

- (h) *Redemption at the option of the Noteholders (Change of control of the Issuer)*: If Put Event is specified in the relevant Final Terms as being applicable, a “**Put Event**” will be deemed to occur if:

(i)

- (A) any person or any persons acting in concert acquire Control of the Issuer (a “**Change of control of the Issuer**”); and

(B) on the date (the “**Relevant Date**”) that is the earlier of (a) the date of the first public announcement of the relevant Change of Control of the Issuer and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Bearer Notes carry:

- (1) an Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded to a Non-Investment Grade Rating or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency; or
- (2) a Non-Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from Baa1 to Baa2 or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or
- (3) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if upon the expiration of the Change of Control Period the Issuer has at least one Investment Grade Rating then sub-paragraphs (B)(1) and (B)(2) will not apply; and

(C) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (B)(1) and (B)(2) above or not to award at least an Investment Grade Rating as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control of the Issuer or the Relevant Potential Change of Control Announcement; and/or

(ii) the Issuer ceases:

- (A) to hold or control, directly or indirectly, acting alone or in concert with others, more than 50 per cent. of the Voting Rights of SFL; or
- (B) to have the right, acting alone or in concert with others, to appoint and/or remove all or the majority of the members of the SFL’s Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise,

(in each case, a “**Change of Control of SFL**”).

If a Put Event occurs, the holder of each Bearer Note will have the option (a “**Put Option**”) (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 10(b), 10(c) or 10(d) to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) such Bearer Note on the Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Put Date.

Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall without delay give notice (a “**Put Event Notice**”) to the Noteholders in accordance with Condition 19 (*Notices*) specifying the nature of the Put Event, the procedure for exercising the Put Option and the date on which the Put Period will end.

To exercise the Put Option, the holder of a Bearer Note must deliver such Bearer Note to the Specified Office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “**Put Period**”) of 30 days after a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Specified Office of any Paying Agent (a “**Put Notice**”). The Bearer Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Put Period (the “**Put Date**”), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement thereof issued pursuant to Condition 15 (*Replacement of Notes and Coupons*)) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Bearer Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Bearer Note so delivered. Payment in respect of any Bearer Note so delivered will be made, if the holder duly specified a bank account in the Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the Specified Office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of these Bearer Conditions, receipts issued pursuant to Condition 19 (*Notices*) shall be treated as if they were Bearer Notes. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bearer Notes on the Put Date unless previously redeemed (or purchased) and cancelled.

If 85 per cent. or more in principal amount of the Bearer Notes then outstanding have been redeemed or purchased pursuant to this Condition 10(h), the Issuer may, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (such notice being given within 30 days after the Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Bearer Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by any of Moody’s, Fitch or Standard & Poor’s are changed from those which are described in paragraph (i)(B) of the definition of “Put Event” above, the Issuer shall determine the rating designations of Moody’s, Fitch or Standard & Poor’s (as appropriate) as are most equivalent to the prior rating designations of Moody’s, Fitch or Standard & Poor’s and this Condition 10(f) shall be construed accordingly.

- (i) *No other redemption:* The Issuer shall not be entitled to redeem the Bearer Notes otherwise than as provided in paragraphs (a) to (h) above.
- (j) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from

(and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Bearer Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(j) or, if none is so specified, a Day Count Fraction of 30E/360.

- (k) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Bearer Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith. Any Bearer Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 17(a) (*Meetings of Noteholders; Modification and Waiver*).
- (l) *Cancellation:* All Bearer Notes so redeemed or purchased by the Issuer or any of its respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

11. **Payments**

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Bearer Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (e) No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (f) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (g) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 11(g) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Bearer Note or early redemption in whole of such Bearer Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(c) (*Redemption at the option of the Issuer*), Condition 10(d) (*Residual maturity call option*), Condition 10 (e) (*Substantial Purchase Event*), Condition 10(f) (*Redemption at the option of Noteholders*), Condition 11(h) (*Redemption at the option of Noteholders (Change of control of the Issuer)*), or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (h) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (i) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

- (j) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (k) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Bearer Note shall become void and no Coupon will be delivered in respect of such Talon.

12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Bearer Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax (the “**Spanish Tax Authorities**”), unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bearer Note or Coupon presented for payment:
 - (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bearer Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Bearer Note or Coupon; or
 - (ii) more than 30 days after the Relevant Date except to the extent that the holder of such Bearer Note or Coupon would have been entitled to such additional amounts on presenting such Bearer Note or Coupon for payment on the last day of such period of 30 days; or
 - (iii) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive from the Fiscal Agent, within the time period established by applicable law, a duly executed and completed certificate required in order to comply with the Spanish Law 10/2014 as well as Royal Decree 1065/2007, (each, as amended from time to time) and any other implementing legislation or regulation; or
 - (iv) to, or to a third party on behalf of, a Spanish resident legal entity subject to Corporate Income Tax or a Spanish individual subject to Spanish Personal Income Tax, if the Spanish tax authorities determine that the Notes do not comply with the exemption requirements specified in the General Directorate for Taxation’s ruling of 27 July 2004 and require a withholding to be made; or
 - (v) to, or to a third party on behalf of, a holder in respect of whose Bearer Notes the Issuer (or an agent acting on behalf of the Issuer) has not received the information as might be necessary under the applicable law or regulation to allow payments on such Bearer Notes to be made free and clear from withholding tax or deduction on account of taxes levied by the Kingdom of Spain, including when

the Issuer does not receive such information concerning the Noteholders' identity and tax residence as may be required in order to comply with the procedures that may be implemented; or

- (vi) to, or to a third party on behalf of, a holder, should the exemption of Law 10/2014 not be applicable, who does not comply with the Issuer's request to provide a valid certificate of tax residence duly issued by the tax authorities of the country of tax residence of the beneficial owner of the Bearer Notes, which the holder or the beneficial owner is required to provide by the applicable tax laws and regulations of the relevant taxing authority as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by such relevant taxing authority; or
- (vii) presented for payment in the Kingdom of Spain; or
- (viii) any combination of items (i) through (v) above.

For the avoidance of doubt, payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12) any law implementing an intergovernmental approach thereto. No additional amounts will be paid on the Bearer Notes or Coupons with respect to any such withholding or deduction.

- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Kingdom of Spain, references in these Bearer Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.

13. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-Payment:* the Issuer fails to pay the principal or any interest on any of Bearer Notes when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) *Breach of Other Obligations:* the Issuer does not perform or comply with any one or more of its other obligations under the Bearer Notes (including, but not limited to, any provision of Condition 5 (*Negative Pledge*)) which default is incapable of remedy or is not remedied within 30 Business Days after notice of such default shall have been given to the Issuer or to the Fiscal Agent at its Specified Office by any Noteholder; or
- (c) *Breach of Covenant:* the Issuer does not perform or observe any of the covenants set forth in Condition 6 (*Covenants*) which default is incapable of remedy or is not remedied within any originally applicable grace period or is not remedied within 30 days after notice of such default shall have been given to the Issuer and to the Fiscal Agent at its Specified Office by any Noteholder, by providing the Noteholders through the Fiscal Agent with an updated certificate signed by one Authorised Officer of the Issuer certifying that, as applicable, in respect of the covenant in Condition 6(a):
 - (i) the Pro Forma Unencumbered Total Assets Value, is not less than

(ii) the Pro Forma Unsecured Debt;

and in respect of the covenant in Condition 6(b), the Issuer is in compliance with the Loan-to-Value Ratio following the exercise of the LVR Rebalance Remedy as at a date falling within the relevant LVR Rebalance Period and, in each case, containing (i) the formulae for the calculation of the relevant covenant, and (ii) a statement as to the correctness of such formulae. The Issuer shall deliver to the Noteholders through the Fiscal Agent a separate report issued by the Issuer's auditors setting out the procedures used to calculate the relevant covenant and reviewing the application of the formulae certified by the Issuer; or

- (d) *Cross-Default*: (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries (other than SFL) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries (other than SFL) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 14(d) have occurred equals or exceeds EUR20,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this Condition 14(d) operates); or
- (e) *Enforcement Proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries (other than SFL) and is not discharged or stayed within 60 days, provided that the amount levied, enforced or sued on such distress, attachment or execution, individually or in aggregate with any other amount levied, enforced or sued, exceeds EUR20,000,000; or
- (f) *Security Enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries (other than SFL) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person), provided that the individual or aggregate value of all assets subject to the enforcement exceeds EUR20,000,000; or
- (g) *Insolvency*: the Issuer or any of its Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt (*concurso*) or unable to pay its debts when due, or is declared or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, stops, suspends or threatens to stop or suspend regular payment of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of its debts generally, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting the debts of the Issuer or any of its Material Subsidiaries generally; or
- (h) *Winding-up*: an order is made or an effective resolution passed for the winding-up (*liquidación*) or dissolution (*disolución*) of the Issuer or any of its Material Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or any

of its Subsidiaries; or

- (i) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bearer Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bearer Notes admissible in evidence in the courts of England is not taken, fulfilled or done; or
- (j) *Illegality*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bearer Notes; or
- (k) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (e), (f), (g), (h) and (j) of this Condition 13;

then any Bearer Note may, by notice in writing given to the Fiscal Agent at its Specified Office by the Noteholder, be declared immediately due and payable whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further formality.

14. **Prescription**

Claims for principal shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Bearer Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Bearer Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Bearer Notes or Coupons must be surrendered before replacements will be issued.

16. **Agents**

In acting under the Agency Agreement and in connection with the Bearer Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or Calculation Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a Fiscal Agent; and

- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Bearer Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Bearer Notes, including the modification of any provision of these Bearer Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by them upon the request in writing of Noteholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Bearer Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing a clear majority of the aggregate principal amount of the outstanding Bearer Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the outstanding Bearer Notes; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, 25 per cent. of the aggregate principal amount of the outstanding Bearer Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of holders of not less than two-thirds of Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Bearer Notes and these Bearer Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Bearer Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Bearer Notes.

19. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in Dublin or, if such publication is not practicable, in a leading English language daily newspaper

having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders. For so long as any Bearer Notes are admitted to trading on the Irish Stock Exchange plc trading as Euronext Dublin, the Issuer will also publish notices in accordance with the rules of the Irish Stock Exchange plc trading as Euronext Dublin.

Until such time as any definitive Notes are issued, there may, so long as any global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders in accordance with their respective rules and operating procedures. Any such notice shall be deemed to have been given to the Noteholders on the day on which the notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

20. **Currency Indemnity**

Euro is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Bearer Notes and the Coupons, including damages. Any amount received or recovered in a currency other than Euro (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the Euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Euro amount is less than the Euro amount expressed to be due to the recipient under any Bearer Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Bearer Note or Coupon or any other judgment or order.

21. **Rounding**

For the purposes of any calculations referred to in these Bearer Conditions (unless otherwise specified in these Bearer Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

- (a) **Governing Law:** Save as described below, the Bearer Notes, the Agency Agreement and any non-

contractual obligations arising out of or in connection with the Bearer Notes are governed by English law. The status of the Bearer Notes as described in Condition 4 (*Status*) are governed by Spanish law.

- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bearer Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Bearer Notes or the Coupons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition is for the benefit of each of the Noteholders and Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Agent for Service of Process:** The Issuer irrevocably appoints Law Debenture Corporate Services Limited of Fifth floor 100 Wood St London EC2V 7EX as its agent in England to receive service of process in any Proceedings in England based on any of the Bearer Notes or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing below shall affect the right to serve process in any other manner permitted by law.

SCHEDULE 14

TERMS AND CONDITIONS OF THE BOOK-ENTRY NOTES

The following is the text of the terms and conditions which, save for the text in italics and subject to completion in accordance with the relevant Final Terms, will be applicable to the Book-entry Notes. The relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Book-entry Notes may complete any information in this Base Prospectus.

1. Introduction

- (a) *Programme*: Inmobiliaria Colonial, SOCIMI, S.A. (the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to EUR5,000,000,000 in aggregate principal amount of notes in book-entry form (the “**Book-entry Notes**”) and in bearer form. These terms and conditions relate to notes issued under the Programme in book-entry form.
- (b) *Final Terms*: Book-entry Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Book-entry Notes. Each Tranche is the subject of a final terms (the “**Final Terms**”) which completes these terms and conditions (the “**Book-entry Conditions**”). The terms and conditions applicable to any particular Tranche of Book-entry Notes are these Book-entry Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Book-entry Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreements*: The Book-entry Notes are the subject of (i) a Spanish law-governed paying agency agreement dated 19 December 2019 (the “**Spanish Agency Agreement**”) between the Issuer and CaixaBank, S.A. as agent bank (the “**Spanish Paying Agent**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Book-entry Notes) and (ii), in respect of the provisions for meetings of Noteholders (as defined below) and the meaning of “outstanding” in respect of Book-entry Notes only, an amended and restated English law-governed fiscal agency agreement dated 19 December 2019 (the “**Agency Agreement**”) between the Issuer, Deutsche Bank AG, London Branch as fiscal agent and the other parties named therein.
- (d) *Deed of Covenant*: The Book-entry Notes have the benefit of an English law-governed Deed of Covenant (the “**Book-entry Deed of Covenant**”) entered into by the Issuer on or around the date of this Base Prospectus to which these Book-entry Conditions will be affixed. In the Book-entry Deed of Covenant, the Issuer has covenanted in favour of each Noteholder (as defined below) that it will duly perform and comply with the obligations expressed to be undertaken by it in these Book-entry Conditions. The benefit of the Book-entry Deed of Covenant will not imply that the Book-entry Notes benefit from a security interest or that they have a higher ranking than other unsecured and unsubordinated obligations of the Issuer.
- (e) *The Notes*: All subsequent references in these Book-entry Conditions to “Book-entry Notes” are to the Book-entry Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer and on the Issuer’s website at www.inmocolonial.com.
- (f) *Summaries*: Certain provisions of these Book-entry Conditions are summaries of the Spanish Agency Agreement and, in respect of the provisions for meetings of Noteholders (as defined below) and the meaning of “outstanding” in respect of Book-entry Notes only, the Agency Agreement and are subject to their detailed

provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Spanish Agency Agreement and the Agency Agreement applicable to them. Copies of the Spanish Agency Agreement and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Office of the Spanish Paying Agent, the initial Specified Office of which is set out below and on the Issuer's website at www.inmocolonial.com.

2. Interpretation

(a) *Definitions:* In these Book-entry Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Authorised Officer**” means the Chief Executive Officer or the Chief Financial Officer of the Issuer, or anyone delegated by the Board of Directors of the Issuer;

“**Business Day**” means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**

- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“**Calculation Agent**” means the Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

“**Calculation Amount**” has the meaning given in the relevant Final Terms;

“**Change of Control Period**” means the period commencing on and including the Relevant Date in relation to a Change of Control of the Issuer and ending 90 days after the Change of Control of the Issuer (or such longer period for which the Book-entry Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control of the Issuer) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

“**Control**” has the meaning assigned to that term in Article 42(1) of the Spanish Commercial Code;

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Book-entry Conditions or the relevant Final Terms and:

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation 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);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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 and D₁ is greater than 29, in which case D₂ will be 30”;

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

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

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 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; and

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

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

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,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“Discount Rate” will be as set out in the applicable Final Terms;

“Early Redemption Amount (Tax)” means, in respect of any Book-entry Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“Early Termination Amount” means, in respect of any Book-entry Note, its principal amount or such other amount as may be specified in these Book-entry Conditions or the relevant Final Terms;

“EURIBOR” means, in respect of any Specified Currency and any Specified Period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

“Extraordinary Resolution” has the meaning given in the Agency Agreement;

“FA Selected Bond” means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Book-entry Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Book-entry Notes and of a comparable maturity to the remaining term of the Book-entry Notes;

“Final Redemption Amount” means, in respect of any Book-entry Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“Financial Adviser” means the entity so specified in the applicable Final Terms or, if not so specified or such entity is unable or unwilling to act, any financial adviser selected by the Issuer;

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed in whatever form;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the International Financial Reporting Standards (“**IFRS EU**”), be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement)

having the commercial effect of a borrowing, but excluding the deferred purchase price of assets or services acquired in the ordinary course of business or otherwise arising from normal trade credit;

- (g) amounts representing the balance deferred and unpaid for a period of more than 365 days of the purchase price of any property except any amount that constitutes an accrued expense or trade payable;
- (h) shares which are expressed to be redeemable;
- (i) without double counting, any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (j) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above;

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms;

“**Group**” means the Issuer and its Subsidiaries;

“**Independent Financial Adviser**” means an independent financial institution of international and reputable standing appointed by the Issuer in good faith and at its own expense;

“**Interest Amount**” means, in relation to a Book-entry Note and an Interest Period, the amount of interest payable in respect of that Book-entry Note for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Book-entry Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“**Interest Determination Date**” has the meaning given in the relevant Final Terms;

“**Interest Payment Date**” means any date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“**Interest Period**” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“**Investment Grade Rating**” means the following Ratings: (a) with respect to Standard & Poor’s, any of the categories from and including AAA to and including BBB- (or equivalent successor categories); (b) with respect to Moody’s, any of the categories from and including Aaa to and including Baa3 (or equivalent

successor categories); and (c) with respect to Fitch, any of the categories from and including AAA to and including BBB- (or equivalent successor categories);

“**ISDA Definitions**” means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Book-entry Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

“**Issue Date**” has the meaning given in the relevant Final Terms;

“**LIBOR**” means, in respect of any Specified Currency and any Specified Period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

“**Make Whole Exemption Period**” will be as set out in the applicable Final Terms;

“**Make Whole Reference Date**” will be set out in the relevant notice of redemption, such date to fall no earlier than the date falling 30 days prior to the date of such notice;

“**Margin**” has the meaning given in the relevant Final Terms;

“**Material Subsidiary**” means, at any relevant time, a Subsidiary of the Issuer:

- (a) whose total assets or gross revenues (or, where the Subsidiary in question prepares consolidated financial statements, whose total consolidated assets or gross consolidated revenues) at any relevant time represent no less than 10 per cent. of the total consolidated assets or gross consolidated revenues, respectively, of the Group, as calculated by reference to the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer and the latest accounts or six-monthly reports of each relevant Subsidiary (consolidated or, as the case may be, unconsolidated) prepared in accordance with IFRS EU, provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer relate, then for the purpose of applying each of the foregoing tests, the reference to the Issuer’s latest consolidated audited accounts or consolidated six-monthly reports shall be deemed to be a reference to such accounts or reports as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Issuer for the time being after consultation with the Issuer; or
- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Material Subsidiary;

“**Maturity Date**” has the meaning given in the relevant Final Terms;

“**Maximum Redemption Amount**” has the meaning given in the relevant Final Terms;

“**Minimum Redemption Amount**” has the meaning given in the relevant Final Terms;

a “**Negative Rating Event**” shall be deemed to have occurred if at such time as there is no rating assigned

to the Book-entry Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control of the Issuer seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Book-entry Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least Investment Grade Rating by the end of the Change of Control Period;

“Non-Investment Grade Rating” means the following Ratings: (a) with respect to Standard & Poor’s, any of the categories below BBB- (or equivalent successor categories); (b) with respect to Moody’s, any of the categories below Baa3 (or equivalent successor categories); and (c) with respect to Fitch, any of the categories below BBB- (or equivalent successor categories);

“Optional Redemption Amount (Call)” means, in respect of any Book-entry Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“Optional Redemption Amount (Put)” means, in respect of any Book-entry Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“Optional Redemption Date (Call)” has the meaning given in the relevant Final Terms;

“Optional Redemption Date (Put)” has the meaning given in the relevant Final Terms;

“Participating Member State” means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

“Payment Business Day” means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant principal financial centre of the currency of payment are open for payment of debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (i) a day on which banks in the relevant principal financial centre of the currency of payment are open payment of debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“Permitted Security Interest” means any Security Interest created in respect of any Relevant Indebtedness of a company which has merged with the Issuer or one of its Subsidiaries or which has been acquired by the Issuer or one of its Subsidiaries, provided that such security was already in existence at the time of the merger or the acquisition, was not created for the purpose of financing the merger or the acquisition and is not increased in amount and not extended following the merger or the acquisition;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Pro Forma Unencumbered Total Assets Value” means the Unencumbered Total Assets Value as at the relevant Reference Date adjusted to include any event that has increased or decreased the Unencumbered Total Assets Value between the relevant Reference Date and the corresponding Reporting Date; and

“Pro Forma Unsecured Debt” means the Unsecured Debt as at the relevant Reference Date adjusted to include any event that has increased or decreased the Unsecured Debt between the relevant Reference Date and the corresponding Reporting Date.

“Put Option Notice” means a notice which must be delivered to the Spanish Paying Agent by any Noteholder wanting to exercise a right to redeem a Book-entry Note at the option of the Noteholder;

“Put Option Receipt” means a receipt issued by the Spanish Paying Agent to a depositing Noteholder upon deposit of a Book-entry Note with such Spanish Paying Agent by any Noteholder wanting to exercise a right to redeem a Book-entry Note at the option of the Noteholder;

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Book-entry Notes specified in the relevant Final Terms;

“Rating Agency” means Moody’s Investors Service, Inc. (**“Moody’s”**), Fitch Ratings Ltd. (**“Fitch”**) or S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies Inc. (**“Standard & Poor’s”**) or any of their respective successors; and

“Ratings” means any ratings that may be assigned to the Book-entry Notes by a Rating Agency from time to time, at the invitation of the Issuer or by its own volition.

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

“Reference Banks” has the meaning given in the relevant Final Terms or, if none, four major banks selected by an Independent Financial Adviser which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues;

“Redemption Margin” will be as set out in the applicable Final Terms;

“Reference Bond” shall be the bond so specified in the applicable Final Terms or, if not so specified or if no longer available, the FA Selected Bond;

“Reference Bond Price” means, with respect to any date of redemption: (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or (b) if the Financial Adviser obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

“Reference Bond Rate” means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

“Reference Date” means 30 June and 31 December of each year as the context requires;

“Reference Government Bond Dealer” means each of five banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

“Reference Government Bond Dealer Quotations” means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Make Whole Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

“Reference Price” has the meaning given in the relevant Final Terms;

“Reference Rate” means EURIBOR or LIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

“Regular Period” means:

- (a) in the case of Book-entry Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Book-entry Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Book-entry Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“Relevant Potential Change of Control Announcement” means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control of the Issuer where within 180 days following the date of such announcement or statement, a Change of Control of the Issuer occurs;

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Spanish Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“Relevant Financial Centre” has the meaning given in the relevant Final Terms;

“Relevant Indebtedness” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

“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 Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“Relevant Time” has the meaning given in the relevant Final Terms;

“Remaining Term Interest” means with respect to any Book-entry Note, the aggregate amount of scheduled payment(s) of interest on such Book-entry Note for the remaining term of such Book-entry Note determined on the basis of the rate of interest applicable to such Book-entry Note from and including the date on which such Book-entry Note is to be redeemed by the Issuer in accordance with Condition 10(c).

“Reporting Date” means a date falling no later than 30 days after (i) the approval by the Issuer’s General Shareholders’ Meeting of the audited consolidated financial statements of the Issuer, with respect to a Reference Date falling on 31 December, or (ii) the approval by the Issuer’s board of directors of the Issuer’s semi-annual consolidated financial statements, with respect to a Reference Date falling on 30 June;

“Reserved Matter” means any proposal to change any date fixed for payment of principal or interest in respect of the Book-entry Notes, to reduce the amount of principal or interest payable on any date in respect of the Book-entry Notes, to alter the method of calculating the amount of any payment in respect of the Book-entry Notes or the date for any such payment, to change the currency of any payment under the Book-entry Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“Secured Debt” means, as at each Reference Date, that portion of the Total Debt that is secured by a Security Interest on any assets of the Group;

“Security Interest” means, without duplication, any mortgage, charge, pledge, lien or other security interest or other preferential interest or arrangement having a similar economic effect, excluding any right of set-off, but including any conditional sale or other title retention arrangement or any finance leases;

“SFL” means the French company Société Foncière Lyonnaise S.A.;

“Similar Security” means a reference bond or reference bonds issued by the German Federal Government having an actual or interpolated maturity comparable with the remaining term of the Book-entry Notes that

would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Book-entry Notes;

“**Specified Currency**” has the meaning given in the relevant Final Terms;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Final Terms;

“**Subsidiary**” means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer;

“**Substantial Purchase Event**” shall be deemed to have occurred if at least 80 per cent. of the aggregate principal amount of the Book-entry Notes of the relevant Series originally issued (which for these purposes shall include any further Book-entry Notes of the same Series issued subsequently) is purchased by the Issuer or any Subsidiary of the Issuer (and in each case is cancelled in accordance with Condition 10(1));

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

“**TARGET Settlement Day**” means any day on which TARGET2 is open for the settlement of payments in euro;

“**TARGET System**” means the TARGET2 system;

“**Total Assets of the Group**” means, as at each Reference Date, the aggregate value of the total assets of the Group as shown in the Issuer’s audited annual consolidated financial statements or in the Issuer’s semi-annual consolidated financial statements (as applicable) prepared as of the relevant Reference Date according to IFRS EU and adjusted to exclude any intangible assets and to include the unrealised capital gain arising from the revaluation of the assets for own use as reported in the relevant financial statements;

“**Total Debt**” means, as at each Reference Date, the aggregate amount of all Financial Indebtedness of the Group as shown in the Issuer’s audited annual consolidated financial statements or in the Issuer’s semi-annual consolidated financial statements (as applicable) for that Reference Date, excluding any derivative transaction entered into in connection with protection against or benefit from fluctuation of interest rates;

“**Treaty**” means the Treaty establishing the European Communities, as amended;

“**Voting Rights**” means, in respect of any person, the right generally to vote at a general meeting of shareholders of such person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

“**Unencumbered Total Assets Value**” means, as at each Reference Date, the value of the Total Assets of the Group which are not subject to a Security Interest as shown in the Issuer’s audited annual consolidated financial statements or in the Issuer’s semi-annual consolidated financial statements (as applicable) prepared as of the relevant Reference Date;

“**Unsecured Debt**” means, as at each Reference Date, that portion of the Total Debt that is not Secured Debt;

and

“**Zero Coupon Note**” means a Book-entry Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Book-entry Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Book-entry Note and any other amount in the nature of principal payable pursuant to these Book-entry Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Book-entry Conditions;
- (iii) references to Book-entry Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (iv) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Book-entry Notes; and
- (v) any reference to the Agency Agreement or the Spanish Agency Agreement shall be construed as a reference to the Agency Agreement or the Spanish Agency Agreement, respectively, as amended and/or supplemented up to and including the Issue Date of the Book-entry Notes.

3. **Form, Denomination and Title**

Form and denomination

The Book-entry Notes will be issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) in the aggregate nominal amount (the “**Aggregate Nominal Amount**”), specified denomination (the “**Specified Denomination**”) and specified currency (the “**Specified Currency**”) shown in the relevant Final Terms provided that the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Book-entry Notes).

Registration, clearing and settlement

The Book-entry Notes will be registered with the Spanish Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal (“**Iberclear**”), which is the Spanish Central Securities Depository, with its registered office at Plaza de la Lealtad, 1, 28014, Madrid, Spain. Holders of a beneficial interest in the Book-entry Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold the Book-entry Notes through bridge accounts maintained by each of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) with Iberclear. Iberclear will manage the settlement of the Book-entry Notes, notwithstanding the Issuer’s commitment to assist, when appropriate, on the settlement of the Book-entry Notes through Euroclear and Clearstream, Luxembourg.

The information concerning the International Securities Identification Number Code of the Book-entry Notes (the “**ISIN**”) will be stated in the Final Terms.

Title and transfer

Title to the Book-entry Notes will be evidenced by book-entries and each person shown in the central registry managed (the “**Spanish Central Registry**”) by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the “**Iberclear Members**”) as being the holder of the Book-entry Notes shall be considered the holder of the principal amount of the Book-entry Notes recorded therein. In these Book-entry Conditions, the “**Holder**” of a Book-entry Note means the person in whose name such Book-entry Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book and “**Noteholder**” shall be construed accordingly and when appropriate, means owners of a beneficial interest in the Book-entry Notes.

One or more certificates (each, a “**Certificate**”) attesting to the relevant Noteholder’s holding of the Book-entry Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where the Holder is itself an Iberclear Member, by Iberclear (in each case, in accordance with the requirements of Spanish law and the relevant Iberclear Member’s or, as the case may be, Iberclear’s procedures) to such Holder upon such Holder’s request.

The Book-entry Notes are issued without any restrictions on their free transferability. Consequently, the Book-entry Notes may be transferred and title to the Book-entry Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and / or Iberclear itself, as applicable. Each Holder will be treated as the legitimate owner (*titular legítimo*) of the relevant Book-entry Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.

4. **Status**

The Book-entry Notes constitute (subject to the provisions of Condition 5 (*Negative Pledge*)) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all time rank *pari passu* and without any preference among themselves except for any applicable legal and statutory exceptions. Upon insolvency of the Issuer, the obligations of the Issuer under the Book-entry Notes shall (except for any applicable legal and statutory exceptions) at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer (unless they qualify as subordinated claims pursuant to article 92 of Law 22/2003 of 9 July, on Insolvency (*Ley Concursal*), as amended (the “**Spanish Insolvency Law**”) or equivalent legal provisions which replace it in the future).

Subject to the provisions of Condition 5 (Negative Pledge), in the event of insolvency (concurso) of the Issuer, under the Spanish Insolvency Law, claims relating to the Book-entry Notes (which are not subordinated pursuant to article 92 of the Spanish Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Spanish Insolvency Law. Ordinary credits rank junior to credits against the insolvency estate (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank senior to subordinated credits.

Pursuant to article 59 of the Spanish Insolvency Law, the accrual of interest (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended as from the date of declaration of the insolvency of the Issuer. Interest on the Book-entry Notes accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of article 92 of the Spanish Insolvency Law.

5. **Negative Pledge**

So long as any Book-entry Note remains outstanding (as defined in the Agency Agreement), the Issuer will not, and will ensure that none of its Material Subsidiaries (other than SFL will create, or have outstanding, any Security Interest (other than a Permitted Security Interest), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Book-entry Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

6. Covenants

For so long as any Book-entry Note remains outstanding (as defined in the Agency Agreement), the Issuer shall:

- (a) *Unencumbered Assets*: ensure that as at each Reference Date the Unencumbered Total Assets Value will be at least equal to the Unsecured Debt;
- (b) *Loan-to-Value Ratio*: ensure that as at each Reference Date the Loan-to-Value Ratio will be equal to or lower than 55%;

If the Loan-to-Value Ratio exceeds 55% as at each Reference Date, the Issuer undertakes to adopt the appropriate measures in order to restore the Loan-to-Value Ratio, including (without limitation) by means of a repayment of Indebtedness by making:

- (i) equity contributions from the shareholders; or
- (ii) assets disposals (which proceeds shall be applied for the repayment of Indebtedness),

in either case within 6 months (the “**LVR Rebalance Period**”) following the date on which the Issuer first becomes aware that the Loan-to-Value Ratio exceeds 55% (the “**LVR Rebalance Remedy**”).

- (c) *Interest Coverage Ratio*: ensure that as at each Reference Date the Interest Coverage Ratio will be equal to or higher than 2.00x;
- (d) *Notice to Noteholders*: In addition to Condition 6(e) below, in the event that as at any Reference Date any covenant in Condition 6(a) to 6(c) above is breached (and, in the case of the covenants in Condition 6(a) and Condition 6(b), has not been remedied or a remedy is no longer available, as applicable), promptly (and in any event no later than the following relevant Reporting Date) notify the Noteholders in accordance with Condition 19 (*Notices*); and
- (e) *Certificate*: deliver a certificate to the Noteholders through the Spanish Paying Agent on each Reporting Date signed by one Authorised Officer of the Issuer, certifying that the Issuer is in compliance with the covenants set out in Conditions 6(a) to 6(c) above at the relevant Reference Date (or, if applicable, in respect of the covenant in Condition 6(a) only, is in compliance as at the relevant Reporting Date or in respect of the covenant in Condition 6(b) only, has been, and is, in compliance subject to the exercise of the LVR Rebalance Remedy), and containing (i) the formulae for the calculation of the relevant covenant, and (ii) a statement as to the correctness of such formulae. The Issuer shall deliver to the Noteholders through the Spanish Paying Agent a separate report issued by the Issuer’s auditors setting out the procedures used to calculate the relevant covenant and reviewing the application of the formulae certified by the Issuer.

(f) *Definitions:*

As used in this Condition 6:

"**Acceptable Bank**" means any bank or financial institution enjoying a rating of BB+ or above from Standard & Poor's Credit Market Services Limited ("**S&P**") or Fitch, or of Ba1 or above from Moody's.

"**CAPEX**" means the costs related to the new construction relating to office buildings, maintenance and refurbishment of the Rental Assets.

"**Cash**" means, at any time, a cash amount, immediately available or deposited into an account held by the Issuer or any of its wholly owned Subsidiaries, of which the Issuer or its wholly owned Subsidiaries are the sole holders and beneficiaries, provided that:

- (v) said cash is repayable within 30 days following the relevant calculation date;
- (vi) the cash reimbursement does not depend on the prior payment of any other debt from any Group member or other person, or on the meeting of any other condition;
- (vii) there is no security over said that impedes its availability by the Issuer or its wholly owned Subsidiaries; and
- (viii) the cash amount is free and (except as provided in (i) above) immediately available for use towards early repayment of the Notes.

"**Cash-Equivalent Investments**" means, at all times:

- (i) deposit certificates with a maturity date within the year following the relevant calculation date, issued by an Acceptable Bank or other entity with a similar rating;
- (ii) any investment in negotiable debt obligations, issued by the government of the United States of America, the United Kingdom, any member of the European Economic Area, any Participating Member State, or any instrumental company or agency of any of these enjoying an equivalent rating, with maturity date within the year following the relevant calculation date, not convertible or exchangeable for any other title;
- (iii) a promissory note not able to be converted or exchanged for any other title:
 - (a) for which there is a recognised trading market;
 - (b) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
 - (c) with maturity during the year following the relevant calculation date; and
 - (d) enjoying a rating of A-1 or more, from S&P, or F1 or above from Fitch, or P-1 or above from Moody's, or, if the promissory note is rated by an issuer with an equivalent rating in relation to its unsecured long-term debt obligations, whose rating has not increased;
- (iv) any negotiable instrument entitled to a discount by the Bank of Spain or European Central Bank and, in any case, accepted by an Acceptable Bank or other similarly rated entity (or its equivalent uncapped amount);

- (v) any investment accessible within a 30-day term in monetary market funds, which (i) enjoys a rating of A-1 or above from S&P, or F1 or above from Fitch, or P-1 or above from Moody's, and (ii) essentially invests all its assets in securities of the kind described in (i) to (iv) above

in any case, which are owned exclusively by the Issuer or any member of the Group (excluding SFL), not issued or secured by any Group member or subject to any security granted in favour of third parties not belonging to the Group.

"Current Assets" mean the commercial credit rights and other current assets, with maturity of less than 12 months after their computation date, excluding:

- (vi) Cash and Cash-Equivalent Investments;
- (vii) credit rights related to Tax;
- (viii) extraordinary items, exceptional items and other non-operating items; and
- (ix) insurance claims.

"Current Liabilities" means the liabilities (including trade creditors and other current liabilities and accrued expenses) falling due within 12 months from the date of computation but excluding:

- (iv) Indebtedness;
- (v) liabilities for Tax;
- (vi) extraordinary items, exceptional items and other non-operating items; and
- (vii) insurance claims.

"EBITDA" means the difference between Rental Income and Operating Expenses.

"EPRA NAV" means the latest net asset value (excluding transfer costs) provided by a company that follows the rules of the European Public Real Estate Association (EPRA).

"General Costs" all costs incurred by the Issuer or any of its 100% owned Subsidiaries that cannot be directly attributed to any Rental Assets, specifically including, without limitation, staff expenses and costs, expenses and costs incurred by advisors, remuneration of the Board of Directors, banking services, expenses and costs related to advertising and public relations (excluding those one off extraordinary costs or expenses incurred once and which are not susceptible to be repeated in the future).

"Indebtedness" means, at all times, the sum of all amounts due by a debtor by virtue of the following:

- (i) amounts borrowed on loan (whether under a loan agreement or a credit facility);
- (ii) amounts resulting from the issue of bonds, obligations, promissory notes, bills of exchange or any other similar instrument;
- (iii) amounts due by virtue of financial leasing agreements;
- (iv) amounts received further to the assignment or discount of bills, commercial effects and other credit rights except for (i) non-recourse assignments; and (ii) the invoices set up by means of the "*Norma 19*";

- (v) amounts obtained through any other interest-bearing operation with the same commercial effects as a loan (including trading with futures or sales subject to a repurchase option);
- (vi) transactions with derivative instruments that are not used to hedge the interest rate risk or currency fluctuation risk in relation to any financial indebtedness or that can be considered speculative (on the understanding that such transactions will be valued in market value terms);
- (vii) counterguarantees granted in connection with endorsements or any other financial guarantees issued by credit entities (without double counting); and
- (viii) without double-counting, the amount of any due and payable liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vii) above.

"**Interest Coverage Ratio**" means, on each Reference Date, the percentage ratio resulting from dividing (i) the Recurring Cash Flow (based on the 12 months immediately preceding the relevant Reference Date) by (ii) the interest paid under the Total Colonial Debt (based on the 12 months immediately preceding the relevant Reference Date).

"**Loan-to-Value Ratio**" means the percentage ratio resulting from dividing the:

- (i) Total Colonial Debt, by the
 - (ii) Total Asset Value of Colonial,
- with respect to each Reference Date.

"**Operating Expenses**" means any expenses incurred (or to be incurred, as the case may be), in relation to any Rental Asset of the Issuer or any of its 100% owned Subsidiaries, which are necessary for its adequate operation and maintenance further to accounting standards applicable in Spain, including without limitation: repairs, maintenance, warranty, taxes, insurance, marketing.

"**Recurring Cash Flow**" means (without double counting) the result of:

- (i) EBITDA (which includes, for the sake of clarity, the real property tax),
- (ii) *plus* the dividends of its Subsidiaries (including Torre Marenostrom, S.L.) not entirely owned,
- (iii) *minus* the General Costs,
- (iv) *plus/minus* any changes in Working Capital (Spain),
- (v) *plus/minus* any maintenance CAPEX (Spain).

"**Rental Assets**" means any real estate assets owned by the Issuer or its 100% owned Subsidiaries, actually generating (or which could potentially generate) Rental Income.

"**Rental Income**" means all amounts paid or payable to (or to the benefit of) the Issuer, derived from the lease, use, enjoyment or occupation of all or part of the Rental Assets owned by the Issuer or companies in which the Issuer holds 100% of their shares, including (without limitation and without double counting):

- (i) leases, licence duties and equivalent sums, reserved or payable;
- (ii) insurance income for the loss of leases or lease interests;
- (iii) bills for the execution, cancellation or change of any lease, or the fair value thereof;

- (iv) any income from service costs related to any lease;
- (v) payments made due to the breach of an obligation or damage caused under any lease to the Rental Assets, and for expenses incurred in relation to such breach;
- (vi) any unrecoverable contribution made by a tenant under a lease;
- (vii) interest, damages or compensation in relation to any of the items within the definition; and
- (viii) any payment or other distribution received or collected from a guarantor, or other security over any of the items listed in this definition.

“**SFL Shares**” means the shares representing the capital stock of SFL.

"**SFL Shares Owned by Colonial** " means the SFL Shares that at any given time are owned, directly or indirectly, by the Issuer.

“**Tax**” means any tax, duty, rate, levy or other charge or withholding of a similar nature (including any sanction or default interest accrued in relation to any non-payment or delayed payment thereof).

"**Total Asset Value of Colonial**" means the value resulting from adding:

- (i) the market value of the real estate assets held by the Issuer and its wholly owned Subsidiaries, according to the latest Valuation Report; plus
- (ii) the number of SFL Shares Owned by Colonial, multiplied by the latest EPRA NAV of SFL; plus
- (iii) the net asset value of the shares and participations of Subsidiaries not entirely owned, directly or indirectly held by the Issuer; plus
- (iv) the Treasury Shares, valued in accordance with the latest reported net asset value.

"**Total Colonial Debt**" means the amount drawn down and pending repayment as Indebtedness undertaken by the Issuer and/or any of its wholly owned Subsidiaries, any interest accrued and not paid under said Indebtedness; and any other liquid amount not paid to the relevant creditors, all net of Cash and the Cash-Equivalent Investments of the Issuer.

“**Treasury Shares**” means the Shares of the Issuer that at any given time are owned by the Issuer.

“**Valuer**” means CBRE, Jones Lang Lasalle, Cushman & Wakefield, Savills, Aguirre Newman or Knight Frank or, such other entity of recognised international standing as may be selected by the Issuer.

"**Valuation Report**" means the latest "RICS" (Royal Institution of Chartered Surveyors Appraisal and Valuation Standards) Valuation Report for the real estate assets of the Issuer (and its Subsidiaries -excluding SFL-), issued by the Valuer within six months before the date on which it will be used to determine the Total Asset Value of Colonial.

"**Working Capital**" means, at any date, the Issuer’s Current Assets minus its Current Liabilities

7. Fixed Rate Note Provisions

- (a) *Application:* This Condition 7 (*Fixed Rate Note Provisions*) is applicable to the Book-entry Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Book-entry Notes bear interest from the Interest Commencement Date at the Rate

of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 12 (*Payments*). Each Book-entry Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Book-entry Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Spanish Paying Agent has notified the Noteholders that it has received all sums due in respect of the Book-entry Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Book-entry Note for any Interest Period shall be the relevant Fixed Coupon Amount.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Book-entry Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

8. **Floating Rate Note Provisions (other than Floating Rate Notes referencing SONIA)**

- (a) *Application:* This Condition 8 (*Floating Rate Note Provisions*) is applicable to the Book-entry Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Book-entry Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 8 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Book-entry Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Spanish Paying Agent has notified the Noteholders that it has received all sums due in respect of the Book-entry Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Book-entry Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
 - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

- (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, an Independent Financial Adviser shall:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, an Independent Financial Adviser shall determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by any one or more major banks in the Principal Financial Centre of the Specified Currency, selected by the Independent Financial Adviser, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Book-entry Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Book-entry Notes in respect of a preceding Interest Period.

(vi) *Benchmark Replacement:*

- (i) If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall notify the Calculation Agent of the occurrence of such Benchmark Event and use its reasonable endeavours to appoint as soon as reasonably practicable, at the Issuer's own expense, an Independent Adviser to determine a Successor Rate, failing which an

Alternative Rate (in accordance with Condition 8(c)(vi)(iii)) and, in either case, an Adjustment Spread (in accordance with Condition 8(c)(vi)(iv)) and any Benchmark Amendments (in accordance with Condition 8(c)(vi)(v)).

An Independent Adviser appointed pursuant to this Condition 8(c)(vi)(i) shall act in good faith and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Spanish Paying Agent, the Calculation Agent or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 8(c)(vi).

- (ii) If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 8(c)(vi)(iii) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Book-entry Notes in respect of the preceding Interest Period (or alternatively if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period). For the avoidance of doubt, this Condition 8(c)(vi)(ii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 8(c)(vi).
- (iii) If the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines that:
 - (C) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 8(c)(vi)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Book-entry Notes (subject to the operation of this Condition 8(c)(vi)); or
 - (D) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 8(c)(vi)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Book-entry Notes (subject to the operation of this Condition 8(c)(vi)).
- (iv) If the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).
- (v) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 8(c)(vi) and the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines (i) that amendments to these Book-entry Conditions, the Spanish Agency Agreement and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 8(c)(vi)(vi), without any requirement for the consent or approval of Noteholders, vary these Book-entry Conditions, the

Spanish Agency Agreement and/or the Agency Agreement to give effect to such Benchmark Amendments (*provided that* the Benchmark Amendments do not, without the prior agreement of the Spanish Paying Agent, the Paying Agents or the Calculation Agent, as applicable, have the effect of increasing the obligations or duties, or decreasing the rights or protections, of the Spanish Paying Agent, each Paying Agent or the Calculation Agent under these Book-entry Conditions, the Spanish Agency Agreement and/or the Agency Agreement) with effect from the date specified in such notice.

- (vi) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 8(c)(vi) will be notified promptly by the Issuer to the Calculation Agent, the Spanish Paying Agent and, in accordance with Condition 19 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date (which shall not be less than five Business Days prior to the next Interest Determination Date) of the Benchmark Amendments, if any.
- (vii) No later than notifying the Spanish Paying Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
 - (E) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 8(vi); and
 - (F) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.
- (viii) The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread and such Benchmark Amendments (if any)) be binding on the Issuer, the Spanish Paying Agent, the Calculation Agent, the Paying Agents and the Noteholders.
- (ix) Without prejudice to Conditions 8(c)(vi)(i) to 8(c)(vi)(v), the Original Reference Rate and the other fallback provisions provided for in Condition 8(c) will continue to apply unless and until a Benchmark Event has occurred.
- (x) Notwithstanding any other provision of this Condition 8, if in the Spanish Paying Agent or, as the case may be, Calculation Agent's opinion there is, following determination and notification to such party of any Successor Rate, Alternative Rate, Adjustment Spread and/or any Benchmark Amendments, any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 8, the Spanish Paying Agent or, as the case may be, Calculation Agent shall promptly notify the Issuer thereof and the Issuer, having first consulted with the Independent Adviser, shall direct the Spanish Paying Agent or, as the case may be, Calculation Agent in writing as to which alternative course of action to adopt. If the Spanish Paying Agent or, as the case may be, Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Spanish Paying Agent or, as the case may be, Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.
- (xi) *Definitions:*

As used in this Condition 8(c)(vii):

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate); or
- (A) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines, is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);
- (C) (or if the Independent Adviser, acting in a commercially reasonable manner and in good faith, the Independent Adviser determines that no such industry standard is recognised or acknowledged) in its discretion, acting in a commercially reasonable manner and in good faith, determines to be appropriate.

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines in accordance with Condition 8(c)(vi)(iii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

“**Benchmark Amendments**” has the meaning given to it in Condition 8(c)(vi)(v).

“**Benchmark Event**” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

- (C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (E) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Original Reference Rate is no longer representative of an underlying market; or
- (F) it has become unlawful for any Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in international capital markets appointed by the Issuer under Condition 8(c)(vi)(i).

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Book-entry Notes.

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof.

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

- (d) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Book-entry Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;

- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
- (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
 - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Book-entry Notes in respect of the preceding Interest Period (or alternatively if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period).
- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Book-entry Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Book-entry Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Spanish Paying Agent and each competent authority, stock exchange and/or quotation system (if any) by which the Book-entry Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the

Interest Amount in respect of a Book-entry Note having the minimum Specified Denomination.

- (h) *Notifications etc.:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Spanish Paying Agent and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8A. Interest – Floating Rate Notes referencing SONIA

- (a) This Condition 8A is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the “Reference Rate” is specified in the relevant Final Terms as being “SONIA”.
- (b) Where “SONIA” is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

For the purposes of this Condition 8A:

“**Compounded Daily SONIA**”, with respect to an Interest Period, will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

“**d**” means, for any Interest Period, the number of calendar days in such Interest Period;

“**do**” means, for any Interest Period, the number of London Banking Days in such Interest Period;

“**i**” means, for any Interest Period, a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to, and including, the last London Banking Day in such Interest Period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling “p” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes are due and payable);

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**ni**” for any London Banking Day “i”, the number of calendar days from, and including, such London Banking Day “i” up to, but excluding, the following London Banking Day;

“**p**” for any Interest Period, means the number of London Banking Days specified in the relevant Final Terms provided that “p” shall not be less than three London Banking Days at any time and shall not be less than five London Banking Days without prior written approval of the Calculation Agent;

“Reference Period” means, in respect of an Interest Period, the period from, and including, the date falling “p” London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is “p” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

“SONIA Reference Rate” means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

“SONIAi-pLBD” means, in respect of any London Banking Day “i” falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling “p” London Banking Days prior to the relevant London Banking Day “i”.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

If, in respect of any London Banking Day in the relevant Reference Period, the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be:

- (a) (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- (b) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraphs above, if the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA Reference Rate for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Conditions, or the Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Interest Rate, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Agency Agreement.

If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 8A, the Interest Rate shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

If the Notes become due and payable in accordance with Condition 13 (*Events of Default*), the final Interest Determination Date shall, notwithstanding the definition specified above, be deemed to be the date on which the Notes became due and payable and the Interest Rate on the Notes shall, for so long as the Notes remain outstanding, be the rate determined on such date.

9. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 9 (*Zero Coupon Note Provisions*) is applicable to the Book-entry Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Book-entry Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Spanish Paying Agent has notified the Noteholders that it has received all sums due in respect of the Book-entry Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Book-entry Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).
- (b) *Redemption for tax reasons:* The Book-entry Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Book-entry Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Book-entry Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Book-entry Notes were then due; or
- (2) where the Book-entry Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Book-entry Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Spanish Paying Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Book-entry Notes in accordance with this Condition 10(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Book-entry Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the Issuer to redeem the Book-entry Notes or, as the case may be, the Book-entry Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

The Optional Redemption Amount (Call) will either be the specified percentage of the nominal amount of the Book-entry Notes stated in the applicable Final Terms or, if Make Whole Amount is specified in the applicable Final Terms, will be the higher of (a) 100 per cent. of the principal amount outstanding of the Book-entry Notes to be redeemed; and (b) the sum of the present values of the principal amount outstanding of the Book-entry Notes to be redeemed and the Remaining Term Interest on such Book-entry Notes (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at (i) the Reference Bond Rate plus the Redemption Margin; or (ii) the Discount Rate, in each case as

may be specified in the applicable Final Terms. If the Make Whole Exemption Period is specified as applicable and the Issuer gives notice to redeem the Book-entry Notes during the Make Whole Exemption Period, the Optional Redemption Amount will be 100 per cent. of the principal amount outstanding of the Book-entry Notes to be redeemed.

- (d) *Residual maturity call option:* If the Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (which notice shall specify the date fixed for redemption), redeem all (but not some only) of the outstanding Book-entry Notes comprising the relevant Series at their principal amount together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than (i) three months before the Maturity Date in respect of Book-entry Notes having a maturity of not more than ten years or (ii) six months before the Maturity Date in respect of Book-entry Notes having a maturity of more than ten years, unless otherwise specified in the relevant Final Terms.

For the purpose of the preceding paragraph, the maturity of not more than ten years or the maturity of more than ten years shall be determined as from the Issue Date of the first Tranche of the relevant Series of Book-entry Notes.

All Book-entry Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 10(d).

- (e) *Substantial Purchase Event:* If a Substantial Purchase Event is specified in the relevant Final Terms as being applicable and a Substantial Purchase Event has occurred and is continuing, then the Issuer may, subject to having given not less than 30 nor more than 60 days' irrevocable notice to the Noteholders, redeem the Book-entry Notes comprising the relevant Series in whole, but not in part, in accordance with these Book-entry Conditions at any time, in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the date of redemption.

All Book-entry Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 10(e).

- (f) *Partial redemption:* in compliance with the requirements of the principal securities exchange, if any, on which that series of Book-entry Notes are listed, on a pro rata basis by use of a pool factor.
- (g) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Book-entry Note redeem such Book-entry Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(g), the holder of a Book-entry Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deliver a duly completed Put Option Notice in the form obtainable from the Spanish Paying Agent at its registered office which will, in turn, forward the Put Option Notice to the Issuer. The Spanish Paying Agent shall deliver a duly completed notice receipt to the relevant Holder. No such notice, once delivered in accordance with the Condition 10(g) may be withdrawn. .
- (h) *Redemption at the option of the Noteholders (Change of control of the Issuer):* If Put Event is specified in the relevant Final Terms as being applicable, a “**Put Event**” will be deemed to occur if:

(i)

(A) any person or any persons acting in concert acquire Control of the Issuer (a “**Change of control of the Issuer**”); and

(B) on the date (the “**Relevant Date**”) that is the earlier of (a) the date of the first public announcement of the relevant Change of Control of the Issuer and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Book-entry Notes carry:

(1) an Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded to a Non-Investment Grade Rating or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency; or

(2) a Non-Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from Baa1 to Baa2 or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or

(3) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if upon the expiration of the Change of Control Period the Issuer has at least one Investment Grade Rating then sub-paragraphs (B)(1) and (B)(2) will not apply; and

(C) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (B)(1) and (B)(2) above or not to award at least an Investment Grade Rating as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control of the Issuer or the Relevant Potential Change of Control Announcement; and/or

(ii) the Issuer ceases:

(A) to hold or control, directly or indirectly, acting alone or in concert with others, more than 50 per cent. of the Voting Rights of SFL; or

(B) to have the right, acting alone or in concert with others, to appoint and/or remove all or the majority of the members of the SFL’s Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise,

(in each case, a “**Change of Control of SFL**”).

If a Put Event occurs, the holder of each Book-entry Note will have the option (a “**Put Option**”) (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of

redemption under Condition 10(b), 10(c) or 10(d) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) such Book-entry Note on the Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Put Date.

Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall without delay give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 18 (*Notices*) specifying the nature of the Put Event, the procedure for exercising the Put Option and the date on which the Put Period will end.

To exercise the Put Option, the holder of a Book-entry Note must deliver such Book-entry Note to the Specified Office of the Spanish Paying Agent at any time during normal business hours of the Spanish Paying Agent falling within the period (the "**Put Period**") of 30 days after a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Specified Office of the Spanish Paying Agent (a "**Put Notice**") at its registered office which will, in turn, forward the Put Notice to the Issuer. The Spanish Paying Agent shall deliver a duly completed notice receipt to the relevant Holder. No such notice, once delivered in accordance with this Condition 10(h) may be withdrawn. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Book-entry Notes on the Put Date unless previously redeemed (or purchased) and cancelled.

If 85 per cent. or more in principal amount of the Book-entry Notes then outstanding have been redeemed or purchased pursuant to this Condition 10(h), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Book-entry Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by any of Moody's, Fitch or Standard & Poor's are changed from those which are described in paragraph (i)(B) of the definition of "Put Event" above, the Issuer shall determine the rating designations of Moody's, Fitch or Standard & Poor's (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or Standard & Poor's and this Condition 10(h) shall be construed accordingly.

- (i) *No other redemption:* The Issuer shall not be entitled to redeem the Book-entry Notes otherwise than as provided in paragraphs (a) to (h) above.
- (j) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Book-entry Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(j) or, if none is so specified, a Day Count Fraction of 30E/360.

- (k) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Book-entry Notes in the open market or otherwise and at any price. Any Book-entry Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 16(a) (*Meetings of Noteholders; Modification and Waiver*).
- (l) *Cancellation:* All Book-entry Notes so redeemed or purchased by the Issuer or any of its respective Subsidiaries shall be cancelled and may not be reissued or resold.

11. **Payments**

- (a) *Principal and interest:* Payments in respect of the Book-entry Notes (in terms of both principal and interest) will be made by transfer to the registered account of the relevant Holder maintained by or on behalf of it with a bank that processes payments in a city in which banks have access to the TARGET2 System, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Business Day on which the payment of principal or interest, as the case may be, falls due. Holders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Book-entry Notes. None of the Issuer, the Spanish Paying Agent or, if applicable, any of the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Book-entry Notes.
- (b) *Payments subject to fiscal laws:* All payments in respect of the Book-entry Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (c) No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* If the due date for payment of any amount in respect of any Book-entry Note is not a Payment Business Day, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Book-entry Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax (the “**Spanish Tax Authorities**”), unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Book-entry Note:

- (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Book-entry Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Book-entry Note; or
- (ii) more than 30 days after the Relevant Date except to the extent that the holder of such Book-entry Note would have been entitled to such additional amounts on presenting such Book-entry Note for payment on the last day of such period of 30 days; or
- (iii) to, or to a third party on behalf of, a holder in respect of whom withholding is to be levied as a consequence of the Issuer having not received, within the time period established by applicable law, the relevant duly executed and completed certificate required in order to comply with the Spanish Law 10/2014 as well as Royal Decree 1065/2007 (each, as amended from time to time), and any other implementing legislation or regulation; or
- (iv) to, or to a third party on behalf of, a holder, in respect of whose Book-entry Notes the Issuer (or an agent acting on behalf of the Issuer) has not received the information as might be necessary under the applicable law or regulation to allow payments on such Book-entry Note to be made free and clear from withholding tax or deduction on account of taxes levied by the Kingdom of Spain , including when the Issuer does not receive such information concerning such Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented; or
- (v) any combination of items (i) through (v) above.

For the avoidance of doubt, payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12) any law implementing an intergovernmental approach thereto. No additional amounts will be paid on the Book-entry Notes with respect to any such withholding or deduction.

- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Kingdom of Spain, references in these Book-entry Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.

13. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-Payment:* the Issuer fails to pay the principal or any interest on any of Book-entry Notes when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) *Breach of Other Obligations:* the Issuer does not perform or comply with any one or more of its other obligations under the Book-entry Notes (including, but not limited to, any provision of Condition 5 (*Negative Pledge*)) which default is incapable of remedy or is not remedied within 30 Business Days after notice of

such default shall have been given to the Issuer or to the Spanish Paying Agent at its Specified Office by any Noteholder; or

- (c) *Breach of Covenant*: the Issuer does not perform or observe any of the covenants set forth in Condition 6 (*Covenants*) which default is incapable of remedy or is not remedied within any originally applicable grace period or is not remedied within 30 days after notice of such default shall have been given to the Issuer and to the Spanish Paying Agent at its Specified Office by any Noteholder, by providing the Noteholders through the Spanish Paying Agent with an updated certificate signed by one Authorised Officer of the Issuer certifying that, as applicable, in respect of the covenant in Condition 6(a):

(i) the Pro Forma Unencumbered Total Assets Value, is not less than

(ii) the Pro Forma Unsecured Debt;

and in respect of the covenant in Condition 6(b), the Issuer is in compliance with the Loan-to-Value Ratio following the exercise of the LVR Rebalance Remedy as at a date falling within the relevant LVR Rebalance Period and, in each case, containing (i) the formulae for the calculation of the relevant covenant, and (ii) a statement as to the correctness of such formulae. The Issuer shall deliver to the Noteholders through the Spanish Paying Agent a separate report issued by the Issuer's auditors setting out the procedures used to calculate the relevant covenant and reviewing the application of the formulae certified by the Issuer; or

- (d) *Cross-Default*: (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries (other than SFL) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries (other than SFL) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 13(d) have occurred equals or exceeds EUR20,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this Condition 13(d) operates); or
- (e) *Enforcement Proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries (other than SFL) and is not discharged or stayed within 60 days, provided that the amount levied, enforced or sued on such distress, attachment or execution, individually or in aggregate with any other amount levied, enforced or sued, exceeds EUR20,000,000; or
- (f) *Security Enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries (other than SFL) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person), provided that the individual or aggregate value of all assets subject to the enforcement exceeds EUR20,000,000; or
- (g) *Insolvency*: the Issuer or any of its Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt (*concurso*) or unable to pay its debts when due, or is declared or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, stops, suspends or threatens to stop or suspend regular payment of its debts, proposes or makes any agreement for the deferral, rescheduling

or other readjustment of its debts generally, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting the debts of the Issuer or any of its Material Subsidiaries generally; or

- (h) *Winding-up*: an order is made or an effective resolution passed for the winding-up (*liquidación*) or dissolution (*disolución*) of the Issuer or any of its Material Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or any of its Subsidiaries; or
- (i) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Book-entry Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Book-entry Notes admissible in evidence in the courts of England is not taken, fulfilled or done; or
- (j) *Illegality*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Book-entry Notes; or
- (k) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (e), (f), (g), (h) and (j) of this Condition 13;

then any Book-entry Note may, by notice in writing given to the Spanish Paying Agent at its Specified Office by the Noteholder, be declared immediately due and payable whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further formality.

14. **Prescription**

Claims for principal shall become void unless made within ten years of the appropriate Relevant Date. Claims for interest shall become void unless made within five years of the appropriate Relevant Date.

15. **Agents**

In acting under the Spanish Agency Agreement and in connection with the Book-entry Notes, the Spanish Paying Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The Spanish Paying Agent and its initial Specified Office is listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or Calculation Agent and to appoint a successor paying agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a Spanish Paying Agent; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain

a Calculation Agent; and

- (c) if and for so long as the Book-entry Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent in any particular place, the Issuer shall maintain a paying agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Spanish Paying Agent or in its Specified Office shall promptly be given to the Noteholders.

16. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Book-entry Notes, including the modification of any provision of these Book-entry Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by them upon the request in writing of Noteholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Book-entry Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing a clear majority of the aggregate principal amount of the outstanding Book-entry Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the outstanding Book-entry Notes; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, 25 per cent. of the aggregate principal amount of the outstanding Book-entry Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of holders of not less than two-thirds of Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Book-entry Notes and these Book-entry Conditions may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

17. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Book-entry Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Book-entry Notes.

18. **Notices**

Notices to the Noteholders will be published in the official bulletin of AIAF (*Boletín Diario de AIAF Mercado de Renta Fija*) and, where applicable, through the filing by the Issuer of a price-sensitive information notice (*comunicación de informacion relevante o privilegiada*) with the CNMV. If the Book-

entry Notes are also listed in other European regulated market, notices to Noteholders will be published in accordance with the requirements of such regulated market. Any such notice will be deemed to have been given on the date of the first publication. In addition, all notices to Noteholders shall also be made through Iberclear to their respective accountholders.

19. **Currency Indemnity**

Euro is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Book-entry Notes, including damages. Any amount received or recovered in a currency other than Euro (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the Euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Euro amount is less than the Euro amount expressed to be due to the recipient under any Book-entry Note, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Book-entry Note or any other judgment or order.

20. **Rounding**

For the purposes of any calculations referred to in these Book-entry Conditions (unless otherwise specified in these Book-entry Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Governing Law and Jurisdiction**

- (a) **Governing Law:** Save as described below, the Book-entry Notes, the Agency Agreement and any non-contractual obligations arising out of or in connection with the Book-entry Notes are governed by English law. The Spanish Agency Agreement and the title, transfer and status of the Book-entry Notes as described in Condition 3 (*Title and Transfer*) and Condition 4 (*Status*), respectively, are governed by Spanish law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Book-entry Notes and accordingly any legal action or proceedings arising out of or in connection with the Book-entry Notes ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition is for the benefit of each of the Noteholders and shall not limit the right of any of

them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

- (c) **Agent for Service of Process:** The Issuer irrevocably appoints Law Debenture Corporate Services Limited of Fifth floor 100 Wood St London EC2V 7EX as its agent in England to receive service of process in any Proceedings in England based on any of the Book-entry Notes. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing below shall affect the right to serve process in any other manner permitted by law.

