

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus (the "**Prospectus**") attached to this electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NOTES OFFERED AND SOLD BY THE ISSUER MAY ONLY BE PURCHASED BY PERSONS THAT ARE (A) NOT RISK RETENTION U.S. PERSONS OR (B) PERSONS THAT HAVE OBTAINED A U.S. RISK RETENTION WAIVER (AS DEFINED HEREIN) FROM THE RETENTION HOLDER. PURCHASERS OF THE NOTES, INCLUDING OF BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED AND IN CERTAIN CIRCUMSTANCES WILL BE REQUIRED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT EACH PURCHASER (1) EITHER (A) IS NOT A RISK RETENTION U.S. PERSON OR (B) HAS RECEIVED A U.S. RISK RETENTION WAIVER FROM THE RETENTION HOLDER, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE OR A BENEFICIAL INTEREST THEREIN, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). CERTAIN INVESTORS MAY BE REQUIRED TO EXECUTE A WRITTEN CERTIFICATION OF REPRESENTATION LETTER BY THE RETENTION HOLDER IN RESPECT OF THEIR STATUS UNDER THE U.S. RISK RETENTION RULES. SEE THE SECTION ENTITLED "*RISK FACTORS – U.S. RISK RETENTION REQUIREMENTS*"

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

YOU ARE REMINDED THAT THE PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THE PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED AND YOU MAY NOT, NOR ARE YOU AUTHORISED TO, DELIVER THE PROSPECTUS TO ANY OTHER PERSON.

THE MATERIALS RELATING TO THE OFFERING DO NOT CONSTITUTE, AND MAY NOT BE USED IN CONNECTION WITH, AN OFFER OR SOLICITATION IN ANY PLACE WHERE OFFERS OR SOLICITATIONS ARE NOT PERMITTED BY LAW.

BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED TO US THAT (A) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET OUT HEREIN, (B) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (C) YOU ARE NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OR ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS E-MAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS) OR THE DISTRICT OF COLUMBIA AND (D) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON WHO (I) IS AN INVESTMENT PROFESSIONAL WITHIN THE MEANING OF ARTICLE 19 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE **FPO**) OR (II) IS A HIGH NET WORTH ENTITY FALLING WITHIN ARTICLES 49(2)(A) TO (D) OF THE FPO.

THE RETENTION HOLDER INTENDS TO RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS THAT MEET CERTAIN REQUIREMENTS. CONSEQUENTLY, WITHOUT THE EXPRESS WRITTEN CONSENT OF THE RETENTION HOLDER IN THE FORM OF A U.S. RISK RETENTION WAIVER, ON THE ISSUE DATE THE NOTES MAY ONLY BE PURCHASED BY PERSONS THAT ARE NOT "U.S. PERSONS" AS DEFINED IN THE U.S. RISK RETENTION RULES (**RISK RETENTION U.S. PERSON**). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S. CERTAIN INVESTORS MAY BE REQUIRED TO EXECUTE A WRITTEN CERTIFICATION OF REPRESENTATION LETTER BY THE RETENTION HOLDER IN RESPECT OF THEIR STATUS UNDER THE U.S. RISK RETENTION RULES. SEE THE SECTION ENTITLED "*RISK FACTORS – U.S. RISK RETENTION REQUIREMENTS*".

THE PROSPECTUS HAS BEEN SENT TO YOU IN AN ELECTRONIC FORM. YOU ARE REMINDED THAT DOCUMENTS TRANSMITTED VIA THIS MEDIUM MAY BE ALTERED OR CHANGED DURING THE PROCESS OF ELECTRONIC TRANSMISSION AND CONSEQUENTLY NONE OF THE ISSUER NOR THE TRANSACTION PARTIES OR ANY PERSON WHO CONTROLS ANY SUCH PERSON OR ANY DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF ANY SUCH PERSON (OR AFFILIATE OF ANY SUCH PERSON) ACCEPTS ANY LIABILITY OR RESPONSIBILITY WHATSOEVER IN RESPECT OF ANY DIFFERENCE BETWEEN THE PROSPECTUS DISTRIBUTED TO YOU IN ELECTRONIC FORMAT AND THE HARD COPY VERSION AVAILABLE TO YOU ON REQUEST FROM THE ISSUER OR MORGAN STANLEY.

GEDESCO TRADE RECEIVABLES 2020-1 DESIGNATED ACTIVITY COMPANY

(a designated activity company limited by shares incorporated under the laws of Ireland with registered number 654510 and having its registered office in Ireland)

Class of Notes	Initial Principal Amount	Issue Price	Note Interest Rate	Final Maturity Date	Expected Ratings (KBRA/Moody's)
Class A Notes	EUR225,000,000	99.71%	1 month EURIBOR plus a margin of 1.15 per cent. per annum	Interest Payment Date falling in January 2026	AAA (sf)/Aa3 (sf)
Class B Notes	EUR15,000,000	99.39%	1 month EURIBOR plus a margin of 2.20 per cent. per annum	Interest Payment Date falling in January 2026	AA (sf)/Baa2 (sf)
Class C Notes	EUR15,000,000	97.90%	1 month EURIBOR plus a margin of 3.20 per cent. per annum	Interest Payment Date falling in January 2026	A (sf)/B2 (sf)
Class D Notes	EUR7,500,000	97.36%	1 month EURIBOR plus a margin of 4.50 per cent. per annum	Interest Payment Date falling in January 2026	BBB (sf)/Caa2 (sf)
Class E Notes	EUR7,500,000	100%	1 month EURIBOR plus a margin of 7.00 per cent. per annum	Interest Payment Date falling in January 2026	BB (sf)/Caa3 (sf)
Class F Notes	EUR15,000,000	100%	1 month EURIBOR plus a margin of 10.00 per cent. per annum	Interest Payment Date falling in January 2026	B- (sf)/Ca (sf)
Class Z Notes	EUR15,000,000	100%	Class Z Notes Interest Amount (as defined below)	Interest Payment Date falling in January 2026	NR/NR

Issue Date Gedesco Trade Receivables 2020-1 Designated Activity Company (the "**Issuer**") expects to issue the Notes as set out above on 11 March 2020 (the "**Issue Date**").

Underlying Assets The Issuer will make payments on the Notes from, *inter alia*, payments received from a portfolio of receivables (and certain ancillary rights) (the "**Receivables Portfolio**") subscribed for, or acquired or originated by Toro Finance, S.L.U., Gedesco Factoring, S.L.U., Pagaralia, S.L.U. and Gedesco Services Spain, S.A.U. (each a "**Seller**", together the "**Sellers**")

from certain funding documents which confer rights to receive payment of principal, interest (where applicable), costs and other amounts due in connection with such receivables in accordance with such funding documents, including any interest amounts.

On the Issue Date, the Issuer will purchase an initial sub-portfolio of Eligible Receivables (and Ancillary Rights, including the Claims) from each Seller (each such sub-portfolio of Eligible Receivables of a relevant Seller, an "**Initial Receivables Sub-Portfolio**") and all Initial Receivables Sub-Portfolios sold by the Sellers on the Issue Date, the "**Initial Receivables Portfolio**").

In addition, on each Additional Purchase Date during the Revolving Period, each Seller may offer to sell to the Issuer Eligible Receivables subscribed, acquired or originated, as applicable, by such Seller which have not been sold to the Issuer as Receivables prior to such Additional Purchase Date (each such sub-portfolio of Eligible Receivables of a relevant Seller, an "**Additional Receivables Sub-Portfolio**" and all Additional Receivables Sub-Portfolios sold on an Additional Purchase Date, an "**Additional Receivables Portfolio**").

The Initial Receivables Sub-Portfolio sold by a Seller, together with each Additional Receivables Sub-Portfolio sold by that Seller being the "**Receivables Seller Sub-Portfolio**" for that Seller. Any Additional Receivables Portfolios together with the Initial Receivables Portfolio comprise the "**Receivables Portfolio**".

Further information on the Receivables Portfolio is contained in this Prospectus in the sections entitled "*Overview of the Transaction Documents – Receivables Sale Agreement*" and "*The Provisional Initial Receivables Portfolio*".

Credit Enhancement

- In respect of the Class A Notes, amounts standing to the credit of the Reserve Account, subordination by way of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.
- In respect of the Class B Notes, subordination by way of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.
- In respect of the Class C Notes, subordination by way of the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.
- In respect of the Class D Notes, subordination by way of the Class E Notes, the Class F Notes and the Class Z Notes.
- In respect of the Class E Notes, subordination by way of the Class F Notes and the Class Z Notes.
- In respect of the Class F Notes, subordination by way of the Class Z Notes.

- Any outstanding Loss Absorption Amount.

See further the section of this Prospectus entitled "*Credit Structure and Liquidity*" for more detail.

Liquidity Support

- Reserve Fund in respect of the Class A Notes only.
- Funding Discount.
- Expenses Discount.
- Principal Addition Amounts provided the PDL Condition is satisfied.

See further the section of this Prospectus entitled "*Credit Structure and Liquidity*" for more detail.

Redemption Provisions

Information on any optional and mandatory redemption of the Notes is summarised in the section of this Prospectus entitled "*Credit Structure and Liquidity*" and set out in full in Condition 6 (*Redemption*).

The Notes may be redeemed in whole or in part (as applicable) in the following cases:

- (a) a mandatory redemption in whole on the Final Maturity Date;
- (b) a mandatory redemption in part on any Interest Payment Date occurring after the termination of the Revolving Period and prior to the service of an Enforcement Notice, subject to availability of Available Principal Receipts and application of such Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments;
- (c) a mandatory redemption in part in an amount equal to the Excess Cash (if any), on any Interest Payment Date falling during the Revolving Period, upon the occurrence of a Cash Collateral Ratio Trigger Event that is continuing;
- (d) a mandatory redemption in whole pursuant to a Risk Retention Regulatory Change Event;
- (e) a mandatory redemption in whole pursuant to a Tax Regulatory Change Option; and
- (f) a mandatory redemption in whole upon the exercise by the Portfolio Option Holder of the Portfolio Repurchase Option.

See further the section of this Prospectus entitled "*Summary of the Terms and Conditions of the Notes*" and Condition 6 (*Redemption*).

Ratings

Ratings are expected to be assigned to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the

Class F Notes (together, the "**Rated Notes**") as set out above on the Issue Date. All of the ratings of the Rated Notes will be issued by the Rating Agencies. The ratings reflect the views of the Rating Agencies and are based on the Receivables Portfolio, the Transaction Security and the structural features of the transaction.

The ratings assigned by KBRA to the Class A Notes address the likelihood of full and timely payment to the Class A Noteholders (i) of interest due on each Interest Payment Date (as defined below) and (ii) of principal on a date that is not later than the Interest Payment Date falling in January 2026 (the "**Final Maturity Date**"). The ratings assigned by Moody's to the Class A Notes address the expected loss to a Class A Noteholder in proportion to the initial principal amount of the Class A Notes held by such Class A Noteholder by the Final Maturity Date.

The ratings assigned by KBRA to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the likelihood of full and timely payment to the relevant Noteholders of interest and principal by the Final Maturity Date. The ratings assigned by Moody's to the Class B Notes, to the Class C Notes, to the Class D Notes, to the Class E Notes and the Class F Notes address the expected loss to the relevant Noteholders in proportion to the initial principal amount of the relevant Class of Notes held by the Noteholder by the Final Maturity Date.

The assignment of ratings to the Rated Notes is not a recommendation to invest in the Rated Notes or to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Any credit rating assigned to the Rated Notes may be revised or withdrawn at any time.

The Class Z Notes will not be rated.

Listing

This document comprises a prospectus (the "**Prospectus**") for the purpose of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). This Prospectus has been approved by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129. The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the Issuer or the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Rated Notes to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Regulated Market**"). This Prospectus constitutes a prospectus for the purposes of the Prospectus Regulation. Reference in this prospectus to being "listed" (and all date references) shall mean that the Rated Notes have been admitted to the Official List and have been admitted to trading on the Regulated Market. The Regulated Market is a regulated market for the purposes of MiFID II.

The Issuer has not made an application to admit the Class Z Notes to Euronext Dublin and to trading on the Official List.

Eurosystem Eligibility

The Class A Notes are intended to be held in a manner which would allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper. This does not necessarily mean that the Class A 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 depending upon satisfaction of the Eurosystem eligibility criteria. The other cleared Rated Notes are not intended to be Eurosystem eligible and will be deposited with a common safekeeper acting on behalf of Euroclear and Clearstream, Luxembourg.

Clearing Systems

The Class A Notes are intended to be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper. The other Rated Notes will be deposited with a common safekeeper for Euroclear or Clearstream, Luxembourg. The Class Z Notes will not be cleared.

Obligations

The Notes are obligations of the Issuer alone and are not the obligations of, or guaranteed by, or the responsibility of, any other entity. In particular, the Notes are not obligations of, or guaranteed by, or the responsibility of, any Seller, their affiliates or any other Transaction Party (as defined below) other than the Issuer.

EU Risk Retention

Gedesco Factoring, S.L.U. (the "**Retention Holder**") will retain, as originator under paragraph (a) of the definition of "Originator" set out in Article 2(3) of the Securitisation Regulation, on an ongoing basis a material net economic interest of not less than 5 per cent., in the securitisation in accordance with Article 6(1) of the Securitisation Regulation (which does not take into account any relevant national measures). As at the Issue Date, such interest will be comprised of the Retention Holder holding the Class Z Notes pursuant to sub-paragraph (d) of article 6(3) of the Securitisation Regulation. See the section entitled "*Regulatory Requirements – EU Risk Retention*" and the section entitled "*Risk Factors*" for further information.

Simple, Transparent and Standardised Securitisation

Within 15 Business Days of the Issue Date, it is intended that a notification will be submitted to ESMA and the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) by the Sellers, as originators, in accordance with Article 27 of the Securitisation Regulation, confirming that the requirements of Article 18 and Articles 19 to 22 of the Securitisation Regulation for designation as STS securitisation (the "**STS Requirements**") have been satisfied with respect to the Notes (such notification, the "**STS Notification**").

The STS Notification, once notified to ESMA, will be available for download on the ESMA STS Register website at <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation> (or its successor website) (the "**ESMA STS Register website**"). For the avoidance of doubt, the

ESMA STS Register website and the contents thereof do not form part of this Prospectus.

The STS status of the Notes is not static and investors should verify the current status on the ESMA STS Register website, which will be updated where the Notes are no longer considered to be STS following a decision of competent authorities or a notification by the Sellers.

In relation to the STS Notification, Gedesco Services Spain S.A.U. has been designated as the first point of contact for investors and competent authorities.

The originators and the Issuer have used the services of Prime Collateralised Securities (PCS) EU SAS ("**PCS**") (the "**STS Verification Agent**"), a third party authorised pursuant to Article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of Article 18 and Articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**"). It is expected that the STS Verification prepared by the STS Verification Agent will be available on its website at <https://pcsmarket.org/sts-verification-transactions/>. For the avoidance of doubt, the website of the STS Verification Agent and the contents of that website do not form part of this Prospectus.

No assurance can be provided that the Notes do qualify or will continue to qualify at any point in time in the future under the Securitisation Regulation as a STS securitisation. None of the Issuer, Arranger, Lead Manager, Note Trustee, Security Trustee, Servicer, Sellers or any of the other Transaction Parties makes any representation that the Notes do qualify or will qualify under the Securitisation Regulation at any point in time in the future as a STS securitisation or accepts any liability in respect of the securitisation transaction described in this Prospectus not qualifying as a STS securitisation.

See the section entitled "*Risk Factors – STS designation impacts on regulatory treatment of the Notes*" for further information.

The Volcker Rule

The Issuer was structured so that it should not constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**"). Any prospective investor in the Notes, including a bank or subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

Please refer to the risk factor entitled "Effects of the Volcker Rule on the Issuer" for more details.

Subscription of the Class Z Notes

Gedesco Factoring, S.L.U. will, on the Issue Date, subscribe for 100 per cent. of the Class Z Notes.

Please refer to the section entitled "*Subscription and Sale*" for further information.

THE "*Risk Factors*" SECTION OF THIS PROSPECTUS CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.

Arranger and Lead Manager

Morgan Stanley

The date of this Prospectus is 9 March 2020

IMPORTANT NOTICE

THE NOTES WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER) OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER). NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES SHALL BE ACCEPTED BY ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER), OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS THE TRANSACTION PARTIES (OTHER THAN THE ISSUER).

YOU SHOULD REVIEW AND CONSIDER THE DISCUSSION UNDER "**RISK FACTORS**" BEGINNING ON PAGE 23 IN THIS PROSPECTUS BEFORE YOU PURCHASE ANY NOTES.

The Rated Notes will be represented on issue by a Global Note in bearer form. The Rated Notes may also be issued in definitive bearer form in certain limited circumstances.

The Issuer will deposit the Class A Notes on or about the Issue Date with Euroclear or Clearstream, Luxembourg as common safekeeper.

Each of Euroclear and Clearstream, Luxembourg will record the beneficial interests in the Global Notes ("**Book-Entry Interests**") in respect of the Rated Notes. Book-Entry Interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear or Clearstream, Luxembourg and their respective participants. The Rated Notes will be held by the relevant common safekeeper. The Class Z Notes shall be in registered dematerialised form. No certificate evidencing entitlement to the Class Z Notes will be issued. A register in respect of the Class Z Notes shall be maintained at the office of the Class Z Note Registrar which will (i) record the identity of the person being the registered holder of the Class Z Notes from time to time and (ii) register transfers of the Class Z Notes.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. NO REPRESENTATION IS MADE BY ANY OF THE TRANSACTION PARTIES THAT THIS PROSPECTUS MAY BE LAWFULLY DISTRIBUTED, OR THAT THE NOTES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY SUCH JURISDICTION, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, AND NONE OF THEM ASSUMES ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, SAVE FOR OBTAINING THE APPROVAL OF THIS PROSPECTUS AS A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS REGULATION BY THE CENTRAL BANK OF IRELAND, NO ACTION HAS BEEN OR WILL BE TAKEN BY ANY OF THE TRANSACTION PARTIES WHICH WOULD PERMIT A PUBLIC OFFERING OF THE NOTES OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED, IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER, THE ARRANGER AND THE LEAD MANAGER TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS

AMENDED (THE "U.S. RISK RETENTION RULES" AND SUCH PERSONS, "RISK RETENTION U.S. PERSONS"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S. EACH PURCHASER OF THE NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES BY ITS ACQUISITION OF THE NOTES OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (A) IS NOT A RISK RETENTION U.S. PERSON OR (B) HAS RECEIVED A U.S. RISK RETENTION WAIVER FROM THE RETENTION HOLDER, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE OR A BENEFICIAL INTEREST THEREIN, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR ANY OTHER RELEVANT JURISDICTION AND ARE SUBJECT TO UNITED STATES TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS AND EXCEPTIONS TO UNITED STATES TAX REQUIREMENTS. THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN UNDER "TRANSFER RESTRICTIONS".

The Notes will bear restrictive legends and will be subject to restrictions on transfer as described herein. Each of the Arranger and the Lead Manager and each subsequent transferee of the Notes will be deemed, by its acquisition or holding of such Notes, to have made the representations set forth in such Notes and the Trust Deed that are required of such initial purchasers and transferees. Any resale or other transfer, or attempted resale or other attempted transfer, of Notes which is not made in compliance with the applicable transfer restrictions will be void. See "*Transfer Restrictions*".

None of the Issuer, Lead Manager or Arranger or any of the Transaction Parties makes any representation to any prospective investor or purchaser of the Notes regarding the legality of investment therein by such prospective investor or purchaser under applicable legal investment or similar laws or regulations.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure such is the case, the information in this Prospectus, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Notes, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

Each Seller accepts responsibility for the section entitled "*The Sellers, the Receivables and the Credit Policy*" and "*The Provisional Initial Receivables Portfolio*", only insofar as the information contained therein relates to the relevant Seller, and declares that, having taken all reasonable care to ensure such is the case, the information in such section relating to it, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

The Servicer accepts responsibility for the section entitled "*The Servicer*" and "*Servicing of Receivables and Collection Policy*" and declares that, having taken all reasonable care to ensure such is the case, the information

in such section, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Note Trustee, the Security Trustee, the Lead Manager, the Arranger or any other Transaction Party as to the accuracy or completeness of any information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution.

No person is authorised to give any information or to make any representation in connection with the offering or sale of the Notes other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Transaction Parties or any of their respective affiliates or advisers. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer, any Seller or the Servicer or in the other information contained herein since the date hereof. The information contained in this Prospectus was obtained from the Issuer and the other sources identified herein, but no assurance can be given by the Note Trustee or any of the Transaction Parties, the Lead Manager or the Arranger as to the accuracy or completeness of such information. None of the Note Trustee or any of the Transaction Parties (other than in respect of the relevant Seller or the Servicer, as applicable, and only as described above), the Lead Manager or the Arranger has separately verified the information contained herein. Accordingly, none of the Note Trustee or any of the Transaction Parties, the Lead Manager or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes.

The delivery of this Prospectus at any time does not imply that the information herein is correct at any time subsequent to its date.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, any Seller, the Lead Manager or the Arranger or any of them to subscribe for or purchase any of the Notes in any jurisdiction where such action would be unlawful and neither this Prospectus, nor any part thereof, may be used for or in connection with any offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus is personal to the offeree who received it from the Lead Manager or the Arranger and does not constitute an offer to any other person to purchase any Notes.

The Notes are being offered only to a limited number of investors that are willing and able to conduct an independent investigation of the characteristics of the Notes and the risks of ownership of the Notes. It is expected that prospective investors interested in participating in this offering will conduct an independent investigation of the risks posed by an investment in the Notes. Representatives of the Lead Manager or the Arranger will be available to answer questions concerning the Issuer and the Notes and will, upon request, make available such other information as investors may reasonably request. Prospective purchasers of the Notes must be able to hold their investment for an indefinite period of time.

This Prospectus is not intended to furnish legal, regulatory, tax, accounting, investment or other advice to any prospective purchaser of the Notes.

This Prospectus should be reviewed by each prospective purchaser and its legal, regulatory, tax, accounting, investment and other advisers. Prospective purchasers whose investment authority is subject to legal restrictions

should consult their legal advisers to determine whether and to what extent the Notes constitute legal investments for them.

Prospectus Regulation

This document comprises a Prospectus, for the purpose of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). This Prospectus has been approved by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129. The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Issuer or the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

This Prospectus is valid until the date of admission of the Notes to trading on the regulated market of Euronext Dublin. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

PRIIPs / EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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 (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) no. 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. Accordingly, none of the Issuer, the Arranger or the Lead Manager expects to be required to prepare, and none of them has prepared, or will prepare, a "key information document" in respect of the Notes for the purposes of Regulation (EU) 1286/2014 (the "**PRIIPs Regulation**") and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market

Solely for the purposes of 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 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 Rated Notes (a distributor) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Rated Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Benchmark Regulation

Interest amounts payable in respect of the Rated Notes will be calculated by reference to EURIBOR as specified in the Conditions. As at the date of this Prospectus, EURIBOR is provided and administered by the European Money Markets Institute ("**EMMI**"). As at the date of this Prospectus, EMMI is authorised as benchmark administrator and included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of Regulation (EU) no. 2016/1011 (the "**Benchmark Regulation**").

Interpretation

In this Prospectus all references to "**Euro**", "**EUR**" and "**€**" are references to the lawful currency of the European Union introduced at the start of the third stage of European economic and monetary union, and as

defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meanings set out in this Prospectus. A glossary of defined terms appears at the end of this Prospectus in the section headed "*Glossary of Terms*".

Forward-Looking Statements

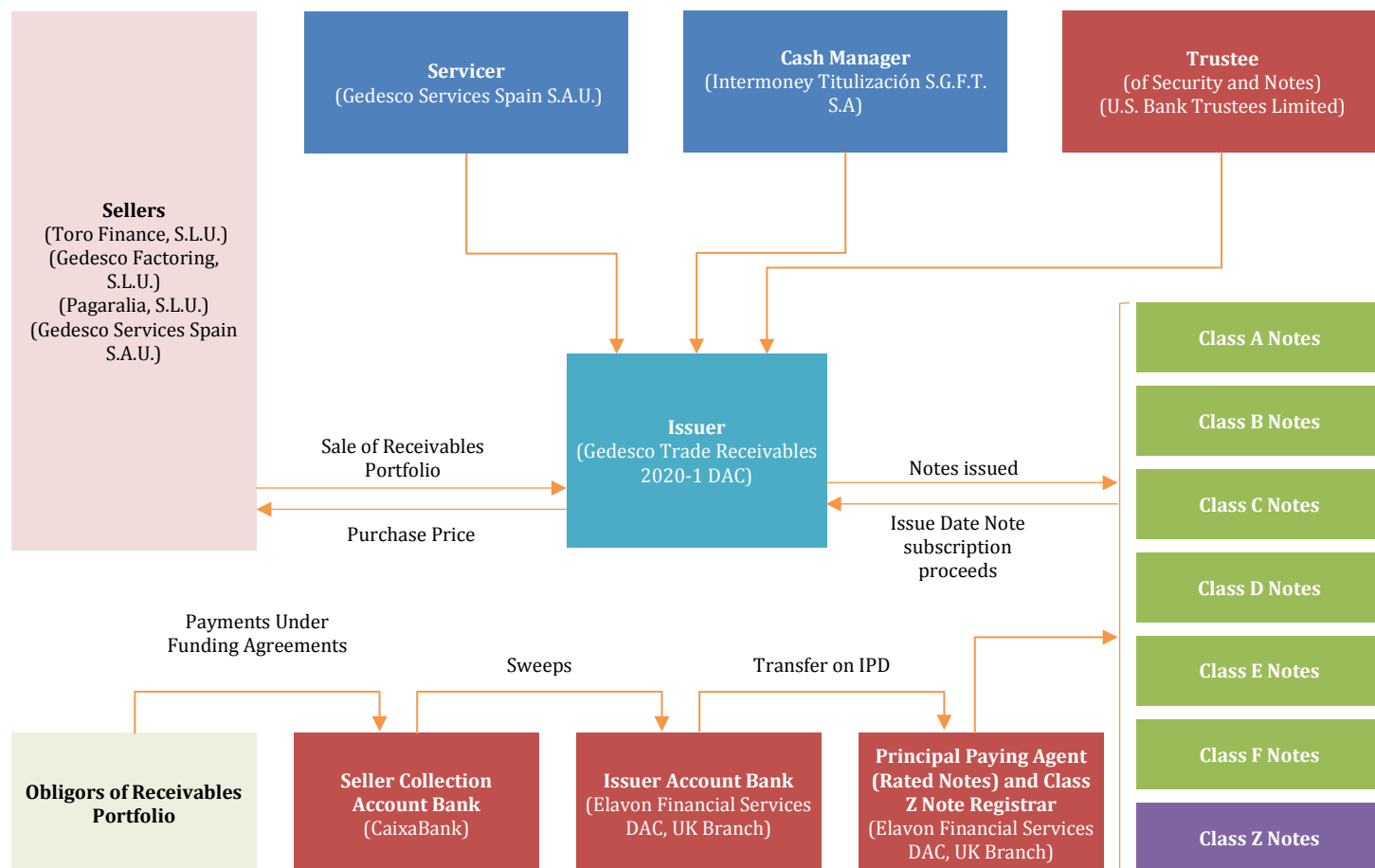
Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Receivables Portfolio, and reflect significant assumptions and subjective judgments by the Issuer that may not prove to be correct.

Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the Spanish financing market. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Rated Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Lead Manager or the Arranger has not attempted to verify any such statements, nor do they make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Issuer, any Seller, the Servicer, the Arranger nor the Lead Manager assume any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

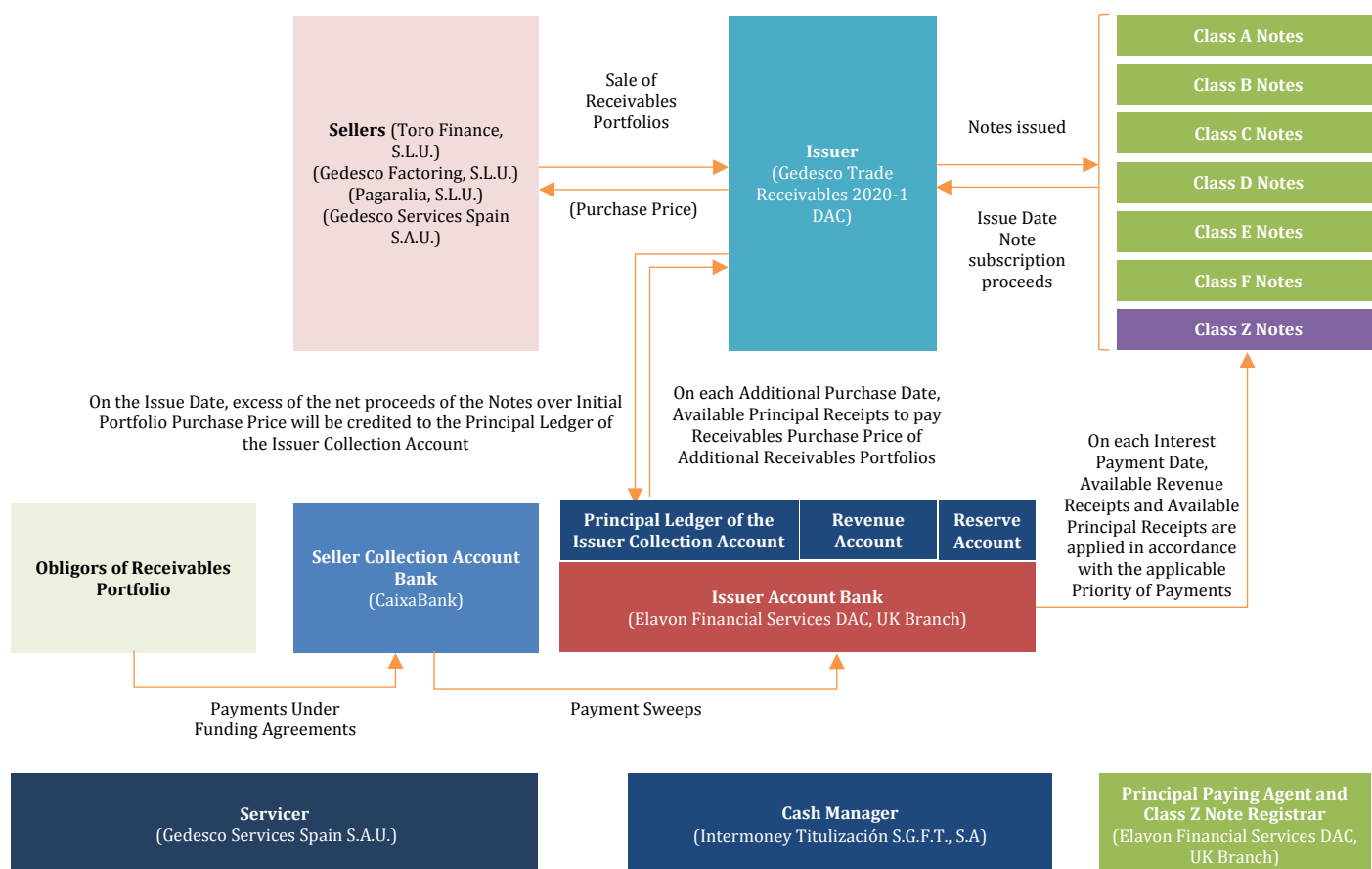
CONTENTS

	Page
IMPORTANT NOTICE	i
DIAGRAMMATIC OVERVIEW OF THE TRANSACTION	16
CASHFLOW DIAGRAM DURING THE REVOLVING PERIOD.....	17
CASHFLOW DIAGRAM DURING THE AMORTISATION PERIOD	18
TRANSACTION OVERVIEW	19
RISK FACTORS	23
THE RECEIVABLES PORTFOLIO AND SERVICING	48
SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES	63
RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS	72
CREDIT STRUCTURE AND CASHFLOW	76
TRIGGERS TABLES.....	87
FEES.....	93
REGULATORY REQUIREMENTS	94
OVERVIEW OF THE TRANSACTION DOCUMENTS	98
USE OF PROCEEDS	131
WEIGHTED AVERAGE LIFE OF THE NOTES	132
THE PROVISIONAL INITIAL RECEIVABLES PORTFOLIO.....	135
HISTORICAL DEFAULT AND LOSS PERFORMANCE.....	139
CASH MANAGEMENT	144
THE ISSUER.....	149
THE SELLERS, THE RECEIVABLES AND THE CREDIT POLICY	151
THE SERVICER	166
SERVICING OF RECEIVABLES AND COLLECTION POLICY	168
CREDIT STRUCTURE AND LIQUIDITY	171
TERMS AND CONDITIONS OF THE NOTES	173
SUMMARY OF PROVISIONS RELATING TO THE NOTES	203
TAXATION	206
SUBSCRIPTION AND SALE	209
TRANSFER RESTRICTIONS.....	213
GENERAL INFORMATION.....	217
GLOSSARY OF TERMS.....	221
INDEX OF DEFINED TERMS	263

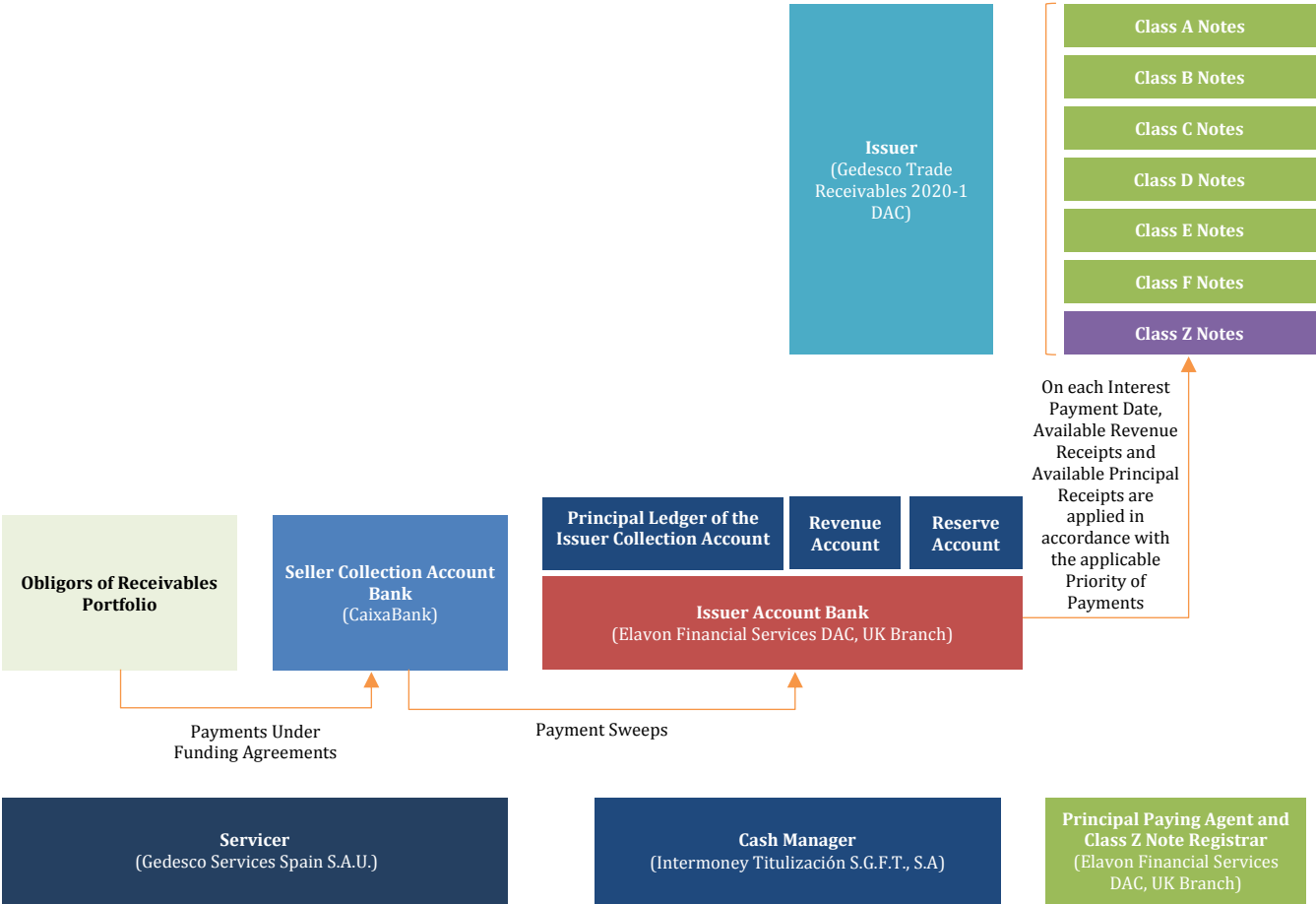
DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



CASHFLOW DIAGRAM DURING THE REVOLVING PERIOD



CASHFLOW DIAGRAM DURING THE AMORTISATION PERIOD



TRANSACTION OVERVIEW

The information set out below is an overview of various aspects of the transaction. This overview is not purported to be complete and should be read in conjunction with, and is qualified in its entirety by references to, the detailed information presented elsewhere in this Prospectus.

TRANSACTION PARTIES ON THE ISSUE DATE

Party	Name	Address	Document under which appointed/Further Information
Issuer	Gedesco Trade Receivables 2020-1 Designated Activity Company	3rd Floor, Fleming Court, Fleming's Place, Dublin 4, Ireland	N/A. See the section entitled " <i>The Issuer</i> " in this Prospectus for further information
Sellers	Toro Finance, S.L.U.	Paseo de la Castellana, 47, bajo, 28046 Madrid, Spain	N/A. See the section entitled " <i>The Sellers, the Receivables and the Credit Policy</i> " in this Prospectus for further information
	Gedesco Factoring, S.L.U.	Avenida de Aragón, número 2-bis, entresuelo, 46021 Valencia, Spain	N/A. See the section entitled " <i>The Sellers, the Receivables and the Credit Policy</i> " in this Prospectus for further information
	Pagaralia, S.L.U.	Avenida de Aragón, número 2-bis, entresuelo, 46021 Valencia, Spain	N/A. See the section entitled " <i>The Sellers, the Receivables and the Credit Policy</i> " in this Prospectus for further information
	Gedesco Services Spain, S.A.U.	Avenida de Aragón, número 2-bis, entresuelo, 46021 Valencia, Spain	N/A. See the section entitled " <i>The Sellers, the Receivables and the Credit Policy</i> " in this Prospectus for further information
Servicer	Gedesco Services Spain, S.A.U.	Avenida de Aragón, número 2-bis, entresuelo, 46021 Valencia, Spain	Servicing Agreement entered into by the Issuer, each Seller, the Servicer and the Cash Manager. See the section entitled " <i>Overview of the Transaction Documents</i> "

Party	Name	Address	Document under which appointed/Further Information
			– <i>The Servicing Agreement</i> " in this Prospectus for further information
Seller Collection Account Bank	CaixaBank, S.A.	Calle Barcas, 2, 46002, Valencia, Spain	Seller Collection Account Bank Agreement entered into by the relevant Seller, the Issuer, the Servicer and the Cash Manager.
Back-Up Servicer	Copernicus Servicing, S.L.	C/ Rafael Calvo, 5. 1ª Planta 28010, Madrid, Spain	Back-Up Servicing Agreement entered into by the Back-Up Servicer, each Seller, the Servicer, the Issuer and the Security Trustee. See the section entitled " <i>Overview of the Transaction Documents – The Back-Up Servicing Agreement</i> " in this Prospectus for further information.
Cash Manager	Intermoney Titulización S.G.F.T., S.A.	Príncipe de Vergara, 131, Planta 3, 28002, Madrid, Spain	Cash Management Agreement entered into by the Issuer, the Cash Manager, the Note Trustee, the Security Trustee and the Servicer. See the section entitled " <i>Overview of the Transaction Documents – The Cash Management Agreement</i> " in this Prospectus for further information
Issuer Account Bank	Elavon Financial Services D.A.C.	Building 8, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	Issuer Account Bank Agreement entered into by the Issuer, the Issuer Account Bank, the Cash Manager and the Security Trustee. See the section entitled

Party	Name	Address	Document under which appointed/Further Information
			<i>"Overview of the Transaction Documents – The Issuer Account Bank Agreement"</i> in this Prospectus for further information
Note Trustee	U.S. Bank Trustees Limited	Fifth Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom	Trust Deed entered into by the Issuer and the Note Trustee See the Conditions and the section entitled <i>"Overview of the Transaction Documents – Trust Deed"</i> in this Prospectus for further information
Security Trustee	U.S. Bank Trustees Limited	Fifth Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom	Security Deed entered into by, inter alios, the Issuer, each Seller and the Security Trustee. See the Conditions and the section entitled <i>"Overview of the Transaction Documents - Security Deed"</i> in this Prospectus
Paying Agent and Agent Bank	Elavon Financial Services D.A.C.	Building 8, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	Agency Agreement entered into by the Issuer, the Trustee, the Paying Agent, the Class Z Notes Registrar and Agent Bank. See the section entitled <i>"Overview of the Transaction Documents – Agency Agreement"</i> in this Prospectus for further information.
Class Z Notes Registrar	Elavon Financial Services D.A.C.	Building 8, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	Agency Agreement entered into by the Issuer, the Trustee, the Paying Agent, the Class Z Notes Registrar and Agent Bank. See the section entitled <i>"Overview of the</i>

Party	Name	Address	Document under which appointed/Further Information
			<i>Transaction Documents – Agency Agreement</i> in this Prospectus for further information.
Corporate Services Provider	CSC Capital Markets (Ireland) Limited	3rd Floor, Fleming Court, Fleming's Place, Dublin 4, Ireland	Corporate Services Agreement entered into by the Issuer, the Corporate Services Provider and the Share Trustee. See the section entitled " <i>The Issuer</i> " in this Prospectus for further information
Listing Authority and Stock Exchange	Euronext Dublin	28 Anglesea Street, Dublin 2, Ireland	N/A
Irish Listing Agent	Arthur Cox Listing Services Limited	Ten Earlsfort Terrace, Dublin 2, Ireland	N/A
Clearing Systems	Euroclear and together with Clearstream, Luxembourg, the " Clearing Systems "	Euroclear:1, Boulevard du Roi Albert II 1201 Brussels Belgium Clearstream: 42 av. J. F. Kennedy 1855 Luxembourg	N/A
Arranger and Lead Manager	Morgan Stanley	25 Cabot Square Canary Wharf London E14 4QA United Kingdom	Subscription Agreement entered into by the Issuer, the Arranger and each Seller. See the section entitled " <i>Subscription and Sale</i> " in this Prospectus for further information.

RISK FACTORS

The following is a summary of certain factors which prospective investors should consider before deciding to purchase the Notes. The following statements are not exhaustive; prospective investors are requested to consider all the information in this Prospectus, make such other enquiries and investigations as they consider appropriate and reach their own views prior to making any investment decisions.

1. RISKS RELATED TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES

Liabilities under the Notes

The Notes will be contractual obligations solely of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, the Note Trustee, the Security Trustee, the Share Trustee, the Paying Agent, the Class Z Notes Registrar, the Agent Bank, the Irish Listing Agent, the Issuer Account Bank, the Cash Manager, the Corporate Services Provider, the Servicer, any Seller, the Lead Manager or the Arranger or any other party to the Transaction Documents.

Limited source of funds, limited recourse and non-petition

The Issuer is a special purpose company with no business operations other than the issue of the Notes, the acquisition of its interest in the Receivables Portfolio and the borrowing of money under the Subordinated Loan Agreement and certain ancillary arrangements. The ability of the Issuer to meet its obligations under the Notes and its operating, administrative and other expenses will be dependent on the following:

- (a) the receipt by it of principal and revenue principally from the Receivables Portfolio, which in turn will be dependent upon:
 - (i) the receipt by the relevant Seller of Collections from Debtors in respect of the Receivables Portfolio (including Ancillary Rights and Claims) and the payment to the Issuer of those amounts by the Servicer and the relevant Seller in accordance with the Servicing Agreement and the Receivables Sale Agreement; and
 - (ii) the receipt by the Issuer of amounts due to be paid by any Seller as Deemed Collection or amounts due to be paid by the Sellers as a result of the repurchase of the Defaulted Receivables or the entire Receivables Portfolio by such Sellers in accordance with the Receivables Sale Agreement;
- (b) interest income earned on the Issuer Accounts (if any);
- (c) funds available in the Reserve Account;
- (d) receipt by the Issuer of payments (if any) under the other Transaction Documents in accordance with the terms thereof; and
- (e) following service of an Enforcement Notice, the proceeds of enforcement of the Charged Property.

Other than those amounts, the Issuer will not have any other material funds available to it to meet its obligations in respect of the Notes and its obligations ranking in priority to or *pari passu* with the Notes. The Notes are limited recourse obligations of the Issuer and, if, after the distribution of all the Issuer's assets, there are amounts that are not paid in full, any amounts outstanding will be deemed to be discharged in full and any payment rights are deemed to cease as described in more detail in Condition 16 (*Limited recourse*).

If the levels of delayed payment or non-payment in respect of the Receivables Portfolio exceed those assumed for the purposes of determining the credit structure and the sizing of the different components thereof (including as a result of failure by any Seller to make payments in respect of the Deemed Collections), the Issuer may have insufficient funds to pay in full principal and interest in respect of the Notes and other amounts ranking in priority to or *pari passu* with principal and interest which are due on any Interest Payment Date or at maturity of the Notes.

The Issuer and the Security Trustee will have no recourse against the Sellers and the Servicer other than, among other things, (a) the Issuer's right to receive a Deemed Collection from any Seller in respect of any breach of warranty and to claim for breach of other obligations by such Seller and (b) as provided in relation to the Servicing Agreement for breach of the Servicer's obligations thereunder.

The Security Trustee will, if directed by the Note Trustee or pursuant to a request in writing of the holders of at least one-fifth in aggregate of the Principal Amount Outstanding of the Controlling Class then Outstanding or an Extraordinary Resolution of the holders of the Controlling Class (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction against all liability to which it may become liable or which it may incur by so doing), have recourse to the Charged Property (including the Receivables Portfolio and all other assets of the Issuer then in existence and the amount standing to the credit of the Issuer Accounts (other than the Irish Issuer Account)).

Therefore, the Noteholders will have a claim under the Notes against the Issuer only and only to the extent that amounts are available to meet such claim in accordance with the applicable Priority of Payments including following enforcement of the Transaction Security granted pursuant to the Security Deed and the Irish Deed of Charge, the proceeds of such enforcement to be applied in accordance with the Post-Enforcement Priority of Payments. The Charged Property may not be sufficient to pay amounts due under the Notes, which may result in a shortfall in amounts available to pay interest and principal on the Notes. In addition, upon enforcement, certain payments (including all amounts payable to any receiver appointed under the Security Deed or the Irish Deed of Charge), including costs of enforcement, notwithstanding the fact that the Note Trustee has been directed to send an Enforcement Notice by at least one-fifth in aggregate Principal Amount Outstanding of the Controlling Class or if so directed by an Extraordinary Resolution of the Noteholders of the Controlling Class, and the fees and expenses payable to a substitute administrator, will be made in priority to payments in respect of the Notes.

Each Secured Creditor agrees in the Security Deed and the Irish Deed of Charge that if any amount is received by it (including by way of set-off) in respect of any Secured Obligation owed to it other than in accordance with the provisions of the Security Deed and the Irish Deed of Charge, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Security Deed and the Irish Deed of Charge shall be received and held by it as trustee for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Security Deed and the Irish Deed of Charge.

None of the Noteholders, the Note Trustee, the Security Trustee nor the other Secured Creditors (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, winding up, re-organisation, examinership, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes, the Trust Deed or the other documents relating to the issue of the Notes. The net proceeds of the realisation of the Charged Property may be insufficient to pay all amounts due to the Noteholders after making payments to other creditors of the Issuer ranking prior thereto. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, such shortfall, all claims in respect of which shall be extinguished.

Considerations relating to mitigation: subordination, Reserve Account and calculation of the Purchase Price

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes of any relevant Class, the Conditions, the Security Deed and the Irish Deed of Charge provide that both following and prior to enforcement, where applicable, such obligations of the Issuer are subordinated to the rights of the Secured Creditors and any other person (including holders of other Classes of Notes) ranking higher than the Notes of such relevant Class in the applicable Priority of Payments.

Further, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne (i) firstly by the holders of the Class Z Notes, (ii) thereafter, by the holders of the Class F Notes while they remain Outstanding, (iii) thereafter, by the holders of the Class E Notes while they remain Outstanding, (iv) thereafter, by the holders of the Class D Notes while they remain Outstanding, (v) thereafter, by the holders of the Class C Notes while they remain

Outstanding, (vi) thereafter, by the holders of the Class B Notes while they remain Outstanding, and (vii) thereafter, by the holders of the Class A Notes while they remain Outstanding.

The various risks existing in respect of the payment of interest and the repayment of principal due on the Notes are thus, to some extent, mitigated by the subordination of the different Classes of Notes as set out in this Prospectus, the method of calculation of the Purchase Price and, with respect to Class A Notes only, the availability of support provided by the availability of the Reserve Account.

The Reserve Account will be funded up to fifty per cent. of the Reserve Fund Required Amount on the Issue Date by way of the Subordinated Loan. The remaining fifty per cent. of the Reserve Fund Required Amount will be funded, in accordance with the Pre-Enforcement Revenue Priority of Payments, as of the first Interest Payment Date and on each following Interest Payment Date until the balance standing to the credit of the Reserve Account equals the Reserve Fund Required Amount. Thereafter the Reserve Account will be funded on each relevant Interest Payment Date by Available Revenue Receipts up to the Reserve Fund Required Amount in accordance with the Pre-Enforcement Revenue Priority of Payments (subject, in each case, to the Issuer having sufficient Available Revenue Receipts for that purpose).

2. RISKS RELATING TO THE UNDERLYING ASSETS

Receivables Default Risk

Whilst each Funding Document has due dates for scheduled payments thereunder, there is no assurance that the Debtors under those Funding Documents will pay in time, or at all. The holders of the Notes bear the risk of default on the Receivables. Any such failure by the Debtors to make payments under the Funding Documents may have an adverse effect on the Issuer's ability to make payments under the Notes. With respect to the Class A Notes, the risk of late payment by Debtors is in part mitigated by the Reserve Account. Whilst the Issuer may use amounts standing to the credit of the Reserve Account to make payments in respect of interest on the Class A Notes, no assurance can be given that the Issuer will have sufficient funds to make payments in full in respect of the Class A Notes or any other Class of Notes. This risk of late payment by Debtors is also in part mitigated by the fact that each Seller may decide to repurchase any Defaulted Receivable with the exclusive view to maximise the recovery of the amounts due under the Eligible Receivables comprised in the Receivables Portfolio in the event of an Enforcement Retransfer.

There can be no assurance that there will be a market for Receivables after an Event of Default

The ability of the Issuer to redeem all the Notes in full, after the occurrence of an Event of Default in relation to the Notes, whilst any Receivable comprised in the Receivables Portfolio remains outstanding, may depend on whether the Receivables Portfolio can be sold, refinanced or otherwise realised so as to obtain a sufficient amount available for distribution by the Issuer to enable it to redeem the Notes. There is no established active and liquid secondary market for Receivables in Spain. It is therefore possible that neither the Issuer nor the Security Trustee will be able to sell, otherwise realise or refinance the Receivables Portfolio on appropriate terms or at all should it be necessary for it to do so. Any failure by the Issuer or the Security Trustee to sell or refinance the Receivables Portfolio following an Event of Default (on acceptable terms or at all) could have an adverse effect on the Issuer's ability to redeem the Notes in full.

There can be no assurance that the Initial Receivables Portfolio and the replenished Receivables Portfolio will display the same characteristics as the Provisional Initial Receivables Portfolio and there can be no assurance that the replenished Receivables Portfolio will display the same characteristics as the Initial Receivables Portfolio

The Initial Receivables Portfolio transferred on the Issue Date may differ from the Provisional Initial Receivables Portfolio due to new Receivables being originated by the Sellers between 31 July 2019 and the Issue Date, any repayments of Receivables occurring or enforcement procedures being completed between 31 July 2019 and the Issue Date or if the Receivables do not comply with the Eligibility Criteria during the period between the Cut-Off Date and the Issue Date. The statistical, financial and other information are set out in the section headed "*The Provisional Initial Receivables Portfolio*", including information in respect of collection rates, represents the characteristics of the Provisional Initial Receivables Portfolio as at 31 July 2019.

On any Additional Purchase Date during the Revolving Period, Available Principal Receipts that would otherwise be used to repay the principal under the Notes on any Interest Payment Date will be used to purchase Additional Receivables Portfolios from the Sellers. In addition, the Receivables in the Initial Receivables Portfolio and any Additional Receivables Portfolio may also be prepaid or may default during the Revolving Period. Therefore the characteristics of the Receivables Portfolio may change after the Issue Date, and could be substantially different at the end of the Revolving Period from the characteristics of the Receivables in the Provisional Initial Receivables Portfolio or in the Initial Receivables Portfolio. There can be no assurance that the Receivables Portfolio as may be replenished during the Revolving Period will display the same characteristics or be of the same quality and performance dynamics as the Provisional Initial Receivables Portfolio or the Initial Receivables Portfolio. These differences could result in faster or slower repayments or greater losses on the Notes.

Although each time an Additional Receivables Portfolio is purchased on an Additional Purchase Date the relevant Seller will make certain representations and warranties in respect of the Receivables comprised in the relevant Additional Receivables Portfolio, including that any Receivables comprised in such Additional Receivables Portfolio are Eligible Receivables as at the relevant Additional Purchase Date, the exact characteristics of each relevant Additional Receivables Portfolio will not be known as at the Issue Date. This could change the characteristics of the Receivables Portfolio, which could have an adverse effect on the quality of the Receivables Portfolio and could increase the Noteholders' risk of incurring losses on the Notes.

Remedial action as a result of a breach of representations and warranties and eligibility criteria relating to the Receivables Portfolio is limited, which may adversely affect the payment of the Notes

None of the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, the Paying Agent, the Agent Bank, the Issuer Account Bank, the Cash Manager, the Corporate Services Provider, the Issuer nor any other person has undertaken or will undertake any investigations, searches or other actions to verify the information concerning the Receivables Portfolio or to establish the creditworthiness of any Debtor or any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by each Seller to the Issuer in the Receivables Sale Agreement in respect of, among other things, the Receivables Portfolio, the Debtors and the Funding Documents. Transaction Security over the Issuer's rights under the Receivables Portfolio will be granted by the Issuer in favour of the Security Trustee under the Security Deed and the Irish Deed of Charge.

Should any Receivable comprised in the Receivables Portfolio not meet the Eligibility Criteria as at its Purchase Date, or should any Receivable fail on any date after its Purchase Date to meet the Permanent Eligibility Criteria by reference to the facts and circumstances existing on such date or should any Direct Debtor of such Receivable become an Affiliate of any Seller after its Purchase Date, then such Seller shall be required to pay a Deemed Collection in respect of the affected Receivable to the Issuer in accordance with the Receivables Sale Agreement.

The Issuer (either itself or through its auditors or other appointed representatives) will have the right to perform a limited inspection of the Servicer's records on an annual basis in accordance with the Servicing Agreement. However, none of the other Transaction Parties will have any right to inspect the internal records of the Servicer or the Sellers.

Should any Seller fail to comply with the appropriate remedial action under the terms of the Receivables Sale Agreement this may have an adverse effect on the ability of the Issuer to make payments under the Notes.

Payment of the Notes may be affected by set-off rights provided under Spanish Law

Pursuant to Article 1,527 of the Spanish Civil Code, an assignment of a credit will not be effective vis-à-vis the debtor until such assignment has been notified to the debtor or the debtor otherwise has knowledge of the assignment.

Furthermore, pursuant to Article 1,198 of the Spanish Civil Code, if an assignment is made and the debtor has no knowledge of such assignment, the debtor will be entitled to set off against the assignee the amounts of any claims vis-à-vis the assignor that arose before the assignment took place, as well as those arising after the assignment until the debtor is notified or has knowledge of the assignment. In addition to the above, if the assignment is made and the debtor has no knowledge of such assignment, the debtor is entitled to raise vis-à-vis the assignee all defences that would have

been available to it from transactions entered into between it and the assignor arising before the debtor had knowledge of the assignment.

Consequently, pursuant to these articles 1,527 and 1,198 of the Spanish Civil Code, until the moment of notification to the Debtors, (i) they will be discharged of their payment obligations vis-à-vis the Issuer and the Security Trustee by paying the relevant Seller, and (ii) the Debtors will have the right to set off against the relevant Seller their payment obligations existing before the transfer and those which came into existence after the transfer until the date they were notified; and if notice of the transfer is served on the Debtors and any of them opposes to the transfer, then the Debtors will only keep the right to set off payment obligations existing before the notice but not those which are posterior.

Although the Transaction Documents contemplate notification of the Debtors upon the occurrence of a Notification Event, no assurance may be given that such arrangements would ultimately afford a complete or efficient protection from the risks outlined above.

Transfer of the Collateral Claims to the Issuer

The Receivables Portfolio will contain Collateral Claims, being Claims that are originally transferred by the relevant Client Debtor pursuant to a Funding Document to the relevant Seller or to Gedesco Factoring, as applicable, for payment (*para pago*) of the relevant Receivable out of proceeds of such Collateral Claim. The Servicing Agreement contains provisions for the application of the proceeds of the Collateral Claims assigned for payment (*para pago*) of Eligible Receivables (see overview of the *Transaction Documents – Servicing Agreement - Special provisions in relation to the transfer of the Collateral Claims*).

As a general rule, pursuant to article 1,528 of the Spanish Civil Code, the sale or transfer of a claim includes the sale or transfer of all ancillary rights to such claim, such as the related security and guarantees.

Since Collateral Claims are claims assigned for payment (*cesiones para pago*) of the relevant Receivable they purport to secure or guarantee, such Collateral Claims would in principle be considered as ancillary rights to such Receivable and therefore transferred automatically pursuant to article 1,528 of the Spanish Civil Code. However, in certain instances, the Collateral Claims are transferred to Gedesco Factoring and not to the relevant Seller under the relevant Funding Document under which the relevant Receivable such Collateral Claims purport to secure or guarantee arises. This could potentially raise certain questions as to the ancillary nature of these Collateral Claims and their automatic assignment to the Issuer pursuant to article 1,528 of the Spanish Civil Code.

In order to mitigate this risk and reinforce the transfer of the Collateral Claims, each Seller and Gedesco Factoring, as the case may be, will agree in the Receivables Sale Agreement to expressly transfer any Collateral Claims assigned for payment (*para pago*), securing or otherwise guaranteeing any Eligible Receivables transferred under the Receivables Sale Agreement, for all relevant legal purposes and without any additional acts (subject to certain rights of the relevant Seller or Gedesco Factoring to the retransfer of Collateral Claims or the proceeds of Collateral Claims in certain circumstances, as further described in this Prospectus).

Each Seller and the Issuer will declare for all relevant purposes (i) that the Issuer would not have agreed to purchase Eligible Receivables without the transfer of the Collateral Claims, which are essential to the transaction and (ii) that in order to assess the Receivable Purchase Price to be paid for each Eligible Receivables which payment is to be made out of proceeds of, or otherwise secured or guaranteed by Collateral Claims, the Issuer shall take into account that such Collateral Claims are transferred to the Issuer in the terms described above.

Therefore, in the event that the ancillary nature of the Collateral Claims is questioned, the fact that the parties have agreed the express transfer of the Collateral Claims should increase the protection of the Issuer against any potential challenge of the transfer.

Should, irrespective of the above, the Collateral Claims be considered as not transferred to the Issuer in accordance with article 1,528 of the Spanish Civil Code or otherwise under the express transfer by the parties pursuant to the terms of

the Receivables Sale Agreement, this could potentially have an adverse effect on the value of the Receivables Portfolio and, ultimately, on the ability of the Issuer to make payments under the Notes.

3. OTHER RISKS RELATING TO THE NOTES AND THE STRUCTURE

No hedging - Interest rate and liquidity risks

The Issuer expects to meet its floating rate payment obligations under the Rated Notes primarily from payments received from collections and recoveries made in respect of the Receivables comprised in the Receivables Portfolio. However, the payments made in connection with such Receivables may have no correlation to the floating rate applicable in respect of interest payable on the Rated Notes. The Issuer will also be exposed to potential liquidity risks due to the timing mismatch between payments of interest and principal on the Notes and Collections in respect of Receivables comprised in the Receivables Portfolio. A timing mismatch could result in a temporary shortfall, which could lead to an Event of Default.

The Issuer has not entered into any interest rate hedging agreement in connection with the Transaction and the Rated Notes and therefore it will be exposed to the interest rate and timing mismatch between assets and liabilities. However, such risk is mitigated through the calculation method of the Receivable Purchase Price payable by the Issuer to the relevant Seller as consideration for the purchase of any Receivable. Calculation of such Receivable Purchase Price on each Purchase Date will depend on the Funding Discount which is determined on the basis of the floating rate payment obligations of the Issuer under the Rated Notes as at such Purchase Date. As a consequence, any increase of Euribor resulting in an increase of the relevant Rated Note Interest Rate will be mitigated with a lower Receivable Purchase Price. All Receivables are payable within one year of the relevant Purchase Date (with many having shorter maturities) which helps to mitigate the risks associated with rises in EURIBOR after the relevant Purchase Date.

Although the Issuer believes that the structural features of the Transaction and the characteristics of the Receivables Portfolio are such that the credit enhancement furnished by the above elements adequately mitigates the above described interest rate and liquidity risks, there can, however, be no assurance that any such features will ensure timely and full receipt of interest amounts due under the Notes.

The Revolving Period may end if an Amortisation Trigger Event occurs which may accelerate the payment of the Notes

During the Revolving Period, no principal will be paid to the Noteholders (save upon occurrence of a Cash Collateral Ratio Trigger Event that is continuing) but instead, on each Additional Purchase Date during the Revolving Period, Available Funds will be used to purchase any Additional Receivables Portfolio. Although the Sellers do not, as of the date of this Prospectus, expect any shortage in availability of additional Eligible Receivables, there is no guarantee that the Sellers will be able to originate Eligible Receivables in amounts sufficient to replenish the pool of Receivables during the Revolving Period. The Revolving Period shall be terminated if no transfer of Additional Receivables Portfolio is made to the Issuer during a period longer than 3 months.

If an Amortisation Trigger Event occurs, then the Revolving Period will terminate earlier than expected (subject to time and cash tests set out in the definition of the Amortisation Trigger Event), in which case the Noteholders will receive payments of principal on the Notes earlier than expected.

4. RISKS RELATED TO CHANGES TO THE STRUCTURE AND DOCUMENTS

Rules governing meetings of Noteholders, Modifications and Waivers may adversely affect your interest

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Note Trustee may agree, without the consent of the Noteholders or the other Secured Creditors (but subject to the receipt of the written consent of the Secured Creditors which are a party to the

relevant Transaction Document being modified), to (i) any modification of, or the waiver or authorisation of, any breach or proposed breach of, the Conditions of the Notes or any of the Transaction Documents which is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the holders of the Notes or (ii) any modification which, in the Note Trustee's opinion is of a formal, minor or technical nature, to correct a manifest error or is necessary to comply with any mandatory provisions of law. In respect of an occurrence of an Event of Default specified in paragraph (c) of Condition 9.1 (*Events of Default*), prior to serving an Enforcement Notice on the Issuer, the Note Trustee must certify in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Controlling Class. See Condition 11 (*Meetings of Noteholders, Modification and Waiver*).

Further, the Note Trustee may also be obliged to agree (without the consent of the holders of the Notes) to amendments to the Conditions and/or the Transaction Documents for the purpose of (i) complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, (ii) enabling the Issuer to comply with any obligation which applies to it under EMIR, (iii) complying with any changes in the requirements of the Securitisation Regulation after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to (A) the Securitisation Regulation, (B) the CRR Amendment Regulation or (C) any other legislation, regulations or official guidance relating to securitisation transactions, (iv) enabling the Rated Notes to be (or to remain) listed on Euronext Dublin, (v) enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), (vi) complying with any changes in the requirements of Regulation (EU) No 1060/2009 (the **CRA Regulation**) after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to the CRA Regulation or regulations or official guidance in relation thereto, (vii) changing the base rate in respect of the Rated Notes from EURIBOR to an alternative base rate (each a "**Proposed Amendment**"), without the consent of Noteholders.

In relation to any such Proposed Amendment, the Issuer is required, amongst other things, to certify (upon which the Note Trustee may rely absolutely without enquiry or liability) in writing to the Note Trustee that the Issuer has provided at least 30 calendar days' notice to the Noteholders of the proposed modification in accordance with Condition 14 (*Notice To Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes. However, Noteholders should be aware that, in relation to each Proposed Amendment, if Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Controlling Class of Notes have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification, the modification will be passed without Noteholder consent.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Controlling Class of Notes have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders then outstanding is passed in favour of such modification in accordance with Condition 11 (*Meetings of Noteholders, Modification and Waiver*) and the Trust Deed.

Neither the Note Trustee or the Security Trustee shall be obliged to agree to any modification which, in the sole opinion of the Note Trustee or the Security Trustee, as applicable, would have the effect of (i) exposing the Note Trustee or the Security Trustee, as applicable, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligation or duties, or decreasing the rights or protections of the Note Trustee or the Security Trustee, as applicable, pursuant to the Transaction Documents and/or the Conditions.

The full requirements in relation to the modifications discussed above are set out in the Security Deed and Condition 11 (*Meetings of Noteholders, Modification and Waiver*).

There can be no assurance that the effect of such modifications to the Transaction Documents will not ultimately adversely affect the interests of the holders of the Notes.

Conflict between the interests of the Holders of Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and/or Class Z Notes may result in a decision prevailing over your interest

In performing its duties as Note Trustee for the Noteholders, the Note Trustee will have regard to the interests of all Noteholders. However, where there is a conflict between the interests of the holders of one Class of Notes and the holders of any other Class or Classes of Notes, the Note Trustee will be required to have regard only to the holders of the Class of Notes which is the most senior ranking at the relevant time and will not have regard to any lower ranking Class of Notes nor to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds in accordance with the relevant Priority of Payments.

5. COUNTERPARTY RISKS

Counterparty Credit Risk

Payments in respect of the Notes are subject to credit risk in respect of the Paying Agents, the Cash Manager, the Issuer Account Bank, the Servicer and the Sellers and, in the event of the insolvency of any of them, the Issuer will be treated as a general unsecured creditor of the insolvent counterparty.

This risk is mitigated with respect to the Issuer Account Bank by the requirement under the terms of the Issuer Account Bank Agreement that the Issuer Account Bank has certain minimum required ratings (as to which see further "*Triggers Tables – Rating Triggers Table*" above).

In the event that the rating by any of the Rating Agencies of the Issuer Account Bank is downgraded, it is possible that the Issuer Account Bank may no longer meet the rating requirements. In such circumstances there can be no assurance that the Issuer Account Bank or the Issuer will be able to procure that the Issuer Account Bank be replaced. There is a risk that the Rated Notes will be downgraded in such circumstances.

In respect of the Servicer and each Seller, in order to mitigate the commingling risk derived from a potential insolvency of the Servicer or a Seller, each Seller has agreed to grant in rem rights of pledge over each Seller Collection Account in favour of the Issuer pursuant to the Seller Collection Account Pledge Agreements (as to which see further "*Risks arising from Spanish insolvency law*" below).

More generally, in the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected as no assurances can be given that the Issuer will be able to find any replacement service providers or counterparties with the requisite requirements on a timely basis or at all.

The Issuer is reliant on third parties in order to meet its obligations

The Issuer is a party to contracts with a number of other third parties that have agreed to perform certain services in relation to the Receivables. The Issuer will rely on the relevant third party or its delegate to exercise the rights and carry out the obligations under the respective agreement to which it is a party. In the event that any relevant third party or its delegate fails to perform its obligations under the respective agreement, the Notes may be adversely affected.

The Receivables Portfolio will be serviced by the Servicer, either directly or through a sub-delegate. Consequently, the net cash flows from the Receivables Portfolio may be affected by decisions made, actions taken and the collection procedures adopted by, the Servicer. To address this risk, the terms of the Servicing Agreement provide that the Servicer will devote to the performance of its obligations that standard of care that the Servicer would exercise in its own affairs taking into account the degree of skill that it exercises for all comparable assets. However, the Servicer will also continue to perform debt collection services for its own account and therefore will not be exclusively dedicated to the performance of the Servicer's activities under the Servicing Agreement. In addition, each Servicer has undertaken in the Servicing Agreement not to implement any amendment to the Collection Policy without the prior consent of the Issuer and the Note Trustee unless required in order to comply with Applicable Law or of purely administrative or otherwise of a formal, minor or technical nature only.

Upon the occurrence of any Servicer Termination Event, the Issuer will have the right to remove Gedesco Services Spain S.A.U. as Servicer. If the appointment of Gedesco Services Spain S.A.U. is terminated, the Issuer will appoint the Back-Up Servicer, which as at the Issue Date is Copernicus Servicing, S.L.. Until the Back-Up Servicer has assumed responsibility for the servicing of the Receivables, Gedesco Services Spain S.A.U. will continue to act as Servicer. If the Back-Up Servicer fails to assume the obligations of the Servicer pursuant to the Back-up Servicing Agreement, the Issuer will be required to appoint an alternative successor servicer in order to perform the services comprised in the Servicing Agreement. The successor servicer will be selected by the Issuer upon instructions of the Security Trustee, provided that the proposed successor servicer is legally qualified and has the regulatory capacity to act as servicer.

Investors should also be aware that third parties on which the Issuer relies can be adversely impacted by the general economic climate. At the date of this Prospectus, global markets are negatively impacted by prevailing economic conditions, including by market perceptions regarding the ability of certain EU member states in the Eurozone to service their sovereign debt obligations. These prevailing economic conditions as well as future developments in the areas of underlying market concern, such as the ability of certain Eurozone sovereign members to service their debt or uncertainty regarding constitutional change in the UK or any other EU member state, could continue to have material adverse impacts on financial markets throughout the world up to and beyond the maturity of the Notes. Moreover, the anticipation by the financial markets of these impacts could also have a material adverse effect on the business, financial condition and liquidity position of certain of the parties to the transaction, on which the Issuer relies. As a result, these factors affecting transaction parties specifically, as well as market conditions generally, could adversely affect the performance of the Notes. In addition there can be no assurance that governmental or other actions will improve market conditions in the future.

Conflicts of interest may influence the performance by certain parties of their respective obligations

The Sellers, the Servicer, the Lead Manager, the Arranger, the Note Trustee, the Security Trustee, the Paying Agent, the Issuer Account Bank, the Cash Manager, the Corporate Services Provider and the Reporting Agent are acting in a number of capacities in connection with the transaction. These parties will have only those duties and responsibilities expressly agreed to by them in the relevant Transaction Document and will not, by virtue of their or any of their affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each agreement to which they are a party. The aforementioned parties in their various capacities in connection with the transaction may enter into business dealings from which they may derive revenues and profits without any duty to account therefor in connection with the transaction.

Each Seller in particular may hold and/or service claims against the Debtors in respect of Receivables and Claims that are not comprised in the Receivables Portfolio or otherwise. The interests or obligations of the aforementioned parties in their respective capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders.

The Lead Manager may trade or exercise voting rights in respect of the Notes in a manner that may not be aligned with the interests of the other Noteholders.

The aforementioned parties (and their affiliates) may engage or may have been engaged in commercial relationships and provide certain services to the Sellers and/or the Debtors and other parties, such as, in particular, acting as lender and providing general banking, investment and other financial services. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.

6. MACRO-ECONOMIC AND MARKET RISKS

Lack of liquidity in the secondary market may adversely affect the market value of the Notes

The Rated Notes are new securities which at their issue, will be fully subscribed for by the Lead Manager (see section "Subscription and Sale" for more detail) and for which there is no active trading market. Application has been made to Euronext Dublin for the Rated Notes to be admitted to the Official List and trading on its regulated market.

At issuance, there will be no secondary market for the Notes and no assurance is provided that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of such Notes with liquidity of investment or that it will continue for the life of the Notes. In addition, potential investors in Notes should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is currently a general lack of liquidity in the secondary market for instruments similar to the Notes. Consequently, any purchaser of the Notes must be prepared to hold the Notes until final redemption or earlier application in full of the proceeds of enforcement of the Charged Property by the Security Trustee and, in certain cases, as a result of any early redemption of the Notes as to which see further below.

The market price of the Notes could be subject to fluctuation in response to, among other things, variations in the value of the Receivables Portfolio, the market for similar securities, prevailing interest rates, changes in regulation and general market and economic conditions. It should not be assumed that there will be a significant correlation between the market value of the Notes and the market value of the Receivables Portfolio. The Lead Manager is under no obligation to assist in the resale of the Notes. If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

Ratings assigned to the Rated Notes may be lowered or withdrawn after the purchase of the Rated Notes, which may lower the market value of the Rated Notes

The ratings assigned to the Rated Notes by the Rating Agencies are based, among other things, on the terms and conditions of the Transaction Documents and other relevant structural features of this transaction, including (but not limited to) the short-term unsecured, unguaranteed and unsubordinated debt obligations of the Issuer Account Bank, and reflect only the views of the Rating Agencies.

A rating is not a recommendation to buy, sell or hold securities and there is no assurance that any ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any one or more of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. At any time, a Rating Agency may revise its relevant rating methodology, with the result that any rating assigned to the Notes may be lowered or withdrawn. A qualification, downgrade or withdrawal of any of the ratings mentioned above may adversely impact the market value of the Notes.

Credit rating agencies other than the Rating Agencies could seek to rate the Notes and if such "unsolicited ratings" are lower than the comparable ratings assigned to the Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the market value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any reference to "**ratings**" or "**rating**" in this Prospectus is to the ratings assigned by the specified Rating Agencies only. The Class Z Note will not be rated by the Rating Agencies.

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes unless such credit rating agency is registered under the CRA Regulation or has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused.

Both the Rating Agencies are incorporated in the European Union and have been registered in compliance with the requirements of Regulation (EC) No 1060/2009 of the CRA Regulation.

The terms of certain Transaction Documents require the Rating Agencies to be notified in relation to certain actions proposed to be taken by the Issuer and the Note Trustee and such actions will only be effective to the extent there has been no reduction, qualification or withdrawal by the Rating Agencies of the then current rating of the Rated Notes (a "**Ratings Confirmation**").

A Ratings Confirmation that any action proposed to be taken by the Issuer or the Note Trustee will not have an adverse effect on the then current rating of the Rated Notes does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or prejudicial to, Noteholders. While entitled to have regard to the fact that the Rating Agencies have confirmed that the then current rating of the relevant Class of Notes would not be adversely affected, the above does not impose or extend any actual or contingent liability on the Rating Agencies to the Secured Creditors (including the Noteholders), the Issuer, the Arranger, the Lead Manager, the Note Trustee or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the Noteholders), the Issuer, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee or any other person whether by way of contract or otherwise. Any such Ratings Confirmation may or may not be given at the sole discretion of each Rating Agency. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Ratings Confirmation in the time available or at all, and the Rating Agency is likely to state that it is not responsible for the consequences thereof. A Ratings Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the securities form part since the Issue Date. A Ratings Confirmation represents only a restatement of the opinions given as at the Issue Date and cannot be construed as advice for the benefit of any parties to the transaction.

Certain Rating Agencies have indicated that they will no longer provide Ratings Confirmations as a matter of policy. To the extent that a Ratings Confirmation cannot be obtained, whether or not a proposed action will ultimately take place will be determined in accordance with the provisions of the relevant Transaction Documents and specifically the relevant modification and waiver provisions.

In respect of each Rating Agency, if a Ratings Confirmation is a condition to any action, step or matter under any Transaction Document and a written request for such Ratings Confirmation is delivered to that Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee) and:

- (a) one or more Rating Agencies (each such Rating Agency, a **Non-Responsive Rating Agency**) indicates that it does not consider such Ratings Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy provide such Ratings Confirmation or response or (ii) within 30 days of delivery of such request, no Ratings Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Ratings Confirmation or response could not be given; and
- (b) the Issuer has otherwise received no indication from that Rating Agency that its then current ratings of the Rated Notes would be reduced, qualified, withdrawn or put on negative watch as a result of such action, step or matter,

then such condition to receive a Ratings Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Ratings Confirmation or response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors of the Issuer certifying and confirming that each of the events in paragraphs (a)(i) or (a)(ii) and (b) above has occurred, following the delivery by or on behalf of the Issuer of a written request to each Rating Agency.

The Note Trustee and the Security Trustee shall be entitled to rely without liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency. The Note Trustee and the Security Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat the applicable condition or requirement to receive a Ratings Confirmation or response from each Rating Agency as having been modified with the consent of all Noteholders and all parties to the relevant Transaction Documents so that there shall be no requirement for such Ratings Confirmation or response from the Non-Responsive Rating Agency.

In addition, the terms of the Trust Deed provide that, in determining whether or not to exercise or perform any right, power, trust, authority, duty or discretion under or in relation to the Trust Deed or any other Transaction Document, the Note Trustee shall be entitled to take into account to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any Ratings Confirmation.

Changes or uncertainty in respect of EURIBOR, and/or other interest rate benchmarks may affect the value or payment of interest under the Notes

Various interest rate benchmarks (including the Euro Interbank Offered Rate ("**EURIBOR**") are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented including the Benchmark Regulation.

Separate workstreams are underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (ESTER) as the new risk free rate. ESTER is published by the ECB since 2 October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

Based on the foregoing, prospective investors should in particular be aware that:

- (a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including EURIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- (b) if EURIBOR is discontinued or is otherwise unavailable and an amendment as described in paragraph (c) below has not been made at the relevant time, then the rate of interest on the Rated Notes will be determined for a period by the fall-back provisions provided for under Condition 4 (*Interest*) of the Conditions of the Notes, although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks in the Euro-zone interbank market, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when EURIBOR was available; and
- (c) while an amendment may be made under Condition 11 (*Meetings of Noteholders, Modification and Waiver*) of the Conditions of the Notes to change the base rate on the Notes from EURIBOR to an alternative base rate under certain circumstances broadly related to EURIBOR dysfunction or discontinuation and subject to certain conditions being satisfied, there can be no assurance that any such amendment will be made or, if made, that it (i) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Notes or (ii) will be made prior to any date on which any of the risks described in in this risk factor may become relevant.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Notes due to applicable fall-back provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Notes.

Moreover, any of the above matters or any other significant change to the setting or existence of EURIBOR or any other relevant interest rate benchmark to meet its obligations under the Notes could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of EURIBOR or any other relevant interest rate benchmark could result in adjustment to the Conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequences in relation to the Rated Notes. No assurance may be provided that relevant changes will not occur with respect to EURIBOR or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

General market volatility in the wholesale funding market

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) persist, in particular with respect to current economic, monetary and political conditions in the Eurozone. If such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any exit(s) by any member state(s) from the E.U. and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the Spanish funding market, the Issuer, one or more of the other parties to the Transaction Documents (including each Seller, the Servicer, the Issuer Account Bank) and/or any Debtor in respect of the Funding Documents. Given the current uncertainty and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the noteholders, the market value of the Notes, the Spanish funding market, the existence of a secondary market for the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

7. LEGAL RISKS AND REGULATORY RISKS

Regulatory initiatives result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory position of certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position, and should consult their own advisers in this respect. None of the Issuer, the Lead Manager, the Arranger or the Sellers makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Issue Date or at any time in the future.

Prudential regulation reforms under Basel or other frameworks may have an adverse impact on the regulatory capital treatment of the Notes. Investors should note in particular that the Basel Committee on Banking Supervision (BCBS) has approved a series of significant changes to the Basel framework for prudential regulation (such changes being referred to by the BCBS as "**Basel III**" and referred to, colloquially, as Basel III in respect of reforms finalised prior to 7 December 2017 and Basel IV in respect of reforms finalised on or following that date). The Basel III/IV reforms, which include revisions to the credit risk framework in general and the securitisation framework in particular, may result in increased regulatory capital and/or other prudential requirements in respect of securitisation positions. The BCBS continues to work on new policy initiatives. National implementation of the Basel III/IV reforms may vary those reforms and/or their timing. It should also be noted that changes to prudential requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe. Investors in the Notes are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Notes and should consult their own advisers in this respect.

Securitisation Regulation regime applies to the Notes and non-compliance with this regime may have an adverse impact on the regulatory treatment of Notes and/or decrease liquidity of the Notes. The Securitisation Regulation applies in general (subject to certain grandfathering) from 1 January 2019, although some legislative measures necessary for the

full implementation of the new regime have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions.

The Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including recast of pre-1 January 2019 risk retention and investor due diligence regimes).

The Securitisation Regulation has direct effect in member states of the EU and is to be implemented in due course in other countries in the EEA.

The Securitisation Regulation requirements apply to the Notes. As such, certain European-regulated institutional investors, including credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities (UCITs) and certain regulated pension funds (institutions for occupational retirement provision), are required to comply under Article 5 with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements and, on transactions notified as STS, compliance of that transaction with the STS Requirements. If the relevant European-regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, in the case of a certain type of regulated fund investors. Aspects of the requirements of the Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear. Prospective investors should therefore make themselves aware of requirements applicable to them and are required to independently assess and determine the sufficiency of the information described in this Prospectus generally for the purposes of complying with such due diligence requirements under the Securitisation Regulation and any corresponding national measures which may be relevant.

Various parties to the Transaction (including the Sellers and the Issuer) are also subject to the requirements of the Securitisation Regulation. However, there is at present some uncertainty in relation to some of these requirements and what is or will be required to demonstrate compliance to national regulators, including in particular with regard to the transparency obligations imposed under Article 7 of the Securitisation Regulation, the application of the transitional provisions in connection with such Article and the final position on the new disclosure templates to be applied under the new technical standards. Please note that the European Commission-adopted texts of Article 7 technical standards were published in October 2019, representing the near final position on the applicable reporting templates, but these are yet to be approved by the European Parliament and the Council of the European Union and it is expected that these technical standards will be finalised and enter into force in Q1 2020. Prospective investors are referred to in the section entitled "*Regulatory Requirements*" for further details and should note that there can be no assurance that the information in this Prospectus or to be made available to investors in accordance with Article 7 of the Securitisation Regulation will be adequate for any prospective institutional investors to comply with their due diligence obligations under the Securitisation Regulation.

Prospective investors in the Notes are responsible for analysing their own regulatory position, and should consult their own advisers in this respect.

In addition, the Note Trustee shall be obliged and shall direct the Security Trustee, without any consent or sanction of the Noteholders or the other Secured Creditors, but subject to the receipt of written consent from any of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to the Conditions and/or any Transaction Document that the Issuer considers necessary for the purpose of complying with any changes in the requirements of the Securitisation Regulation after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to (i) the Securitisation Regulation, (ii) the CRR Amendment Regulation or (iii) any other legislation, regulations or official guidance relating to securitisation transactions, as described below under Condition 11 (*Meetings of Noteholders, Modification and Waiver*).

STS designation impacts on regulatory treatment of the Notes.

The Securitisation Regulation also includes provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provides, among other things, for harmonised foundation criteria and procedures applicable to securitisations seeking designation as STS securitisation.

The STS securitisation designation impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment under various EU regimes that were amended (or will be amended in due course) to take into account the STS framework (such as Type 1 securitisation under Solvency II, as amended; regulatory capital treatment under the securitisation framework of Regulation (EU) 575/2013, as amended ("**Capital Requirements Regulation**") by the CRR Amendment Regulation; Type 2B securitisation under the Commission Delegated Regulation (EU) 2015/61, as amended ("**LCR Regulation**")

It is intended that an STS Notification will be submitted to ESMA and the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) by the Sellers, as originators. The STS Notification, once notified to ESMA, will be available for download on the ESMA STS Register website.

The Sellers and the Issuer have used the services of the STS Verification Agent to carry out the STS Verification (and to provide additional assessments with regard to the status of the Notes for the purposes of Articles 7 and 13 of the LCR Regulation (the "**STS Additional Assessments**")). It is expected that the STS Verification and the STS Additional Assessments prepared by the STS Verification Agent will be available on its website at <https://pcsmarket.org/sts-verification-transactions/>. For the avoidance of doubt, the website of the STS Verification Agent and the contents of that website do not form part of this Prospectus.

It is important to note that the involvement of an STS Verification Agent is not mandatory and the responsibility for compliance with the Securitisation Regulation remains with the relevant institutional investors, originators, sponsors and issuers, as applicable in each case. An STS Verification (and/or the STS Additional Assessments) will not absolve such entities from making their own assessments with respect to the Securitisation Regulation and other relevant regulatory provisions, and an STS Verification (and/or the STS Additional Assessments) cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities.

The STS status of the Notes is not static and investors should verify the current status on the ESMA STS Register website, which will be updated where the Notes are no longer considered to be STS following a decision of competent authorities or a notification by the Sellers.

The STS securitisation designation is not an opinion on the creditworthiness of the relevant Notes nor on the level of risk associated with an investment in the relevant Notes. It is not an indication of the suitability of the relevant Notes for any investor and/or a recommendation to buy, sell or hold the relevant Notes. Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation need to make their own independent assessment and may not solely rely on any STS Verification, the STS Notification, any STS Additional Assessment or other disclosed information.

No assurances can be provided that the securitisation transaction described in this Prospectus does or continues to qualify as an STS securitisation under the Securitisation Regulation. The relevant European-regulated institutional investors are required to make their own assessment with regard to compliance of the securitisation with the STS Requirements and such investors should be aware that non-compliance with the STS Requirements and the change in the STS status of the Notes may result in the loss of better regulatory treatment of the Notes under the applicable regime(s), including in the case of prudential regulation, higher capital charges being applied to the Notes and may have a negative effect on the price and liquidity of the Notes in the secondary market. In addition, non-compliance may result in various sanctions and/or remedial measures being imposed on the relevant transaction parties, including the Sellers, the Issuer, which may have an impact on the availability of funds to pay the Notes.

U.S. Risk Retention Requirements

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

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

The Portfolio will be comprised of Receivables arising from Factoring Agreements, Promissory Note Agreements and Loan Agreements and their Ancillary Rights, all of which are originated by the Sellers. See the section entitled "*The Provisional Initial Receivables Portfolio*" for more information.

Each holder of a Note or a beneficial interest therein acquired on the Issue Date, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to make the following representations and agreements to represent to the Issuer, and the Lead Manager that it (1) either (i) is not a Risk Retention U.S. Person or (ii) it has obtained a U.S. Risk Retention Waiver, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note or a beneficial interest therein and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S, and that persons who are not "U.S. persons" under Regulation S may be U.S. persons under the U.S. Risk Retention Rules. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h)(i), which are different to comparable provisions of Regulation S.

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

- (a) any natural person resident in the United States;
- (b) any partnership, corporation, limited liability company, or other organization or entity organized or incorporated under the laws of any State or of the United States;
- (c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

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

The Retention Holder has advised the Issuer that it will not provide a waiver (**U.S. Risk Retention Waiver**) to any investor if such investor's purchase would result in more than 10 per cent. of the dollar value (as determined by fair value under GAAP) of all Classes of Notes being sold or transferred to Risk Retention U.S. Persons on the Issue Date. Consequently, on the Issue Date, the Notes may only be purchased by persons that (a) are not Risk Retention U.S. Persons or (b) have obtained a U.S. Risk Retention Waiver from the Retention Holder. Each holder of a Note or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed, and in certain circumstances, will be required to represent to the Issuer, the Seller, the Retention Holder, the Arranger and Lead Manager that it (1) either (a) is not a Risk Retention U.S. Person or (b) it has received a U.S. Risk Retention Waiver from the Retention Holder, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note or a beneficial interest therein, and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein). Non-compliance with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes and the ability of the Seller to perform its obligations under the Transaction Documents. Furthermore, such non-compliance could negatively affect the value and secondary market liquidity of the Notes.

Each of the Seller, the Retention Holder, the Issuer, the Arranger and the Lead Manager have agreed that none of the Arranger or the Lead Manager or any person who controls any of them or any director, officer, employee, agent or Affiliate of the Arranger or the Lead Manager shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and none of the Arranger or the Lead Manager or any person who controls it or any director, officer, employee, agent or Affiliate of the Arranger or the Lead Manager accepts any liability or responsibility whatsoever for any such determination.

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

None of the Seller, the Retention Holder, the Issuer, the Arranger and the Lead Manager, or any of their respective affiliates makes any representation to any prospective investor or purchasers of the Notes or a beneficial interest therein as to whether the transaction described in this Prospectus complies with the U.S. Risk Retention Rules now or at any time in the future.

Effects of the Volcker Rule on the Issuer

The Issuer was structured so that it should not constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "Volcker Rule"). The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. The general effects of the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

Withholding tax in respect of the Notes

In the event that any withholding or deduction for or on account of tax is required to be made from payments due under the Notes (as to which see the section entitled "*Taxation – Irish Taxation Withholding Tax*") below for more information on Irish withholding tax in relation to payments of interest), neither the Issuer nor any other person will be obliged to pay any additional amounts to Noteholders or to otherwise compensate Noteholders for the reduction in the amounts they would receive as a result of such withholding or deduction. If such a withholding or deduction is required to be made, the Issuer will have the option (but not the obligation) of redeeming all Outstanding Notes in full at their Principal Amount Outstanding (together with accrued interest). For the avoidance of doubt, neither the Note Trustee nor the Noteholders will have the right to require the Issuer to redeem the Notes in these circumstances.

EU Anti-Tax Avoidance Directive and EU Anti-Tax Avoidance Directive 2

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of the BEPS conclusions across the EU, the EU Council adopted Council Directive (EU) 2016/1164 (the "**ATAD 1**") on 12 July 2016.

The EU Council adopted Council Directive (EU) 2017/952 (the "ATAD 2" and together with ATAD 1, "**ATAD**") on 29 May 2017, amending the ATAD 1, to provide for minimum standards for counteracting hybrid mismatches involving EU member states and third countries.

EU member states have until 31 December 2018 to implement ATAD 1 (subject, in certain cases, to derogations for EU member states which have equivalent measures in their domestic law) and have until 31 December 2019 to implement the ATAD 2 (except for measures relating to reverse hybrid mismatches, which must be implemented by 31 December 2021).

The Directives contain various measures that could, depending on their implementation in Ireland, potentially result in certain payments made by the Issuer ceasing to be fully deductible. This could increase the Issuer's liability to tax.

There are two measures of particular relevance.

First, ATAD provides for an "interest limitation rule" which restricts the deductible interest of an entity to 30% of its earnings before interest, tax, depreciation and amortisation. However, the interest limitation only applies to the net borrowing costs of an entity (being the amount by which its borrowing costs exceed its taxable interest revenues and other economically equivalent taxable revenues). This measure has not yet been implemented in Ireland. The exact scope of the measure and its impact on the Issuer's tax position will depend on how this is implemented in Ireland.

Secondly, the ATAD provides for hybrid mismatch rules. These rules apply in Ireland with effect from 1 January 2020 and are designed to neutralise arrangements where amounts are deductible from the income of one entity but are not taxable for another, or the same amounts are deductible for two entities. These rules could potentially apply to the Issuer where: (i) the interest that it pays under the Notes, and claims deductions, from its taxable income for, is not brought into account as taxable income by the relevant Noteholder, either because of the characterisation of the Notes, or the payments made under them, or because of the nature of the Noteholder itself; and (ii) the mismatch arises between

associated enterprises, between the Issuer and an associated enterprise or under a structured arrangement. It is not clear if the Issuer will have any associated enterprise that will hold Notes issued by the Issuer, however if the Issuer has an associated enterprise holding Notes, then the measures should not impact payments on the Notes to that enterprise where the amounts of the payment are fully included for tax purposes and brought into account as taxable income by that enterprise.

For the purposes of the hybrid rules, a structured arrangement is one involving a mismatch outcome where the mismatch outcome is priced into the terms of the arrangement or the arrangement was designed to give rise to a mismatch outcome. Absent any guidance from the Irish Revenue Commissioners on how they will approach structured arrangements, it is not yet clear if this would apply to the transaction to bring it within scope of the hybrid rules.

Multilateral Instrument

On 24 November 2016, the OECD published the text and explanatory statement of the “Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting” (“**MLI**”). The MLI is to be applied alongside existing tax treaties (rather than amending them directly), modifying the application of those existing treaties in order to implement BEPS measures.

The MLI has entered into force in Ireland. The date from which provisions of the MLI have effect in relation to a double tax treaty depends on several factors including the type of tax which the relevant treaty article relates to. In most cases, since the Issuer is not relying, for Irish tax purposes, on the provisions of an Irish double tax treaty, the MLI should have little Irish tax effect on it. The Issuer’s ability to rely on Ireland’s double tax treaties to reduce or eliminate taxes in other jurisdictions may be affected. The ability to rely on many of Ireland’s double tax treaties with other jurisdictions may now be subject to a principal purpose test (“**PPT**”). The PPT would deny treaty benefits where it is reasonable to conclude, having regard to all of the relevant facts and circumstances for this purpose, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it was established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is currently unclear how a PPT, if adopted, would be applied by either the tax authorities of those jurisdictions from which payments are made to the Issuer.

It is also possible that Ireland will negotiate other amendments to its double tax treaties on a bilateral basis in the future which may affect the ability of the Issuer to obtain the benefit of those treaties.

U.S. Foreign Account Tax Act Compliance Withholding may affect payments on the Notes

Whilst the Rated Notes are in global form and held within the Clearing Systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the Clearing Systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA Withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA Withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA Withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Rated Notes are discharged once it has paid the Paying Agent and the Paying Agent has paid the Clearing Systems, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Clearing Systems and custodians or intermediaries. In no circumstances will the Issuer be required to gross-up any payments in respect of any FATCA Withholding.

Risks arising from Irish insolvency law

The Issuer is likely to be subject to Irish insolvency law

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption under Article 3 of Regulation (EU) 2015/2048 of the European parliament and of the Council of 20 May 2015 on Insolvency Proceedings that its centre of main interest is in Ireland and consequently it is likely that any main insolvency proceedings applicable to it would be governed by Irish law.

Irish corporate insolvency law prefers certain categories of creditors

Under Irish law, upon an insolvency of an Irish company, such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the relevant Irish courts (see section "*Risk Factors – Examinership of the Issuer may reduce the payments under the Notes*" below).

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company in satisfaction of certain Irish tax liabilities of the Issuer. Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 calendar days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax (whether Irish or EU and potentially other taxes) whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

Furthermore, when applying the proceeds of assets subject to floating security which may have been realised in the course of a liquidation or receivership, the claims of a wider category of preferential creditors will take priority over the claims of creditors holding floating security and over unsecured creditors. In this case, preferred claims include taxes, such as income tax and corporation tax payable before the date of appointment of the liquidator or receiver and arrears of VAT, together with accrued interest thereon and claims of employees.

Irish law distinguishes between fixed and floating security

Under Irish law, a charge granted over assets to secure obligations of the grantor is categorised as being of a fixed or floating nature. It is of the essence of a fixed charge that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the monies or claims constituting such assets. Accordingly, if and to the extent that such liberty is given to the Issuer, a charge constituted by Irish Deed of Charge may operate as a floating, rather than a fixed, charge under Irish law.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Floating charges have certain weaknesses under Irish law when compared to fixed charges, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) an examiner of a company has certain rights to deal with the property of the company subject to a floating charge; and
- (e) they rank after fixed charges.

Examinership of the Issuer may reduce the payments under the Notes

Examination is a court procedure available under the Companies Act 2014 (as amended) (the “**Companies Act**”), to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act. As detailed below, the appointment of an examiner may, amongst other things, reduce the payments under the Notes issued by the Issuer.

By way of background, the Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than 1/10th of the voting share capital of the company are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment. Furthermore, the examiner may sell assets of the Issuer which are the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to holders of the fixed charge out of the proceeds of sale.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern.

A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement. In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors.

As regards examinership as it relates to the Issuer, if the Note Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions), the Note Trustee would be in a position to reject any proposal not in favour of the holders of Notes. The Note Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the holders of Notes, especially if such proposals include a writing down of the value of amounts due by the Issuer to the holders of Notes.

The fact that the Issuer is a special purpose vehicle and that all of its liabilities should be of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Issuer.

However, if, for any reason, an examiner was appointed while any amounts due by the Issuer under the Notes were unpaid, there are certain risks to the holders of the Notes, including but not limited to:

- (a) the potential for a compromise or scheme of arrangement to be approved involving the writing down or rescheduling of the debt owed by the Issuer to the holders of Notes as secured by the Security Deed and the Irish Deed of Charge;

- (b) the Security Trustee, acting for and on behalf of the Secured Creditors, would not be able to enforce rights against the Issuer during the period of examinership;
- (c) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (d) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the moneys and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the secured creditors under the Notes or under any other secured obligations or the Transaction Documents.

No Regulation of the Issuer by any Irish Regulatory Authority

The Issuer is not required to be licensed or authorised under any current securities, commodities, insurance or banking laws of its jurisdiction of incorporation. In particular, the Issuer is not and will not be regulated by the Central Bank of Ireland as a result of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland.

Risks arising from Spanish insolvency law

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

In the event of the insolvency of a Seller, the transfer of the Receivables and any Ancillary Rights (including the Claims) to the Issuer may be rescinded or challenged under article 71 of the Spanish Insolvency Law.

In accordance with Article 71 of the Spanish Insolvency Law, those actions that cause a detriment to the assets of the insolvent party carried out during the previous two (2) years to the date of declaration of insolvency may be rescinded even in the absence of fraudulent intention.

The mentioned detriment is presumed *iuris et de iure* (irrebuttable) in case of disposals without consideration and payments or other actions aimed at discharging obligations with a date of maturity subsequent to the date of declaration of insolvency (save if they are secured with an in rem security in which case the following paragraph should apply).

On the other hand, this detriment is presumed *iuris tantum* (rebuttable) in case of disposals (against a consideration) in favour of a third party related to the insolvent, the granting of in rem security in relation to previously existing obligations or in connection with new obligations replacing previous ones or the payments or other actions aimed at discharging obligations which are secured with an in rem security and with a date of maturity subsequent to the date of declaration of insolvency.

In the case of actions not included in the categories described above, the detriment must be proved by the person bringing the action of rescission.

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

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

Collections from the Debtors are initially paid to the Seller Collection Account, and moneys may cease to be traceable due to their fungible nature during the period in which they are held by the Seller at the Seller Collection Account Bank. For this period of time, the Noteholders will be exposed to the credit quality of the Seller Collection Account Bank.

In order to mitigate the commingling risk derived from a potential insolvency of the Servicer or a Seller, each Seller has agreed to grant in rem rights of pledge over each Seller Collection Account in favour of the Issuer pursuant to the Seller Collection Account Pledge Agreements.

The mechanisms available for mitigating such risk are described in section "*Overview of the Transaction Documents – Seller Collection Account Pledge Agreements*".

In addition, the Seller Collection Account Bank is subject to Law 11/2015, of 18 June 2015, on the recovery and resolution of credit entities and investment firms (*Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*), which implements in Spain the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms. Application of those provisions may delay or in certain cases impede the recovery of the amounts deposited in accounts opened in the Seller Collection Account Bank.

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

It is still uncertain how Spanish Courts may apply the doctrine set out therein to actual cases decided under Spanish law and whether it may result in the Seller Collection Account Pledge Agreements being regarded as an ordinary pledge and therefore as not qualifying for the protections afforded by of Royal Decree Law 5/2005 of 11 March, on urgent reforms to encourage, among others, productivity and improve public procurement (*Real Decreto Ley 5/2005, de 11 de marzo, de reformas urgentes para el impulso a la productividad y para la mejora de la contratación pública*) (**Royal Decree Law 5/2005**) (and which implements in Spain Directive 2002/47).

However, in light of the interpretation given by the EUCJ in the aforementioned Judgment, there is a risk that if cash amounts are not immobilised under the Seller Collection Account Pledge Agreements, the pledges created thereunder may be regarded by Spanish Courts as not qualifying as financial collateral (*garantía financiera*) for the purposes of Royal Decree Law 5/2005. This could imply an impact on the commingling risk assumed by the Issuer derived from a potential insolvency of the Servicer or a Seller and, ultimately, on the ability of the Issuer to meet its payment obligations under the Notes.

Fixed charges may take effect under English law as floating charges

Pursuant to the terms of the Security Deed, the Issuer has purported to grant fixed charges over, among other things, its interests in the Receivables Portfolio and their Ancillary Rights (including the Claims).

English law relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer (other than by way of assignment in security) may take effect under English law as floating charges only, if, for example, it is determined that the Security Trustee has not been provided sufficient control over the Charged Property. If the charges take effect as floating charges instead of fixed charges, then, as a matter of Irish law, on a liquidation of the Issuer certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets.

Change of law

The structure of the Trust Deed, the Security Deed, the Irish Deed of Charge, the Receivables Sale Agreement and the other Transaction Documents and the issue of the Notes are based on Spanish law, English law and Irish law and Irish and Spanish tax, regulatory and administrative practice in effect as at the date of this Prospectus as they affect the parties to the transaction and the Receivables Portfolio, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to Spanish law, Spanish tax practice, English law and Irish law and Irish tax, regulatory or administrative practice after the date of this Prospectus.

8. REGULATORY RISKS RELATING TO THE NOTES / ASSETS

The Notes will be held in Global Note form

Beneficial ownership of the Rated Notes will only be recorded in book-entry form with Euroclear, Clearstream, Luxembourg or with any alternative clearing system agreed by the issuing entity. The Global Notes will not be exchanged for Definitive Notes except in the limited set of circumstances described under "The Notes and the Global Notes – Definitive notes". The lack of notes in physical form could, among other things:

- (A) result in payment delays on the Rated Notes because the Issuer will be sending distributions on the Rated Notes to Euroclear, Clearstream, Luxembourg or any alternative clearing system agreed by the Issuer instead of directly to the relevant Noteholders;
- (B) make it difficult for Noteholders to pledge such Rated Notes if notes in physical form are required by the party demanding the pledge; and
- (C) hinder the ability of Noteholders to resell such Rated Notes because some investors may be unwilling to buy notes that are not in physical form.

The minimum denomination of the Notes may adversely affect the payments of the Notes issued in definitive form

The Notes have a denomination consisting of a minimum authorised denomination of EUR100,000 plus higher integral multiples of EUR1,000. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

Book-Entry Interests

Unless and until definitive notes are issued in exchange for book-entry interests (other than in the case of registered uncleared notes), holders and beneficial owners of book-entry interests will not be considered the legal owners or holders of notes under the relevant note trust deed. After payment to the principal paying agent, the Issuer will not have responsibility or liability for the payment of interest, principal or other amounts to Euroclear or Clearstream, Luxembourg or to holders or beneficial owners of book-entry interests.

Euroclear or Clearstream, Luxembourg or its nominee or to the extent notes are deposited with a common safekeeper, a nominee of the common safekeeper will be the registered holder and sole legal noteholder of the Global Notes and Global Notes under the relevant note trust deed while any notes are represented by Global Notes or Global Notes (as the case may be). Accordingly, each person owning a book-entry interest must rely on the relevant procedures of Euroclear and Clearstream, Luxembourg and, if such person is not a participant in such entities, on the procedures of the

participant through which such person owns its interest, to exercise any right of a noteholder under the relevant note trust deed.

Except as noted in the previous paragraph, payments of principal and interest on, and other amounts due in respect of, the Global Notes will be made by the relevant principal paying agent through Euroclear and/or Clearstream, Luxembourg, as specified in the applicable final terms or drawdown prospectus. Upon receipt of any payment from the principal paying agent, Euroclear and/or Clearstream, Luxembourg, respective ownership of book-entry interests as shown on their records. The Issuer expects that payments by participants or indirect participants to owners of interests in book-entry interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "streetname", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Security Trustee, the Note Trustee or the Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the book-entry interests or for maintaining, supervising or reviewing any records relating to such book-entry interests.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of book-entry interests among participants of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the issuing entity, the Issuer security trustee or the relevant note trustee, or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants of their respective obligations under the rules and procedures governing their operations.

Certain transfers of notes or interests therein may only be affected in accordance with, and subject to, certain transfer restrictions and certification requirements.

Eurosystem eligibility

The Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper but it does not necessarily mean that such Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem eligible collateral**") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. None of the Issuer, any Seller or the Arranger gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue or at any time prior to redemption in full, satisfy all or any of the requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Class A Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Notes constitute Eurosystem eligible collateral.

General Considerations

Forecasts and Estimates

Estimates of the weighted average life of the Notes included in this Prospectus, together with any other projections, forecasts and estimates are supplied for information only and are forward-looking statements. Such projections, forecasts and estimates are speculative in nature and it can be expected that some or all of the assumptions underlying them may differ or may prove substantially different from the actual results. Consequently, the actual results might differ from the projections and such differences might be significant.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risks of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus mitigate some of these risks for Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

THE RECEIVABLES PORTFOLIO AND SERVICING

Please refer to the sections of the Prospectus entitled "The Provisional Initial Receivables Portfolio", "Overview of the Transaction Documents – Receivables Sale Agreement" and "Overview of the Transaction Documents – Servicing Agreement" for further detail in respect of the characteristics of the Portfolio and the sale and servicing arrangements in respect of the Portfolio.

The Receivables and the Claims

Each Seller can subscribe for, acquire or originate, as the case may be, receivables under the Funding Documents.

For these purposes:

- **"Factoring Agreements"**, are agreements entered into by a Seller and a client (a **"Client Debtor"**) whereby such Seller purchases from that Client Debtor certain receivables represented by invoices or promissory notes (**"Promissory Notes"**) owed to that Client Debtor by third parties (the **"Factoring Debtors"** or, in the case of Receivables represented by Promissory Notes, the **"PN Debtors"**).

For the purposes of any Factoring Agreement:

- (a) **"Factoring Receivable"** means a receivable owed by a Factoring Debtor (in the case of receivables represented by an invoice) or a PN Debtor (in the case of receivables represented by Promissory Notes) (such receivables represented by Promissory Notes being referred to specifically as **"PN Receivables"**) and acquired by the Seller from the Client Debtor under such Factoring Agreement;
- (b) **"Factoring Claim"** means any recourse claim against the Client Debtor in respect of any Factoring Receivable acquired by the Seller from the Client Debtor under such Factoring Agreement.

- **"Promissory Note Agreements"**, are agreements entered into by a Seller and a Client Debtor whereby such Seller purchases from that Client Debtor certain receivables represented by Promissory Notes owing to that Client Debtor by PN Debtors.

For the purposes of any Promissory Note Agreement:

- (a) **"PN Receivable"** means any receivable represented by Promissory Notes owing by a PN Debtor acquired by the Seller from the Client Debtor under such Promissory Note Agreement;
- (b) **"PN Claim"** means any recourse claim against the Client Debtor in respect of any PN Receivable acquired by the Seller from the Client Debtor under such Promissory Note Agreement.

- **"Promissory Notes Programs"**, are agreements entered into by a Seller and a client (for these purposes, a **"PN Debtor"**) whereby the Seller may, at its absolute discretion, subscribe for Promissory Notes to be issued by that PN Debtor from time to time.

For the purposes of any Promissory Notes Program:

- (a) **"PN Receivable"** means any receivable represented by Promissory Notes owing by the relevant PN Debtor under such Promissory Notes Program;
 - (b) **"Collateral Claim"** means any present or future receivable owed by a third party obligor (a **"Collateral Debtor"**) to the relevant PN Debtor and which is assigned to the Seller or Gedesco Factoring by the PN Debtor as collateral for repayment (*para pago*) of a PN Receivable acquired by the relevant Seller from the PN Debtor under such Promissory Notes Program.
 - **"Loan Agreements"**, are fixed-rate interest loan agreements entered into by a Seller and a client (a **"Loan Debtor"**) with a maximum initial legal maturity of 364 days and are repayable at maturity or in monthly instalments.
- For the purposes of any Loan Agreement:
- (a) **"Loan Receivable"** means payment obligation owed by a Loan Debtor under a Loan Agreement and represented by a Promissory Note;
 - (b) **"Collateral Claim"** means any present or future receivable owed by a Collateral Debtor to the Loan Debtor which is assigned to the Seller or Gedesco Factoring by the Loan Debtor as collateral for repayment (*para pago*) of a Loan Receivable under such Loan Agreement.
 - **"Receivable"** means any Factoring Receivable, PN Receivable or Loan Receivable.
 - **"Claim"** means any Factoring Claim, any PN Claim or any Collateral Claim.

The Receivables and the Claims are payable by:

- **"Direct Debtors"**, being:
 - (a) with respect to any Factoring Agreement, the relevant Factoring Debtor or the relevant PN Debtor;
 - (b) with respect to any Promissory Note Agreement, the relevant PN Debtor;
 - (c) with respect to any Promissory Notes Program, the relevant PN Debtor;
 - (d) with respect to any Loan Agreement, the relevant Loan Debtor;
- **"Indirect Debtors"**, being:
 - (a) with respect to any Factoring Agreement, the Client Debtor;
 - (b) with respect to any Promissory Notes Agreement, the Client Debtor;

- **"Collateral Debtors"**, being with respect to any Promissory Note Program or any Loan Agreement, the relevant Collateral Debtor.

In addition, the Receivables may benefit from a Guarantee granted by a Guarantor or a Representative.

Sale of Receivables

The Issuer will only purchase Receivables which comply with the Eligibility Criteria as of the Cut-Off Date and the Issue Date (in respect of any Receivables comprised in an Initial Receivables Sub-Portfolio) or its Additional Purchase Date (in respect of any Receivables comprised in an Additional Receivables Sub-Portfolio). When the Issuer acquires any Receivable, pursuant to article 1,528 of the Spanish Civil Code it will also acquire certain ancillary rights related to that Receivable, which include the benefit of any Claims relevant to that Receivable (subject to certain limitations with respect to Collateral Claims) (the **"Ancillary Rights"**).

On the Issue Date, the Issuer will purchase an initial sub-portfolio of Eligible Receivables (and Ancillary Rights, including the Claims) from each Seller (each such sub-portfolio of Eligible Receivables, an **"Initial Receivables Sub-Portfolio"** and all Initial Receivables Sub-Portfolios sold by the Sellers on the Issue Date, the **"Initial Receivables Portfolio"**). In addition, on each Additional Purchase Date during the Revolving Period each Seller may offer to sell to the Issuer Eligible Receivables subscribed, acquired or originated, as applicable, by such Seller which have not been sold to the Issuer as Receivables prior to such Additional Purchase Date (each such sub-portfolio of Eligible Receivables of a relevant Seller, an **"Additional Receivables Sub-Portfolio"** and all Additional Receivables Sub-Portfolios sold on an Additional Purchase Date, an **"Additional Receivables Portfolio"**).

Each Initial Receivables Sub-Portfolio together with each Additional Receivables Sub-Portfolio sold by a Seller, a **"Receivables Sub-Portfolio"**. In addition, all Additional Receivables Portfolios together with the Initial Receivables Portfolio comprise the **"Receivables Portfolio"**.

Any transfer of Eligible Receivables to the Issuer by any Seller shall include, to the fullest extent possible under Applicable Law, the rights, title and interests of the relevant Seller in those Eligible Receivables, their Ancillary Rights (including the Claims) and all monies derived therein from time to time, including the right to receive from the Debtors payments of interest (if applicable) and repayments of advanced balance or principal due and outstanding in respect of such Eligible Receivables and Ancillary Rights, together with the Benefit of the related Funding Documents, but expressly excluding any obligation of the Sellers relating (in any manner whatsoever) to the Receivables Sub-Portfolio and/or the Ancillary Rights (including the Claims).

The transfer of the Initial Receivables Portfolio to the Issuer on the Issue Date shall have economic effect as from the Cut-Off Date so that all payments made by the Debtors in respect of such Receivables and any Ancillary Rights (including the Claims) as from the Cut-Off Date shall belong to the Issuer and all such payments shall be treated as Collections for all purposes under the Transaction Documents. The transfer of Receivables comprised in each Additional Receivables Sub-Portfolio sold by each Seller to the Issuer on each relevant Additional Purchase Date shall have economic effect as from the

relevant Additional Purchase Date so that all payments made by the Debtors in respect of such Receivables and any Ancillary Rights (including the Claims) as from the relevant Additional Purchase Date shall belong to the Issuer and all such payments shall be treated as Collections for all purposes under the Transaction Documents.

The sale of the Initial Receivables Portfolio on the Issue Date and the sale of each Additional Receivables Portfolio on any relevant Additional Purchase Date shall be subject to the payment by the Issuer of the Purchase Price in relation to the Eligible Receivables purchased by the Issuer on the Issue Date or the relevant Additional Purchase Date, as applicable.

The purchase by the Issuer of each Additional Receivables Portfolio will be subject to, among other things, a sufficient amount of Available Funds being available to the Issuer to meet the applicable Purchase Price.

Initial Receivables Portfolio

The following is a summary of certain features of the Receivables comprised in the Provisional Initial Receivables Portfolio as at 31 July 2019. Investors should refer to, and carefully consider, further details in respect of the Provisional Initial Receivables Portfolio set out in the "*The Provisional Initial Receivables Portfolio*" section of this Prospectus.

	Outstanding Balance (€)	Weighted Average Yield (%)	Weighted Average Remaining Term to Maturity (days)	Average Receivables Balance (€)
Factoring Receivables ¹	35,749,504	16.8	55	19,872
PN Receivables ²	108,786,510	15.2	68	16,734
Direct Lending Receivables	213,148,259	12.8	128	212,723
Total Portfolio	357,684,273	13.9	102	38,452

	Top 1 Debtor (€)	Average Receivables Balance (€)	Secured Receivable (%)
Factoring Receivables ³	3,161,456	21,879	NA
PN Receivables ⁴	9,540,868	66,577	NA

¹ Excluding PN Receivables arising from Promissory Notes Programs
² Excluding PN Receivables arising from Promissory Notes Programs.
³ Excluding PN Receivables arising from Promissory Notes Programs
⁴ Excluding PN Receivables arising from Promissory Notes Programs.

Direct Lending Receivables	16,000,000	130,446	45.2%
Total Portfolio	16,402,565	218,901	26.9%

The Initial Receivables Portfolio transferred on the Issue Date may differ from the Provisional Initial Receivables Portfolio due to new Receivables being originated by the Sellers between 31 July 2019 and the Issue Date, repayments of Receivables occurring or enforcement procedures being completed between 31 July 2019 and the Issue Date or if the Receivables no longer comply with the Eligibility Criteria during the period between the Cut-Off Date and the Issue Date.

Consideration

The Issuer shall pay (or cause to be paid) to the relevant Seller the Receivable Purchase Price for the purchase of each Receivable in each Initial Receivables Sub-Portfolio and each Additional Receivables Sub-Portfolio.

"Receivable Purchase Price" means, on any determination date, with respect to each Receivable comprised in the Initial Receivables Portfolio or the relevant Additional Receivables Portfolio, as applicable, an amount equal to the lowest of:

- (a) the net amount (after deducting applicable haircuts, fees, commissions and/or other similar amounts) of finance provided by the relevant Seller in respect of the relevant Receivable pursuant to the relevant Funding Documents under which the relevant Receivable arose or was acquired as specified by the Offer Agent in the relevant Offer; and
- (b) an amount equal to the Outstanding Balance of the relevant Receivable on its Purchase Date (or the Cut-Off Date in respect of each Receivable comprised in an Initial Receivables Sub-Portfolio), multiplied by a percentage equal to 100 per cent. minus the Minimum Discount (calculated on the Purchase Date of such Receivable), less an amount equal to the product of the Loss Absorption Percentage (calculated on the Purchase Date of such Receivable) and the Outstanding Balance of the Receivable on its Purchase Date.

"Purchase Price" means the aggregate Receivables Purchase Price for the Receivables comprised in the Initial Receivables Portfolio or any Additional Receivables Portfolio, as the case may be.

The Receivable Purchase Price of each Receivable in the Initial Receivables Portfolio shall be paid on the Issue Date by the Issuer to Gedesco Services, acting on behalf of each Seller; Gedesco Services will distribute to the relevant Seller the aggregate Receivable Purchase Price of all Receivables transferred by it.

Any Receivable Purchase Price payable by the Issuer to any Seller in relation to each Receivable comprised in the relevant Additional Receivables Sub-Portfolio sold on any Additional Purchase Date by such Seller shall be paid by the Issuer to Gedesco Services, acting on behalf of each Seller; Gedesco Services will distribute to the relevant Seller the aggregate Receivable

Purchase Price of all Receivables transferred by it:

- (i) by offsetting such aggregate Receivable Purchase Price against the Deemed Collection Amounts owed by such Seller on the London Business Day immediately following such Additional Purchase Date (each, a "**Purchase Price Payment Date**"); and
- (ii) any remaining excess amount shall be paid in cash on such Purchase Price Payment Date by the Issuer to Gedesco Services, acting on behalf of each Seller, for the distribution by Gedesco Services to the relevant Seller.

See the section entitled "*Overview of the Transaction Documents – Receivables Sale Agreement*" for more information

Representations and Warranties

Each Seller will make certain representations and warranties to the Issuer regarding the Receivables and Ancillary Rights (including in particular with respect to the Claims) comprised in the Receivables Sub-Portfolio sold by it on the applicable Purchase Date with reference to the circumstances as at the relevant Purchase Date.

The representations and warranties given by the relevant Seller regarding the Receivables and Ancillary Rights (including in particular with respect to the Claims) in each Receivables Sub-Portfolio sold by such Seller on the relevant Purchase Date are the following:

- (a) as of such Purchase Date, each Receivable sold by it comprised in the Receivables Sub-Portfolio is an Eligible Receivable;
- (b) otherwise than in accordance with the Transaction Documents, the relevant Seller has not, in whole or in part assigned (whether outright or by way of security), transferred, sold, conveyed, discounted, novated, charged, disposed of or dealt with the relevant Receivables and Ancillary Rights (including the Claims) sold by it comprised in the Receivables Sub-Portfolio in any way whatsoever and has not permitted any of the same to be seized, attached or subrogated;
- (c) in respect of the Receivables comprised in the Receivables Sub-Portfolio sold by it, so far as the Seller is aware, there is no material default, breach or violation under the relevant Funding Documents to which the Seller is a party which has not been remedied and no event has occurred which, with the giving of notice and/or the making of any determination and/or the expiration of any applicable grace period, would constitute such default, breach or violation, provided that any default, breach or violation shall be material if it in any way affects the amount or the collectability of the Receivables;
- (d) the Seller has created and maintained and is in possession of all the Records relating to the Receivables and the Claims sold by it comprised in the Receivables Sub-Portfolio;
- (e) where such Receivables Sub-Portfolio is an Additional Receivables Portfolio, all of the information contained in the Offer Document in relation to each Receivable and Claim sold by it comprised in the relevant Additional Receivables Portfolio is true and accurate in all material respects and is not misleading because of any omission or ambiguity or for any other reason;
- (f) where the Receivables Sub-Portfolio is an Additional Receivables

Portfolio, no Event of Default has occurred and is continuing as at the relevant Additional Purchase Date or would result from the purchase of the Eligible Receivables comprised in the relevant Additional Receivables Portfolio;

- (g) none of the Receivables sold by it comprised in the relevant Receivables Sub-Portfolio will include any transferrable securities under the meaning of as defined in point (44) of Article 4(1) of Directive 2014/65/EU.;
- (h) none of the Receivables sold by it comprised in the Receivables Sub-Portfolio will include any securitisation position, pursuant to article 20(9) of the Securitisation Regulation; and
- (i) all Receivables sold by it comprised in the Receivables Sub-Portfolio were originated in the ordinary course of the relevant Seller's business pursuant to the Credit Policy which is applied to the entire business of the relevant Seller and not only the Receivables to be transferred to the Issuer.

Eligible Receivables

For a Receivable to be an Eligible Receivable, a number of criteria must be complied with, including that such Receivable complies, as of the Cut-Off Date and the Issue Date (with respect to any Receivable comprised in an Initial Receivables Sub-Portfolio) or its Additional Purchase Date (with respect to any Receivable comprised in an Additional Receivables Sub-Portfolio), with the following criteria (the "**Receivables Eligibility Criteria**"):

- (a) it is an existing Receivable the Outstanding Balance of which specified in the relevant Offer remains a debt and has not been paid or discharged by set-off or otherwise;
- (b) it is denominated and payable in Euro;
- (c) it has been subscribed, acquired or originated, as applicable, by the relevant Seller pursuant to an Eligible Funding Document;
- (d) it is fully owned by the relevant Seller and is free and clear of any Adverse Claim other than those created by operation of law;
- (e) it has been created in compliance, and complies, with all applicable Spanish laws and regulations;
- (f) in the case of a Receivable that is evidenced by a Promissory Note, it contains all relevant mentions in order for it to amount to a validly issued "*pagaré*" pursuant to Law 19/1985 (*Ley Cambiaria y del Cheque*);
- (g) subject to Legal Reservations, it constitutes the legal, valid, binding and enforceable obligation of one or more Eligible Debtors;
- (h) as far as the relevant Seller is aware, it is not subject to any litigation (including, without limitation, any recovery or enforcement proceedings before the Spanish courts), dispute or right of set-off that may adversely affect the payment of the Receivable to the Issuer and which, in the case of a right of set-off, has not been remedied by the relevant Seller within five (5) Business Days of having been notified or otherwise becoming aware, of its existence;
- (i) it is not subject to right of counterclaim, defence or any other reduction or cancellation that may adversely affect the payment of the

Receivable to the Issuer;

- (j) it can be segregated and identified for ownership on the relevant Seller's systems on any day;
- (k) it is capable of being subject to the Security;
- (l) it is not a Defaulted Receivable;
- (m) with respect to which the relevant Seller has performed all material obligations required to be performed by it under the relevant Funding Document;
- (n) it does not contain any restriction on assignment or, if any, all consents to be obtained under the Funding Documents for the assignment of the Receivable have been obtained;
- (o) the relevant Debtor and any person obliged to make payments thereunder has been directed to make all payments to the relevant Seller Collection Account;
- (p) the relevant Debtor or any person obliged to make payments thereunder has been notified of the Seller's ownership of the relevant Receivable;
- (q) payments thereof to the relevant Seller are not subject to withholding taxes;
- (r) payments thereof to the Issuer are not subject to withholding taxes;
- (s) the transfer of the relevant Receivable will not cause any breach of the Portfolio Requirements;
- (t) it is payable in full no later than one (1) year from its Purchase Date;
- (u) it is governed by the laws of Spain;
- (v) if an Endorsable Promissory Note (*pagaré a la orden*), it has been endorsed in blank (*endoso en blanco*) by the relevant Seller and delivered to, and is in the possession of, the Offer Agent as at the relevant Purchase Date;
- (w) if a Non-endorsable Promissory Note (*pagaré no a la orden*), it has been delivered by the relevant Seller to, and is in the possession of, the Offer Agent as at the relevant Purchase Date;
- (x) the relevant Direct Debtor has a Credit Scoring of A, B or C;
- (y) subject to Legal Reservations, the relevant Ancillary Rights are valid, binding and enforceable and the relevant Seller or, if applicable, Gedesco Factoring, is the holder of such Ancillary Rights;
- (z) if a Factoring Receivable, the purchase price thereof has been fully paid by the relevant Seller to the relevant Client Debtor, such purchase price having not been retained in whole or in part by such Seller other than in respect of any retention of the purchase price as may be agreed between the relevant Client Debtor and the relevant Seller in the relevant Factoring Agreement and such Factoring Agreement provides for full recourse by the Seller to the Client

Debtor;

- (aa) if a Factoring Receivable, the Client Debtor's retention is at least 5 per cent. of the amount due under the Factoring Receivable;
- (bb) is not secured by any security over residential property;
- (cc) if a Loan Receivable, the loan made available under the relevant Loan Agreement has a maximum initial legal maturity of 364 days and is repayable at maturity or in monthly instalments, has been fully advanced by the Seller to the relevant Debtor, such loan amount having not been retained in whole or in part by the Seller (other than for the purposes of payment of interest, fees and expenses owed under such Loan Receivable);
- (dd) if guaranteed under a Guarantee, such Guarantee has been granted by a Guarantor or a Representative;
- (ee) if a Loan Receivable, the Seller is the sole lender under the related Loan Agreement;
- (ff) if a Loan Receivable, Promissory Notes have been issued by the Client Debtor to the Seller for each of the scheduled payments under the Loan Agreement;
- (gg) it is a Qualifying Asset within the meaning of Section 110 of the Irish TCA;
- (hh) it provides for full recourse to the relevant Debtors and, where applicable, the guarantors;
- (ii) any Claim ancillary to the Receivable is an Eligible Claim;
- (jj) it does not relate to any "specified mortgages", within the meaning of section 110 Irish TCA, units in an IREF or shares that derive their value, or the greater part of their value, from Irish land;
- (kk) it does not qualify as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 pursuant to article 20(11) of the Securitisation Regulation;
- (ll) it is not a derivative, pursuant to article 21(2) of the Securitisation Regulation.

In addition, in order to be an Eligible Receivable, a Receivable must, on any date after its Purchase Date, meet the Permanent Eligibility Criteria.

"Permanent Eligibility Criteria" means the criteria set forth in paragraphs (b), (e), (g), (h) (other than any litigation related to recovery, enforcement or other insolvency or bankruptcy related proceedings before the Spanish courts), (i) (other than any right of counterclaim, defence or any other reduction or cancellation as a consequence of the insolvency of the Debtor), (j), (q), (r), (t), (u), (y), (hh) and (ii) of the Receivables Eligibility Criteria.

Eligible Claims

An **"Eligible Claim"** means a Claim which, as of the Cut-Off Date and the Issue Date (in respect of any Receivable comprised in an Initial Receivables

Sub-Portfolio) or the Additional Purchase Date (in respect of any Receivable comprised in an Additional Receivables Sub-Portfolio) of the relevant Receivable in respect to which it is an Ancillary Right, complies with the following criteria (the "**Claims Eligibility Criteria**"):

- (a) it is an existing Claim (or in the case of Collateral Claims, an existing or future Claim), the Outstanding Balance of which specified in the relevant Offer remains a debt and has not been paid or discharged by set-off or otherwise;
- (b) it is denominated and payable in Euro;
- (c) it is fully owned by the relevant Seller or, if applicable, Gedesco Factoring, and is free and clear of any Adverse Claim other than those created by operation of law;
- (d) it has been created in compliance, and complies, with all applicable Spanish laws and regulations;
- (e) in the case of a Claim that is evidenced by a Promissory Note, it contains all relevant mentions in order for it to amount to a validly issued "*pagaré*" pursuant to Law 19/1985 (*Ley Cambiaria y del Cheque*);
- (f) subject to Legal Reservations, it constitutes the legal, valid, binding and enforceable obligation of one or more Eligible Debtors;
- (g) as far as the Seller is aware, it is not subject to any litigation (including, without limitation, any recovery or enforcement proceedings before the Spanish courts), dispute or right of set-off that may adversely affect the payment of the Claim to the Issuer and which, in the case of a right of set-off, has not been remedied by the relevant Seller within five (5) Business Days of having been notified or otherwise becoming aware, of its existence;
- (h) it is not subject to right of counterclaim, defence or any other reduction or cancellation that may adversely affect the payment of the Claim to the Issuer;
- (i) it can be segregated and identified for ownership on the relevant Seller's systems on any day;
- (j) it is capable of being subject to the Security;
- (k) with respect to which the relevant Seller has performed all material obligations required to be performed by it under the relevant Funding Document;
- (l) it does not contain any restriction on assignment or, if any, all consents to be obtained under the Funding Documents for the assignment of the Claim have been obtained;
- (m) the relevant Debtor and any person obliged to make payments thereunder has been directed to make all payments to the relevant Seller Collection Account;
- (n) the relevant Debtor or any person obliged to make payments thereunder has been notified of the Seller's ownership of the relevant Claim;
- (o) payments thereof to the relevant Seller are not subject to withholding

taxes;

- (p) payments thereof to the Issuer are not subject to withholding taxes;
- (q) it is governed by the laws of Spain;
- (r) if an Endorsable Promissory Note (*pagaré a la orden*), it has been endorsed in blank (*endoso en blanco*) by the relevant Seller and delivered to, and is in the possession of, the Offer Agent as at the relevant Additional Purchase Date;
- (s) if a Non-endorsable Promissory Note (*pagaré no a la orden*), it has been delivered by the relevant Seller to, and is in the possession of, the Offer Agent as at the relevant Additional Purchase Date;
- (t) it is a Qualifying Asset within the meaning of Section 110 of the Irish TCA;
- (u) in respect of any Collateral Claim, such Collateral Claim is assigned by the relevant Seller or Gedesco Factoring,
- (v) does not relate to any “specified mortgages”, within the meaning of section 110 Irish TCA, units in an IREF or shares that derive their value, or the greater part of their value, from Irish land;
- (w) the Claim does not qualify as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 pursuant to article 20(11) of the Securitisation Regulation; and
- (x) the Claim is not a derivative, pursuant to article 21(2) of the Securitisation Regulation.

See the section entitled "*Overview of the Transaction Documents – Receivables Sale Agreement – Representations and warranties given by the Seller*" for more information.

Portfolio Repurchase Option

The Portfolio Option Holder (acting in the name and on behalf of the Sellers) shall have the option (the "**Portfolio Repurchase Option**") to repurchase the entire Receivables Portfolio (but not a part only) on any Interest Payment Date during the Amortisation Period at a repurchase price equal to the aggregate of (i) the Principal Amount Outstanding of the Rated Notes together with accrued but unpaid interest (including, any Deferred Interest and Additional Interest on the Principal Amount Outstanding up to (but excluding) such date) (ii) the Trustee Expenses, (iii) the Expenses, (iv) the Servicing Fees, (v) the Third-Party Expenses and (vi) the Issuer Profit Amount, in each case calculated as of such Interest Payment Date (the "**Portfolio Repurchase Price**").

Such repurchase shall be made without any recourse against, or warranty or guarantee of the Issuer.

Enforcement Re-Transfer

With the exclusive view to maximise the recovery of the amounts due under the Eligible Receivables comprised in the Receivables Portfolio, each Seller may (but shall have no obligation to) agree with the Issuer to repurchase any Defaulted Receivables previously sold by such Seller to the extent and only in the exclusive and limited circumstances in which any such re-transfer will be appropriate or necessary in order for the relevant Seller (or the Servicer, as the case may be) to more efficiently and/or validly exercise and enforce the relevant Defaulted Receivables and their Ancillary Rights (including the

Claims) (hereinafter, each an "**Enforcement Re-transfer**").

Any Enforcement Re-transfer of Defaulted Receivables shall not result in the relevant Seller either assuming any further liabilities or risk in respect of or guaranteeing the payment of such Defaulted Receivable.

Collateral Claims

In accordance with article 1,528 of the Spanish Civil Code, the sale and transfer of the Eligible Receivables by a Seller where payment in respect of which is to be made out of proceeds of, or payment is otherwise secured or guaranteed by Collateral Claims transferred by the relevant Client Debtor to the relevant Seller or Gedesco Factoring for payment (*para pago*) pursuant to the relevant Funding Document shall entail the automatic transfer to the Issuer by the relevant Seller or Gedesco Factoring, as the case may be, of such Collateral Claims.

Without prejudice to article 1,528 of the Spanish Civil Code, each Seller and Gedesco Factoring, as the case may be, will also agree that the sale of any Initial Receivables Sub-Portfolio or Additional Receivables Sub-Portfolio and their Ancillary Rights (including Claims) by any Seller shall include the transfer to the Issuer of any Collateral Claims assigned for payment (*para pago*), securing or otherwise guaranteeing the relevant Eligible Receivables transferred under the Receivables Sale Agreement, for all relevant legal purposes and without any additional acts (subject to certain rights of the relevant Seller or Gedesco Factoring to the retransfer of Collateral Claims or the proceeds of Collateral Claims in certain circumstances). Each Seller and the Issuer declare for all relevant purposes (i) that the Issuer would not have agreed to purchase such Eligible Receivables without the transfer to it of the related Collateral Claims which are essential to the relevant transaction and (ii) that in order to assess the Receivable Purchase Price to be paid for such Eligible Receivables the transfer of the related Collateral Claims has been taken into account by the Issuer.

The Collateral Claims held by the relevant Seller or Gedesco Factoring for the purpose of payment (*para pago*), securing or guaranteeing Eligible Receivables transferred by the relevant Seller to the Issuer may be far in excess of the amount required in order to pay the relevant Receivable in full. As a result, the Sellers, Gedesco Factoring and the Issuer have agreed that any transfer by a Seller or Gedesco Factoring of Collateral Claims to the Issuer is subject to the right of the relevant Seller or Gedesco Factoring to require the retransfer of Collateral Claims which are existing credit rights at the option of Gedesco Factoring or the relevant Seller (represented by the Servicer), as applicable, if certain conditions are met.

Notification Events

Upon the occurrence of the following events (each a "**Notification Event**") the Issuer shall be entitled to request each Seller (at its own cost and expense) to execute and deliver a Notification Event Notice addressed to the relevant Debtors (including, for the avoidance of doubt, any Collateral Debtor) and copied to the Issuer in respect of the Receivables and Ancillary Rights (including the Claims) sold by it to the Issuer that are included in the Receivables Portfolio:

- (a) pursuant to any applicable laws or regulations in place from time to time (whether at national or regional level) requiring notice of the transfer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;

- (b) the making of an order of a court or regulatory authority requiring notice of the transfer to the Issuer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;
- (c) the priority of the Transaction Security granted by the Issuer or any Seller has changed or has been otherwise affected in a manner which is prejudicial to the interests of the Noteholders but only to the extent that giving notice to the relevant Debtors that the Receivables have been transferred to the Issuer is necessary or advisable to protect the Transaction Security;
- (d) the occurrence of a Servicer Termination Event;
- (e) the occurrence of a Seller Insolvency Event;
- (f) the occurrence of an Amortisation Trigger Event;
- (g) on any Purchase Date, the aggregate Outstanding Balance of all Defaulted Receivables comprised in the Receivables Portfolio is equal to or higher than 20% of the Principal Amount Outstanding of the Notes as at the Issue Date; or
- (h) the occurrence of a Material Adverse Change in relation to the business, operations, assets or condition (financial or otherwise) of any Seller;

Reserve Account

The Reserve Account will be established on the Issue Date and the amounts standing to the credit of the Reserve Account will be part of Available Revenue Receipts on each Interest Payment Date. The Reserve Account will be funded on the Issue Date by way of the Subordinated Loan provided by Gedesco Factoring, S.L.U. up to fifty per cent. of the Reserve Fund Required Amount. The remaining fifty per cent. of the Reserve Fund Required Amount will be funded, in accordance with the Pre-Enforcement Revenue Priority of Payments, as of the first Interest Payment Date and on each following Interest Payment Date until the balance standing to the credit of the Reserve Account equals the Reserve Fund Required Amount. Thereafter, and prior to the service of an Enforcement Notice, the Reserve Account will be replenished on each Interest Payment Date up to the Reserve Fund Required Amount pursuant to the Pre-Enforcement Revenue Priority of Payments. The Reserve Fund Required Amount corresponds to the amount required to be standing to the credit of the Reserve Account and shall be equal to the product of:

- (a) the Principal Amount Outstanding of the Class A Notes at the beginning of the relevant Calculation Period (or, in the case of the Issue Date, as at the Issue Date); and
- (b) 1.0 per cent.

Deemed Collections

If:

- (i) on any date after its Purchase Date, any Receivable comprised in the Receivables Portfolio is found not to have met the Eligibility Criteria as at its Purchase Date;
- (ii) such Receivable fails on any date after its Purchase Date to meet the Permanent Eligibility Criteria by reference to the facts and circumstances existing on such date; or

- (iii) the Direct Debtor of such Receivable becomes an Affiliate of any Seller after its Purchase Date.

the Seller shall be deemed to have received a Collection ("**Deemed Collection**") in relation to such Receivable on the day the relevant Seller becomes aware, or is notified by the Issuer that, such event has occurred a "**Deemed Collection Date**") in the amount equal to the Outstanding Balance of the relevant Receivable and the relevant Seller shall pay to the Issuer an amount equal to the Deemed Collection (the "**Deemed Collection Amount**").

Any Receivable which is found not to have met the Eligibility Criteria as at its Purchase Date or which fails on any date after its Purchase Date to meet the Permanent Eligibility Criteria shall be considered as an "**Ineligible Receivable**".

Any Deemed Collection Amounts relating to Deemed Collections arising during the Revolving Period shall be paid by the relevant Seller to the Issuer as follows:

- (i) by offsetting such Deemed Collection Amounts against the Purchase Price payable to the relevant Seller on the Purchase Price Payment Date immediately following the relevant Deemed Collection Date; and
- (ii) any remaining excess amount shall be paid in cash by the relevant Seller to the Issuer on such Purchase Price Payment Date.

Any Deemed Collection Amounts relating to Deemed Collections arising after the end of the Revolving Period shall be paid by the relevant Seller to the Issuer within three (3) Business Days of the relevant Deemed Collection Date.

In the event of any Deemed Collection arising, all of the Issuer's rights, title and interest to the relevant Receivable shall automatically be passed and retransferred to the relevant Seller upon full payment by the relevant Seller to the Issuer of the related Deemed Collection Amount.

In respect of any Collections which are received by the Issuer in respect of any Receivable retransferred to the Sellers following a Deemed Collection, the Issuer shall hold such Collections as custodian (*depositario*) for the benefit of the relevant Seller and pay the amount of such Collections to the relevant Seller within five (5) Business Days of their identification by the Servicer in the corresponding Monthly Datatape. Any such payment will be made without interest.

No active portfolio management

Each Seller's rights and obligations to sell Receivables to the Issuer and/or the Portfolio Option Holder's (acting in the name and on behalf of the Sellers) rights and obligations to repurchase the entire Receivables Portfolio (but not part only) from the Issuer during the Amortisation Period pursuant to the Receivables Sale Agreement do not constitute active portfolio management for purposes of Article 20(7) of the Securitisation Regulation.

Servicing of the Receivables Portfolio

The Servicer will be appointed by the Issuer to service the Receivables Portfolio on a day-to-day basis. Subject to the appointment of a Back-up Servicer or a Successor Servicer, the Servicing Agreement may be terminated by the Issuer at any time after the occurrence of a Servicer Termination Event.

Servicer Termination Event

Each of the following is a "**Servicer Termination Event**":

- (a) the Servicer does not pay on the due date any amount payable

pursuant to a Transaction Document in the manner and in the place and in the currency in which it is expressed to be payable, unless payment is made with 5 Business Days of its due date;

- (b) the Servicer fails to observe or perform in any material respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a Material Adverse Effect on the Issuer's ability to make payments in respect of the Notes and continues unremedied for a period of 60 days following written notice of such failure being received by the Servicer or the Servicer otherwise becoming aware of such failure; or
- (c) the Servicer fails to maintain any regulatory licence or approval required to comply with its obligations under the Transaction Documents and such failure continues unremedied for a period of 60 days; and
- (d) a Servicer Insolvency Event occurs.

Appointment of Back-Up Servicer

Copernicus Servicing, S.L. shall be appointed as Back-Up Servicer. Upon the occurrence of a Back-Up Servicer Appointment Event, the Issuer shall instruct the Back-Up Servicer to step-in and perform the Services in place of the Servicer. For more details See "*Overview of the Transaction Documents*" – *Back-Up Servicing Agreement*".

Back-Up Servicer Appointment Event

Each of the following is a "**Back-Up Servicer Appointment Event**":

- (a) the removal of the Servicer; or
- (b) the resignation of the Servicer.

SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

Please refer to section entitled "Terms and Conditions of the Notes" in the Prospectus for further detail in respect of the terms of the Notes.

FULL CAPITAL STRUCTURE OF THE NOTES

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z Notes
Currency	Euro	Euro	Euro	Euro	Euro	Euro	Euro
Initial Principal Amount	225,000,000	15,000,000	15,000,000	7,500,000	7,500,000	15,000,000	15,000,000
Credit Enhancement	Subordination of the Class B Notes	Subordination of the Class C Notes	Subordination of the Class D Notes	Subordination of the Class E Notes	Subordination of the Class F Notes	Subordination of the Class Z Notes	N.A.
	Subordination of the Class C Notes	Subordination of the Class D Notes	Subordination of the Class E Notes	Subordination of the Class F Notes	Subordination of the Class Z Notes	Loss Absorption Amount	
	Subordination of the Class D Notes	Subordination of the Class E Notes	Subordination of the Class F Notes	Subordination of the Class Z Notes	Loss Absorption Amount		
	Subordination of the Class E Notes	Subordination of the Class F Notes	Subordination of the Class Z Notes	Loss Absorption Amount			
	Subordination of the Class F Notes	Subordination of the Class Z Notes	Loss Absorption Amount				
	Subordination of the Class Z Notes	Loss Absorption Amount					
	Loss Absorption Amount Reserve Account						
Liquidity Support	Reserve Account	Funding Discount	Funding Discount	Funding Discount	Funding Discount	Funding Discount	Funding Discount
	Funding Discount	Expenses Discount	Expenses Discount	Expenses Discount	Expenses Discount	Expenses Discount	Expenses Discount
	Expenses Discount	Principal to pay Interest	Principal to pay Interest	Principal to pay Interest	Principal to pay Interest	Principal to pay Interest	
	Principal to pay Interest						
Issue Price	99.71%	99.39%	97.90%	97.36%	100%	100%	100%
Note Interest Rate	1 month EURIBOR plus a margin of 1.15 per cent. per annum	1 month EURIBOR plus a margin of 2.20 per cent. per annum	1 month EURIBOR plus a margin of 3.20 per cent. per annum	1 month EURIBOR plus a margin of 4.50 per cent. per annum	1 month EURIBOR plus a margin of 7.00 per cent. per annum	1 month EURIBOR plus a margin of 10.00 per cent. per annum	Class Z Notes Interest Amount (as defined below)
Interest Accrual Method	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	N.A.
Interest Payment	The date falling on the	The date falling on the	The date falling on the	The date falling on the	The date falling on the	The date falling on the	The date falling on the

Dates	24 th day of each month commencing on the First Interest Payment Date subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due.	24 th day of each month commencing on the First Interest Payment Date subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due.	24 th day of each month commencing on the First Interest Payment Date subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due.	24 th day of each month commencing on the First Interest Payment Date subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due.	24 th day of each month commencing on the First Interest Payment Date subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due.	24 th day of each month commencing on the First Interest Payment Date subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due.	24 th day of each month commencing on the First Interest Payment Date subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due.
Business Day	London, Dublin, Madrid	London, Dublin, Madrid	London, Dublin, Madrid	London, Dublin, Madrid	London, Dublin, Madrid	London, Dublin, Madrid	London, Dublin, Madrid
Business Day Convention	Modified Following	Modified Following	Modified Following	Modified Following	Modified Following	Modified Following	Modified Following
First Interest Payment Date	24 April 2020 (subject to adjustment in accordance with the Business Day Convention)	24 April 2020 (subject to adjustment in accordance with the Business Day Convention)	24 April 2020 (subject to adjustment in accordance with the Business Day Convention)	24 April 2020 (subject to adjustment in accordance with the Business Day Convention)	24 April 2020 (subject to adjustment in accordance with the Business Day Convention)	24 April 2020 (subject to adjustment in accordance with the Business Day Convention)	24 April 2020 (subject to adjustment in accordance with the Business Day Convention)
First Interest Period	From and including the Issue Date to (but excluding) the first Interest Payment Date	From and including the Issue Date to (but excluding) the first Interest Payment Date	From and including the Issue Date to (but excluding) the first Interest Payment Date	From and including the Issue Date to (but excluding) the first Interest Payment Date	From and including the Issue Date to (but excluding) the first Interest Payment Date	From and including the Issue Date to (but excluding) the first Interest Payment Date	From and including the Issue Date to (but excluding) the first Interest Payment Date
Other Early Redemption in Whole Events	Condition 6.4 (Mandatory redemption in whole)	Condition 6.4 (Mandatory redemption in whole)	Condition 6.4 (Mandatory redemption in whole)	Condition 6.4 (Mandatory redemption in whole)	Condition 6.4 (Mandatory redemption in whole)	Condition 6.4 (Mandatory redemption in whole)	Condition 6.4 (Mandatory redemption in whole)
Mandatory Redemption following exercise of the Portfolio Repurchase Option	Condition 6.7 (Mandatory Redemption following exercise of the Portfolio Repurchase Option)	Condition 6.7 (Mandatory Redemption following exercise of the Portfolio Repurchase Option)	Condition 6.7 (Mandatory Redemption following exercise of the Portfolio Repurchase Option)	Condition 6.7 (Mandatory Redemption following exercise of the Portfolio Repurchase Option)	Condition 6.7 (Mandatory Redemption following exercise of the Portfolio Repurchase Option)	Condition 6.7 (Mandatory Redemption following exercise of the Portfolio Repurchase Option)	Condition 6.7 (Mandatory Redemption following exercise of the Portfolio Repurchase Option)
Final Maturity Date	Interest Payment Date falling in January 2026	Interest Payment Date falling in January 2026	Interest Payment Date falling in January 2026	Interest Payment Date falling in January 2026	Interest Payment Date falling in January 2026	Interest Payment Date falling in January 2026	Interest Payment Date falling in January 2026
Form of the Notes	Bearer Notes	Bearer Notes	Bearer Notes	Bearer Notes	Bearer Notes	Bearer Notes	Dematerialised registered
Application for Listing	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	N.A.
ISIN	XS2085673650	XS2085674112	XS2085674203	XS2085674542	XS2085677057	XS2085677214	N.A.

Common Code	208567365	208567411	208567420	208567454	208567705	208567721	N.A.
Clearance/ Settlement	Euroclear	Euroclear	Euroclear	Euroclear	Euroclear	Euroclear	N.A.
Minimum Denomination	€100,000 (and €1,000 thereafter)	€100,000 (and €1,000 thereafter)	€100,000 (and €1,000 thereafter)	€100,000 (and €1,000 thereafter)	€100,000 (and €1,000 thereafter)	€100,000 (and €1,000 thereafter)	€100,000 (and €1,000 thereafter)
Regulation	Reg S	Reg S	Reg S	Reg S	Reg S	Reg S	Reg S
Ratings (KBRA/Moody's)	AAA (sf)/Aa3 (sf)	AA (sf)/Baa2 (sf)	A (sf)/B2 (sf)	BBB (sf)/Caa2 (sf)	BB (sf)/Caa3 (sf)	B- (sf)/Ca (sf)	NR/NR

Distribution of the Notes: On the Issue Date, the Notes may only be purchased by persons that (a) are not Risk Retention U.S. Persons or (b) have obtained a U.S. Risk Retention Waiver from the Retention Holder. See the section entitled "*Risk Factors – U.S. Risk Retention Requirements*".

Ranking and Form of the Notes The Issuer will issue the following classes of Notes on the Issue Date under the Trust Deed:

- (a) the €225,000,000 Class A asset backed floating rate Notes due January 2026 (the "**Class A Notes**");
- (b) the €15,000,000 Class B asset backed floating rate Notes due January 2026 (the "**Class B Notes**");
- (c) the €15,000,000 Class C asset backed floating rate Notes due January 2026 (the "**Class C Notes**");
- (d) the €7,500,000 Class D asset backed floating rate Notes due January 2026 (the "**Class D Notes**");
- (e) the €7,500,000 Class E asset backed floating rate Notes due January 2026 (the "**Class E Notes**");
- (f) the €15,000,000 Class F asset backed floating rate Notes due January 2026 (the "**Class F Notes**"); and
- (g) the €15,000,000 Class Z asset backed Notes due January 2026 (the "**Class Z Notes**").

Priority of Interest Payments

The Class A Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of interest at all times and in priority to payments of interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.

The Class B Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of interest at all times and in priority to payments of interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.

The Class C Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of interest at all times and in priority to payments of interest on the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.

The Class D Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of interest at all times and in priority to payments of interest on the Class E Notes, the Class F Notes and the Class Z Notes.

The Class E Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of interest at all times and in priority to payments of interest on the Class F Notes and the Class Z Notes.

The Class F Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of interest at all times and in priority to payments of interest on the Class Z Notes.

Priority of Principal Payment

The Class A Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of principal at all times and in priority to payments of principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.

The Class B Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of principal at all times and in priority to payments of principal on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.

The Class C Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of principal at all times and in priority to payments of principal on the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.

The Class D Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of principal at all times and in priority to payments of principal on the Class E Notes, the Class F Notes and the Class Z Notes.

The Class E Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of principal at all times and in priority to payments of interest on the Class F Notes and the Class Z Notes.

The Class F Notes will at all times rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of principal at all times and in priority to payments of interest on the Class Z Notes.

In each case, any payments shall be made in accordance with the relevant Priority of Payments.

During the Revolving Period but prior to the service of an Enforcement Notice, there shall be no repayment of principal on the Notes, save upon occurrence of a Cash Collateral Ratio Trigger Event and while it is continuing where the Notes will be required to be repaid on each Interest Payment Date in an amount equal to the relevant Excess Cash (if any) on

such Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments.

Security

The Notes are secured by security created by the Issuer in accordance with the Security Deed, the Irish Deed of Charge and Condition 2.2 (*Transaction Security*) (the "**Transaction Security**") and the Noteholders will share the Transaction Security together with the other Secured Creditors of the Issuer.

The Transaction Security granted by the Issuer includes first ranking security interests in respect of:

- (a) the Receivables Portfolio and all Ancillary Rights (including the Claims), from time to time;
- (b) the Issuer's contractual rights under the Transaction Documents (other than the Security Deed, the Irish Deed of Charge and the Trust Deed); and
- (c) the Revenue Account, the Reserve Account and the Issuer Collection Account,

and a floating charge shall also be granted over all the Issuer's undertaking and assets excluding any amount held in the Irish Issuer Account and pursuant to the Irish Deed of Charge.

Pursuant to the Irish Deed of Charge and as further described in Condition 2.2 (*Transaction Security*), the Issuer will grant to the Security Trustee (on trust for itself and for the other Issuer Secured Creditors):

- (a) a first fixed charge over (or, to the extent not chargeable, an assignment of) all its rights and claims in respect of any amount standing from time to time to the credit of the Issuer Accounts (other than the Irish Issuer Account) in favour of the Security Trustee; and
- (b) a first floating charge over the Issuer's rights in respect of any amount standing from time to time to the credit of the Issuer Accounts (other than those subject to the fixed charges or assignments as described in paragraph (a) above and than the Irish Issuer Account).

Some of the other Secured Liabilities rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds as set out in the relevant Priority of Payments.

Pursuant to the Seller Collection Account Pledge Agreements, the Sellers will create security over the claims of the Sellers for reimbursement of the balance from time to time of the Seller Collection Accounts in favour of the Issuer to secure the obligations of each Seller and the Servicer to the Issuer under the Relevant Transaction Document.

Interest Provisions

Please refer to "*Full Capital Structure of the Notes*" as set out above and Condition 4 (*Interest*) for the relevant interest provisions.

Interest Deferral and Interest Accrual

Interest due and payable on the Class A Notes will not be deferred.

To the extent that funds available to the Issuer to pay interest on the Notes of any Class (other than the Class A Notes) on any Interest Payment Date are insufficient to pay the full amount of such interest and subject to certain conditions, payment of the shortfall in respect of such Class of Notes (the "**Deferred Interest**") will not then fall due but will instead be deferred until the first Interest Payment Date thereafter on which funds are available to the Issuer (after allowing for the Issuer's liabilities of higher priority in accordance with the applicable Priority of Payments and subject to and in accordance with the Conditions) to fund the payment of such Deferred Interest to the extent of such available funds.

Any Deferred Interest will accrue interest (the "**Additional Interest**") at the rate of interest applicable from time to time to the relevant Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date thereafter on which funds are available (subject to and in accordance with the applicable Priority of Payments) to the Issuer to pay such Additional Interest.

Payment of any amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date or beyond any earlier date on which each respective Class of Notes falls to be redeemed in full and any such amount which has not then been paid in respect of the relevant Class of Notes shall thereupon become due and payable in full.

Gross-up

Neither the Issuer nor any other person will be obliged to gross up if there is any withholding or deduction for or on account of tax in respect of any payments under the Notes.

Redemption

The Notes are subject to the following optional or mandatory redemption events (in whole or in part):

- (a) each Class of Notes shall be subject to mandatory redemption in whole at its then Principal Amount Outstanding together with all accrued interest on the Final Maturity Date;
- (b) a mandatory redemption in part on any Interest Payment Date occurring after the termination of the Revolving Period and prior to the service of an Enforcement Notice, subject to availability of Available Principal Receipts and application of such Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments;
- (c) a mandatory redemption in part in an amount equal to the Excess Cash (if any), on any Interest Payment Date falling during the Revolving Period, upon the occurrence of a Cash Collateral Ratio Trigger Event that is continuing;
- (d) a mandatory redemption in whole pursuant to a Risk Retention Regulatory Change Event;
- (e) a mandatory redemption in whole pursuant to a Tax Regulatory Change Option; and
- (f) a mandatory redemption in whole upon the exercise by the Portfolio Option Holder of the Portfolio Repurchase Option.

Subject to the Issuer having sufficient funds available for this purpose, each Note to be redeemed in whole will be redeemed in an amount equal to the Principal Amount Outstanding of the relevant Note together with any accrued (and unpaid) interest, any Deferred Interest and any Additional Interest on the Principal Amount Outstanding of the relevant Note up to (but excluding) the date of redemption.

See further the section of this Prospectus entitled "*Summary of the Terms and Conditions of the Notes*" and Condition 6 (*Redemption*).

Controlling Class

The controlling class ("**Controlling Class**") shall be the Class A Notes so long as any Class A Notes are Outstanding, after the Class A Notes have been repaid in full, the Class B Notes then Outstanding, after the Class B Notes have been repaid in full, the Class C Notes then Outstanding, after the Class C Notes have been repaid in full, the Class D Notes then Outstanding, after the Class D Notes have been repaid in full, the Class E Notes then Outstanding, after the Class E Notes have been repaid in full, the Class F Notes then Outstanding and after the Class F Notes have been repaid in full, the Class Z Notes then Outstanding.

Event of Default

The Events of Default are fully set out in Condition 9.1 (*Events of Default*), and broadly include (where relevant, subject to the applicable grace period):

- (a) *Insolvency*: an Issuer Insolvency Event occurs;
- (b) *Non-payment*:
 - (i) the Issuer fails to pay any amount of interest in respect of the Controlling Class when the same becomes due and payable, and such non-payment continues for a period of 10 Business Days; or
 - (ii) the Issuer fails to pay any amount of principal on the Controlling Class when due, and such non-payment continues for a period of 5 Business Days;
- (c) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or under or in respect of any of the Transaction Documents to which it is a party and such default is either (i) in the opinion of the Note Trustee, incapable of remedy or (ii) in the opinion of the Note Trustee, capable of remedy, but remains unremedied for 30 days or such longer period as the Note Trustee may agree after the Note Trustee has given written notice of such default to the Issuer;
- (d) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Transaction Documents;

No hedging

The Issuer has not entered into and does not intend to enter into any interest rate hedging agreement in connection with the Transaction and the Rated Notes.

No derivative contracts

The Issuer has not entered into and does not intend to enter into any derivative contracts.

Acceleration and Enforcement

Pursuant to Condition 10 (*Enforcement*), the Note Trustee may, at any time at its discretion and without notice, and shall, if so directed in writing by the holders of at least one-fifth in aggregate of the Principal Amount Outstanding of the Controlling Class or an Extraordinary Resolution of the holders of the Controlling Class (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction) take such action under or in connection with any of the Transaction Documents as it may think fit (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, after the service of an Enforcement Notice, to take steps to enforce the security constituted by the Security Deed and the Irish Deed of Charge). For the avoidance of doubt, pursuant to Condition 9.1 (*Events of Default*), the Note Trustee may serve an Enforcement Notice at its absolute discretion following the occurrence of an Event of Default, but shall have no obligation to do so unless so directed in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the Controlling Class or if so directed by an Extraordinary Resolution of the holders of the Controlling Class (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction).

Limited Recourse

The holders of the Notes shall have no recourse to the Issuer beyond the proceeds of the realisation of the security granted pursuant to the Security Deed and the Irish Deed of Charge and following realisation of such Transaction Security and the application of the proceeds thereof in accordance with the Post-Enforcement Priority of Payments, any outstanding claims of the holders of Notes against the Issuer and any outstanding obligations or liabilities of the Issuer under the Notes will be extinguished.

Non petition

Only the Security Trustee may pursue the remedies available under the relevant general law or under the Transaction Documents to enforce the Transaction Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Transaction Security. None of the Secured Creditors is entitled to, among other things, take any steps against the Issuer for the purposes of obtaining payment of any amount due to it from the Issuer, initiate or join any person in initiating an Issuer Insolvency Event or the appointment of an Insolvency Official in relation to the Issuer (other than a Receiver or an administrator appointed in accordance with the Security Deed) or take any corporate action, legal proceedings or other procedure or step which would result in the relevant Priority of Payments not being complied with.

Governing Law

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

All of the Transaction Documents (and, in each case, any non-contractual obligations arising out of or in connection therewith) are, governed by English law, save for the Receivables Sale Agreement, the Servicing Agreement and the Seller Collection Account Pledge Agreements, which are governed by Spanish law and the Corporate Services Agreement and the Irish Deed of Charge which are governed by Irish law.

RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to the section entitled "Terms and Conditions of the Notes" for further detail in respect of the rights of Noteholders and conditions for exercising such rights and relationship with other Secured Creditors.

Prior to an Event of Default: Prior to the occurrence of an Event of Default, the Issuer or the Note Trustee may at any time, and Noteholders holding not less than 10 per cent. of the Principal Amount Outstanding of the Controlling Class of Notes are entitled to, upon requisition in writing to the Issuer, convene a Noteholders' meeting to consider any matter affecting their interests.

Following an Event of Default: If an Event of Default occurs and is continuing, the Noteholders may, if they hold not less than one-fifth of the Principal Amount Outstanding of the Controlling Class of Notes or if the Noteholders of the Controlling Class of Notes pass an Extraordinary Resolution to that effect, direct the Note Trustee to give an Enforcement Notice to the Issuer notifying the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued interest.

In the case of an Event of Default occurring as a result of the Issuer failing to perform or observe any of its obligations under the Conditions or any Transaction Document to which it is a party (other than with respect to the payment of principal and interest when due), such an Extraordinary Resolution will be effective only if the Note Trustee shall also have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Controlling Class of Notes. The Note Trustee may also, without the consent of the Noteholders, if it is of the opinion that such determination will not be materially prejudicial to the interests of the Noteholders, determine that an Event of Default or Potential Event of Default shall not, or shall not subject to specified conditions, be treated as such.

See further the section entitled "Terms and Conditions of the Notes" for more information.

		<u>Initial Meeting</u>	<u>Adjourned Meeting</u>	
Noteholders provisions:	meeting	Notice Period:	At least 21 clear days for the initial meeting	At least 10 clear days for the adjourned meeting (and no more than 42 clear days in the case of an initial adjournment of a meeting at which an Extraordinary Resolution is to be proposed)
		Quorum:	Not less than one-fifth of the aggregate of the Principal Amount Outstanding of the relevant Class of Notes then outstanding for all Ordinary Resolutions; more than one half of the aggregate of the Principal Amount	Any holding (other than an Extraordinary Resolution or a Basic Terms Modification, which requires not less than one quarter of the aggregate of the Principal Amount Outstanding of

	Outstanding of the relevant Class of Notes for the initial meeting to pass an Extraordinary Resolution (other than a Basic Terms Modification, which requires not less than three-quarters of the aggregate of the Principal Amount Outstanding of the relevant Class of Notes)	the relevant Class of Notes)
Required majority:	More than 50 per cent. of votes cast for matters requiring Ordinary Resolution and not less than 75 per cent. of votes cast for matters requiring Extraordinary Resolution	More than 50 per cent. of votes cast for matters requiring Ordinary Resolution and not less than 75 per cent. of votes cast for matters requiring Extraordinary Resolution
Written Resolution:	Not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes then outstanding. A Written Resolution has the same effect as an Extraordinary Resolution.	Not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes then outstanding. A Written Resolution has the same effect as an Extraordinary Resolution.

Matters requiring Extraordinary Resolution:

The following matters require an Extraordinary Resolution:

- to approve any Basic Terms Modification;
- to approve the substitution of any person for the Issuer as principal obligor under the Notes;
- to waive any breach or authorise any proposed breach by the Issuer of its obligations under the Notes or any Transaction Document or any act or omission which might otherwise constitute an Event of Default under the Notes;
- to remove the Note Trustee and/or the Security Trustee and to approve the appointment of a new Note Trustee and/or Security Trustee;
- to authorise the Note Trustee or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- to discharge or exonerate the Note Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
- to give any other authorisation or approval which under the Trust Deed or the Notes is required to be given by Extraordinary Resolution; and

- to appoint any persons as a committee to represent the interests of the Noteholders and to convey upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

Right of modification without Noteholder consent

Pursuant to and in accordance with the detailed provisions of Condition 11.6, the Note Trustee shall be obliged, without any consent or sanction of the Noteholders or the other Secured Creditors (but subject to the receipt of written consent from any of the Secured Creditors party to the Transaction Documents being modified), to concur and to direct the Security Trustee to concur with the Issuer in making any modification (other than a Basic Terms Modification) to the Conditions and/or any Transaction Document or enter into any new, supplemental or additional documents for the purposes of:

- complying with, or implementing or reflecting, any change in criteria of the Rating Agencies;
- complying with any changes after the Issue Date in the requirements of (i) the Securitisation Regulation, including as a result of the adoption of regulatory technical standards in relation to the Securitisation Regulation, (ii) the CRR Amendment Regulation, (iii) the CRA Regulation or (iv) any other legislation, regulations or official guidance relating to securitisation transactions (including risk retention);
- enabling any Class of Rated Notes to be (or to remain) listed on Euronext Dublin;
- enabling the Issuer or any other Transaction Party to comply with FATCA;
- changing the base rate on any Class of Rated Notes from EURIBOR to an Alternative Base Rate (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change) to the extent there has been or there is reasonably expected to be a material disruption or cessation to EURIBOR.

Amongst other things, the Issuer must certify to the Note Trustee (upon which the Note Trustee may rely absolutely without enquiry or liability) that it has provided at least 30 days' prior notice to Noteholders of each Class of the proposed modification in accordance with Condition 14 (*Notice To Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes. If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Controlling Class of Notes have notified the Issuer in writing that such Noteholders do not consent to the modification then such modification will not be made unless passed by an Extraordinary Resolution of the Noteholders of the Controlling Class of Notes in accordance with Condition 11 (*Meetings of Noteholders, Modification and Waiver*).

Relationship between Classes of Noteholders:

Except in respect of certain matters set out in Condition 11 (*Meetings of Noteholders, Modification and Waiver*) and the Trust Deed and excluding for the avoidance of doubt a Basic Terms Modification in respect of Classes other than the Controlling Class of Notes, an Extraordinary Resolution of Noteholders of the Controlling Class of Notes shall be binding on the holders of all other Classes of Notes. For further details see Condition 11 (*Meetings of Noteholders, Modification and Waiver*).

A Basic Terms Modification requires an Extraordinary Resolution of the holders of each relevant affected Classes of Notes.

In the event of a conflict of interests of holders of different Classes of Notes the Note Trustee shall have regard only to the interests of the holders of the Class of Notes which is the most senior and will not have regard to any lower ranking Class of Notes.

**Relationship between
Noteholders and other
Secured Creditors:**

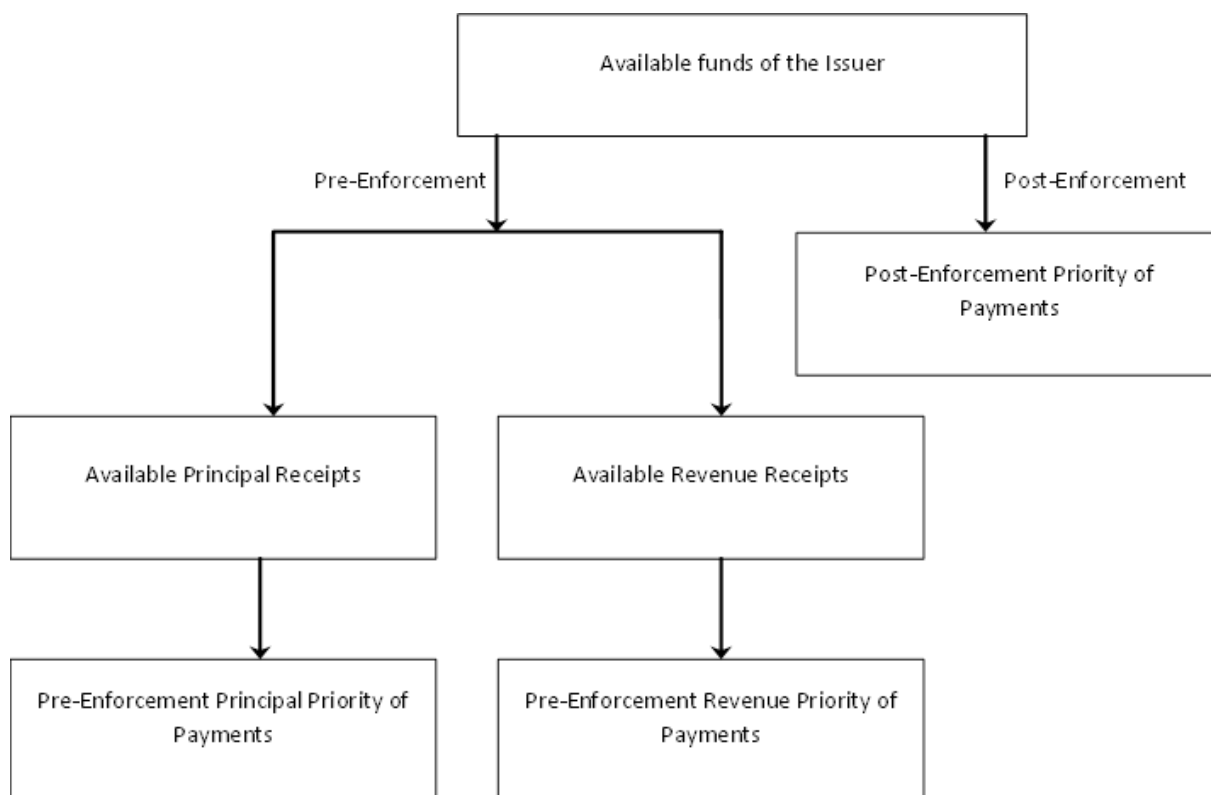
So long as the Notes are outstanding, the Note Trustee will have regard to the interests of the Noteholders and the other Secured Creditors, but if in the Note Trustee's sole opinion there is a conflict between their interests it will have regard solely to the interests of the Noteholders.

**Provision of Information to
the Noteholders:**

Please refer to the section entitled "*Regulatory Requirements*" and to the section entitled "*General Information*" for further information in relation to investor reporting to be provided under the Securitisation Regulation.

CREDIT STRUCTURE AND CASHFLOW

Please refer to the section entitled "Cash Management" in this Prospectus for further detail in respect of the credit structure and cash flow of the transaction.



Collections

In accordance with the Servicing Agreement, the Servicer shall recover and collect all payments made in respect of the Receivables and the Ancillary Rights (including Claims) comprised in the Receivables Portfolio (the "**Collections**") and enforce all covenants and obligations of Debtors due to the Issuer under the Receivables, the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio and the related Funding Documents in the same manner as it does in respect of assets of the nature and character of the Receivables and the Ancillary Rights (including the Claims) which it manages for itself or for the Sellers.

In addition, the Servicer shall ensure that:

- (a) all Receivables and Ancillary Rights (including the Claims) other than the Collateral Claims are directly paid by the Debtors into the relevant Seller Collection Account opened by the Seller of such Receivables;
- (b) all Collateral Claims are directly paid by the Collateral Debtors into the relevant Seller Collection Account opened by the Seller of such Receivables or, with respect to Collateral Claims assigned to Gedesco Factoring, the Seller Collection Account opened by Gedesco Factoring; and
- (c) all amounts paid to a Seller Collection Account in respect of:
 - (i) PN Receivables arising under Promissory Notes Programs, PN Claims and Loan

Receivables comprised in the Receivables Portfolio are transferred within one (1) Business Day of receipt to the Issuer Collection Account;

- (ii) Factoring Receivables (including PN Receivables arising under Factoring Agreements), Factoring Claims and PN Receivables arising under Promissory Note Agreements comprised in the Receivables Portfolio are transferred within five (5) Business Days of receipt to the Issuer Collection Account; and
- (iii) Collateral Claims assigned by a Seller or Gedesco Factoring to the Issuer and not retransferred by the Issuer to a Seller or Gedesco Factoring or retained for the use of the Seller or Gedesco Factoring are transferred to the Issuer Collection Account in accordance with and to the extent required by the provisions set out in the Servicing Agreement relating to the servicing of Collateral Claims.

In respect of each Non-Provisioned Receivable, all Collections received into the Issuer Collection Account up to an amount equal to the Receivables Purchase Price for such Receivable (the "**Receivables Principal Receipts**") shall be credited to the Principal Ledger in accordance with the provisions below and shall thus be treated as Available Principal Receipts. All Collections received into the Issuer Collection Account in respect of each Non-Provisioned Receivable in excess of the Receivable Purchase Price of such Receivable (the "**Receivables Revenue Receipts**") shall be credited to the Revenue Account in accordance with the provisions below and shall thus be treated as Available Revenue Receipts.

All Collections received into the Issuer Collection Account in respect of each Provisioned Receivable shall be credited to the Revenue Account in accordance with the provisions below and shall thus be treated as Available Revenue Receipts.

Pursuant to the Cash Management Agreement, the Cash Manager shall in particular, without limitation:

- (a) calculate during the Revolving Period and the Amortisation Period, no later than on the Determination Date immediately following each Calculation Date:
 - (i) the amount of Receivables Principal Receipts and the amount of Receivables Revenue Receipts received in respect of each Receivable comprised in the Receivable Portfolio during the immediately preceding Calculation Period; and
 - (ii) the Cash Collateral Ratio and determine whether a Cash Collateral Ratio Trigger Event has occurred;
 - (iii) the balance of each Principal Deficiency Ledger and the amount (if any) to be credited to each Principal Deficiency Ledger on the immediately following Interest Payment Date;
 - (iv) the Reserve Fund Required Amount;
 - (v) the amount of any Principal Addition Amount expected to be applicable on the immediately following Interest Payment Date and the amount of any Principal Addition Amount Shortfall; and
- (b) determine during the Revolving Period, no later than 10:00a.m. on each Additional Purchase Date, the amount of Available Funds; and
- (c) calculate, on each Interest Payment Date, the Excess Cash.

If, on any Determination Date, the Cash Manager determines that the amount standing to the credit of the Principal Ledger on such Determination Date is not sufficient to pay any Principal Addition Amount expected to be applicable on the immediately following Interest Payment Date (a "**Principal Addition Amount Shortfall**"), the Issuer shall not be able to purchase further Receivables until an amount of Principal Collections (as defined in section "Available receipts"

below) at least equal to such Principal Addition Amount Shortfall has been credited to the Principal Ledger.

**Available
receipts**

The Issuer will use Available Revenue Receipts and Available Principal Receipts for the purposes of making interest and principal payments under the Notes and meeting the Issuer's other payment obligations pursuant to the other Transaction Documents.

"Available Principal Receipts" means:

- (a) with respect to any Interest Payment Date falling during the Revolving Period while no Cash Collateral Ratio Trigger Event has occurred that is continuing, the balance standing to the credit of the Principal Ledger at close of business on the Business Day immediately preceding such Interest Payment Date up to an amount equal to the Principal Addition Amount applicable on such Interest Payment Date;
- (b) with respect to any Interest Payment Date falling during the Revolving Period while a Cash Collateral Ratio Trigger Event has occurred and is continuing, the balance standing to the credit of the Principal Ledger at close of business on the Business Day immediately preceding such Interest Payment Date up to an amount equal to the aggregate of (i) any Principal Addition Amount applicable on such Interest Payment Date and (ii) the amount of Excess Cash; and
- (c) with respect to any Interest Payment Date falling during the Amortisation Period, the balance standing to the credit of the Principal Ledger at close of business on the immediately preceding Calculation Date.

The Cash Manager shall on each Business Day record the following amounts standing to the credit of the Issuer Collection Account as a credit entry to the Principal Ledger (the **"Principal Collections"**):

- (a) Receivables Principal Receipts received by the Issuer;
- (b) the amounts (if any) to be credited to each Principal Deficiency Ledger pursuant to the Pre-Enforcement Revenue Priority of Payments if such Business Day is an Interest Payment Date;
- (c) if any, amounts representing the purchase price received by the Issuer upon sale of the Receivables Portfolio further to the exercise of the Portfolio Repurchase Option;
- (d) amounts representing any purchase price received by the Issuer upon sale of any Defaulted Receivable to any Seller up to the Receivable Purchase Price of such Defaulted Receivable, provided such Defaulted Receivable is not a Provisioned Receivable; and
- (e) after the end of the Revolving Period, all remaining Available Revenue Receipts after paying item (xix) of the Pre-Enforcement Revenue Priority of Payments;

"Available Revenue Receipts" means, on any Interest Payment Date, the balance standing to the credit of the Revenue Account and the balance standing to the credit of the Reserve Account, in each case, at close of business on the immediately preceding Calculation Date.

The Cash Manager shall credit on each Business Day any of the following amounts standing to the credit of the Issuer Collection Account to the Revenue Account:

- (a) the sum of all Receivables Revenue Receipts received by the Issuer, during the immediately preceding Calculation Period;
- (b) interest paid to the Issuer in respect of amounts standing to the credit of the Issuer Collection Account received during the immediately preceding Calculation Period;

- (c) any Available Principal Receipts applied as Principal Addition Amount pursuant to the Pre-Enforcement Principal Priority of Payments on the relevant Interest Payment Date;
- (d) other net income of the Issuer received during the immediately preceding Calculation Period (other than any other amount that is an Available Principal Receipt);
- (e) any recoveries on Provisioned Receivables;
- (f) amounts representing any purchase price received by the Issuer upon sale of any Defaulted Receivable to any Seller for an amount in excess of the Receivable Purchase Price of such Defaulted Receivable, provided such Defaulted Receivable is not a Provisioned Receivable;
- (g) amounts representing any purchase price received by the Issuer upon sale of any Defaulted Receivable to any Seller, provided such Defaulted Receivable is a Provisioned Receivable; and
- (h) any Principal Deficiency Excess Revenue Amount.

The Cash Manager shall ensure that amounts standing to the credit of the Reserve Account shall be transferred to the Revenue Account one Business Day prior to each Interest Payment Date.

Revolving Period The Revolving Period commences on (and includes) the Issue Date and ends on (but excludes) the earlier of (a) the Revolving Period End Date; or (b) the Amortisation Trigger Event Date. No principal will be paid on the Notes during the Revolving Period, save upon occurrence of a Cash Collateral Ratio Trigger Event that is continuing.

Once the Revolving Period has ended, no further purchases of Receivables will be permitted.

Amortisation Trigger Events Each of the following is an "**Amortisation Trigger Event**":

- (a) the occurrence of a Servicer Termination Event;
- (b) the validity of the sale and transfer of the Receivables between any Seller and the Issuer or the enforceability of the same against any third party, including the relevant Debtors, is challenged by any person or entity (including without limitation any Seller, the Issuer or any Debtor) provided that any such challenge is in respect of Receivables with an aggregate Outstanding Balance at least equal to Euro 10,000,000 and such challenge is not frivolous or vexatious and is not discharged, stayed or dismissed within 14 days of commencement;
- (c) it is or becomes unlawful for any Seller to perform any of its obligations under any Transaction Document or if such Transaction Document ceases to be effective;
- (d) the occurrence of a Material Adverse Change which would likely affect or impede the ability of any Seller to perform its obligations pursuant to any Transaction Document;
- (e) the Cross-Default of any Seller;
- (f) any expropriation, attachment, Sequestration, distress or execution affecting any asset or assets of any Seller for an amount in excess of EUR10,000,000;
- (g) if on any Calculation Date and with reference to the immediately preceding Calculation Period, the Three Months Rolling Average Default Ratio has been higher than 10 per cent. for three consecutive Calculation Dates;

- (h) if there has been an outstanding debit on the Class F Principal Deficiency Sub-Ledger for more than two Interest Payment Dates (after applying Available Revenue Receipts in accordance with the Pre-enforcement Revenue Priority of Payments on such Interest Payment Dates);
- (i) the occurrence of an Event of Default;
- (j) the Principal Amount Outstanding of the Rated Notes is greater than the Total Assets;
- (k) no transfer of Additional Receivables Portfolio is made to the Issuer during a period longer than 3 months;
- (l) a breach in the Portfolio Requirements occurs and continues unremedied for 30 Business Days; and
- (m) the Sample Verifier determines in a Revised Semi-annual Report that more than five (5) of the Receivables reviewed for the purposes of such Revised Semi-annual Report are Ineligible Receivables.

Amortisation Period The Amortisation Period commences on the Business Day following the end of the Revolving Period and ends on the earlier of (i) service of an Enforcement Notice in respect of the Notes and (ii) the Final Maturity Date.

Overview of Priorities of Payments On each Interest Payment Date prior to the service of an Enforcement Notice on the Issuer, the Cash Manager will apply, or cause to be applied in the order set out below:

- (a) all Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments; and
- (b) all Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

Following service of an Enforcement Notice on the Issuer, the Security Trustee (or the Cash Manager on its behalf) will apply amounts available for such purpose in accordance with the Post-Enforcement Priority of Payments.

Pre-Enforcement Priority of Payments On each Interest Payment Date prior to the service of an Enforcement Notice and prior to the redemption of the Notes in full in accordance with the relevant Conditions, the Cash Manager shall apply or provide for application of the amounts described in the following paragraphs:

(a) Pre-Enforcement Revenue Priority of Payments Prior to the service of an Enforcement Notice, Available Revenue Receipts with respect to such Interest Payment Date shall be used to make payments in the following order of priority (and, in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full):

- (i) the Trustee Expenses;
- (ii) the Expenses (excluding the Servicing Fees);
- (iii) the Servicing Fees;

- (iv) the Third-Party Expenses;
- (v) the Issuer Profit Amount to the Irish Issuer Account;
- (vi) all Interest Amounts due and payable on the Class A Notes;
- (vii) amounts to be credited to the Class A Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (viii) replenish the Reserve Account to the Reserve Fund Required Amount;
- (ix) all Interest Amounts due and payable on the Class B Notes;
- (x) amounts to be credited to the Class B Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (xi) all Interest Amounts due and payable on the Class C Notes;
- (xii) amounts to be credited to the Class C Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (xiii) all Interest Amounts due and payable on the Class D Notes;
- (xiv) amounts to be credited to the Class D Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (xv) all Interest Amounts due and payable on the Class E Notes;
- (xvi) amounts to be credited to the Class E Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (xvii) all Interest Amounts due and payable on the Class F Notes;
- (xviii) amounts to be credited to the Class F Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (xix) amounts to be credited to the Class Z Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (xx) if the relevant Interest Payment Date falls during the Amortisation Period, all remaining Available Revenue Receipts to be applied as Available Principal Receipts pursuant to the Pre-Enforcement Principal Priority of Payments;
- (xxi) if the relevant Interest Payment Date falls during the Revolving Period, any interest due and payable on the Subordinated Loan;
- (xxii) if the relevant Interest Payment Date falls during the Revolving Period, any principal amount due and payable on the Subordinated Loan; and

(xxiii) if the relevant Interest Payment Date falls during the Revolving Period, Class Z Notes Interest Amount due and payable on the Class Z Notes;

(b) Pre-Enforcement Principal Priority of Payments

Prior to the service of an Enforcement Notice, Available Principal Receipts with respect to such Interest Payment Date shall be used to make payments in the following order of priority (and, in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full):

(i) to the payment on a sequential basis of the amounts referred to in paragraphs (i), (ii), (iii), (iv), (v), (vi), (viii), (ix), (xi), (xiii), (xv) and (xvii) of the Pre-Enforcement Revenue Priority of Payments, but only to the extent not paid in full thereunder and subject to the relevant PDL Condition being satisfied (each such amount used to meet such shortfall, a "**Principal Addition Amount**");

(ii) if the relevant Interest Payment Date falls:

(x) during the Revolving Period and a Cash Collateral Ratio Trigger Event has occurred that is continuing, only for application of an amount corresponding to the Excess Cash; or

(y) after the Revolving Period,

in each case, to the payment of:

I. principal amounts outstanding on the Class A Notes;

II. principal amounts outstanding on the Class B Notes;

III. principal amounts outstanding on the Class C Notes;

IV. principal amounts outstanding on the Class D Notes;

V. principal amounts outstanding on the Class E Notes;

VI. principal amounts outstanding on the Class F Notes;

VII. any interest due and payable on the Subordinated Loan, up to the amount (if any) not paid under such item and on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments;

VIII. any principal amount due and payable on the Subordinated Loan, up to the amount (if any) not paid under such item and on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments;

IX. principal amounts outstanding on the Class Z Notes;

X. Class Z Notes Interest Amount due and payable on the Class Z Notes.

On the Final Maturity Date, any amount remaining after payment of all sums due in accordance with the Pre-Enforcement Principal Priority of Payments and the Pre-Enforcement Revenue Priority of Payments shall be paid on a pro rata basis to the Class Z Noteholder.

**Post-
Enforcement
Priority
Payments**

of On each Business Day following the service of an Enforcement Notice by the Note Trustee (which has not been revoked) on the Issuer, the Security Trustee (or the Cash Manager on its behalf) will apply all monies standing to the credit of the Issuer Accounts (save for the Irish Issuer Account) and all receipts (however characterised or realised) received by the Issuer and/or the Security Trustee or a Receiver (whether of principal or interest or otherwise) in the following order of priority (and, in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full):

- (a) the Trustee Expenses;
- (b) the Expenses (excluding the Servicing Fees);
- (c) the Servicing Fees;
- (d) the Third-Party Expenses;
- (e) the Issuer Profit Amount to the Irish Issuer Account;
- (f) all Interest Amounts due and payable on the Class A Notes;
- (g) any outstanding principal on the Class A Notes;
- (h) all Interest Amounts due and payable on the Class B Notes;
- (i) any outstanding principal on the Class B Notes;
- (j) all Interest Amounts due and payable on the Class C Notes;
- (k) any outstanding principal on the Class C Notes;
- (l) all Interest Amounts due and payable on the Class D Notes;
- (m) any outstanding principal on the Class D Notes;
- (n) all Interest Amounts due and payable on the Class E Notes;
- (o) any outstanding principal on the Class E Notes;
- (p) all Interest Amounts due and payable on the Class F Notes;
- (q) any outstanding principal on the Class F Notes;
- (r) any outstanding interest on the Subordinated Loan;

- (s) any outstanding principal on the Subordinated Loan;
- (t) any outstanding principal on the Class Z Notes; and
- (u) the Class Z Notes Interest Amount due and payable under the Class Z Notes.

Purchase of Additional Receivables

On any Additional Purchase Date during the Revolving Period, the Offer Agent (on behalf of each Seller) may offer to sell to the Issuer Eligible Receivables subscribed, acquired or originated, as applicable, by such Seller after the Cut-Off Date which have not been sold to the Issuer prior to such Additional Purchase Date at a price equal to the Purchase Price.

The purchase by the Issuer of each Additional Receivables Portfolio will be subject to, among other things, a sufficient amount of Available Funds being available to the Issuer to meet the applicable Purchase Price.

For the avoidance of doubt and in accordance with the Receivables Sale Agreement, on each Additional Purchase Date falling between (i) any Interest Payment Date (excluded) and (ii) the Determination Date immediately following such Interest Payment Date (included) the Issuer shall be able to purchase Additional Receivables Sub-Portfolios up to an amount equal to the balance standing to the Principal Ledger at close of business on the Business Day immediately preceding such Additional Purchase Date. Additionally, on each Additional Purchase Date falling between (i) any Determination Date (excluded) and (ii) the Interest Payment Date immediately following such Determination Date (included) the Issuer shall be able to purchase Additional Receivables Sub-Portfolios up to an amount equal, on such Additional Purchase Date, to the Available Funds.

See the section entitled "*Overview of the Transaction Documents – Receivables Sale Agreement*" for more information.

General Credit Structure

The credit structure of the transaction includes the following elements:

- subordination of the different Classes of Notes;
- the Loss Absorption Amount, which is discounted from the Outstanding Balance of each Receivable as part of the calculation of the Purchase Price payable by the Issuer for each Receivables Seller Sub-Portfolio and therefore results in additional Receivables Revenue Receipts when can be applied as Available Revenue Receipts and ultimately used in certain circumstances to make up principal shortfalls in respect of the Rated Notes; and
- the Reserve Account.

See the section entitled "*Credit Structure and Liquidity*" in this Prospectus for further information.

Bank Accounts and Cash Management

Each Seller Collection Account is an account in the name of a Seller and held at Seller Collection Account Bank, being at the date of this Prospectus, CaixaBank, S.A..

Each of the Issuer Collection Account, the Revenue Account and the Reserve Account are accounts opened in the name of the Issuer and held at the Issuer Account Bank, being at the date of this Prospectus, Elavon Financial Services D.A.C., located in Ireland.

Collections in respect of PN Receivables arising under Promissory Notes Programs, PN Claims and Loan Receivables will be collected into the Seller Collection Accounts and transferred by the Servicer to the Issuer Collection Account within one (1) Business Day of receipt.

Collections in respect of Factoring Receivables (including PN Receivables arising under Factoring Agreements), Factoring Claims and PN Receivables arising under Promissory Note Agreements

will be collected into the Seller Collection Accounts and transferred by the Servicer to the Issuer Collection Account within five (5) Business Days of receipt.

Collections in respect of Collateral Claims will be collected into the Seller Collection Accounts and transferred by the Seller or Gedesco Factoring to the Issuer Collection Account not retransferred by the Issuer or retained for the use of the Seller or Gedesco Factoring in accordance with the provisions of the Servicing Agreement relating to the servicing of the Collateral Claims.

See the section entitled "*Cash Management*" for further information.

Reserve Account The Reserve Account will be established on the Issue Date and the amounts standing to the credit of the Reserve Account will be part of Available Revenue Receipts on each Interest Payment Date. The Reserve Account will be funded on the Issue Date by way of the Subordinated Loan provided by Gedesco Factoring, S.L.U. up to fifty per cent. of the Reserve Fund Required Amount. The remaining fifty per cent. of the Reserve Fund Required Amount will be funded, in accordance with the Pre-Enforcement Revenue Priority of Payments, as of the first Interest Payment Date and on each following Interest Payment Date until the balance standing to the credit of the Reserve Account equals the Reserve Fund Required Amount. Thereafter, and prior to the service of an Enforcement Notice, the Reserve Account will be replenished on each Interest Payment Date up to the Reserve Fund Required Amount pursuant to the Pre-Enforcement Revenue Priority of Payments.

See the section entitled "*Cash Management*" for further information.

Principal Deficiency Ledger A Principal Deficiency Ledger will be established to record any Losses affecting the Receivables in the Receivables Portfolio and any Principal Addition Amounts. The Principal Deficiency Ledger will comprise seven sub-ledgers: the Principal Deficiency Ledger relating to the Class A Notes (the "**Class A Principal Deficiency Sub-Ledger**"), the Principal Deficiency Ledger relating to the Class B Notes (the "**Class B Principal Deficiency Sub-Ledger**"), the Principal Deficiency Ledger relating to the Class C Notes (the "**Class C Principal Deficiency Sub-Ledger**"), the Principal Deficiency Ledger relating to the Class D Notes (the "**Class D Principal Deficiency Sub-Ledger**"), the Principal Deficiency Ledger relating to the Class E Notes (the "**Class E Principal Deficiency Sub-Ledger**"), the Principal Deficiency Ledger relating to the Class F Notes (the "**Class F Principal Deficiency Sub-Ledger**") and the Principal Deficiency Ledger relating to the Class Z Notes (the "**Class Z Principal Deficiency Sub-Ledger**"). Any Principal Addition Amounts will be recorded on the date such Principal Addition Amounts are determined by the Cash Manager and any defaults on the Portfolio will be recorded on the date that the Cash Manager is informed of such defaults by the Servicer, and will each be recorded as a debit: (a) first, to the Class Z Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class Z Notes; (b) second, to the Class F Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class F Notes; (c) third, to the Class E Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class E Notes; (d) fourth, to the Class D Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class D Notes; (e) fifth, to the Class C Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class C Notes; (f) sixth, to the Class B Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class B Notes; and (g) seventh, to the Class A Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A Notes.

No later than the Determination Date following each Calculation Date, the Cash Manager will calculate the then current balance of the Principal Deficiency Ledger and will, on the immediately following Interest Payment Date, apply Available Revenue Receipts to cure any debit entries in

the order set out in, and in accordance with, the Pre-Enforcement Revenue Priority of Payments. In the event that it is subsequently determined that the debit balance of the Principal Deficiency Ledger was erroneously calculated as being higher than was subsequently found to be the case (as a result of Losses being incorrectly allocated to the Principal Deficiency Ledger), it may be the case that, on any Interest Payment Date, Available Revenue Receipts applied to cure a debit entry on the Principal Deficiency Ledger were applied incorrectly. In such circumstances, following the application of Available Revenue Receipts the Principal Deficiency Ledger will have a credit balance (any such amount, the "**Principal Deficiency Excess**"). An amount of Available Principal Receipts equal to the balance of such Principal Deficiency Excess shall be applied as Available Revenue Receipts on the next Interest Payment Date, such amount being a "**Principal Deficiency Excess Revenue Amount**".

TRIGGERS TABLES

Rating Triggers Table

Transaction Party	Required Ratings/Triggers	Possible effects of Trigger being breached include the following
Issuer Account Bank:	<p>Long-term bank deposits rating of at least A2 by Moody's .</p> <p>Or such other credit rating as would not adversely affect the then current ratings of the Rated Notes.</p>	<p>If the Issuer Account Bank breaches the minimum rating requirements, the Issuer shall use reasonable endeavours to close the accounts and transfer the accounts to a successor institution (which meets the minimum rating requirements) within a period not exceeding 30 calendar days from the first day on which such downgrade occurred.</p>
Seller Collection Account Bank:	<p>Long-term bank deposits rating of at least Baa3 by Moody's.</p> <p>Or such other credit rating as would not adversely affect the then current ratings of the Rated Notes</p> <p>(the Seller Collection Account Bank Ratings).</p>	<p>If the Seller Collection Account Bank fails to maintain any of the Seller Collection Account Bank Ratings, then the Servicer shall use reasonable endeavours, and the Issuer and Security Trustee shall use reasonable endeavours to assist the Servicer, to (i) appoint a replacement financial institution with the Seller Collection Account Bank Ratings to act as replacement Seller Collection Account Bank and which will pay interest in relation to the Seller Collection Account in the ordinary course of its business; (ii) procure that such financial institution enters into a replacement collection account agreement; (iii) procure that such financial institution enters into a deed on terms substantially similar to those set out in the Seller Collection Account declaration of trust with respect to the replacement collection account; and (iv) procure that all amounts standing to the credit of the Seller Collection Account are transferred to the replacement account at such replacement institution as soon as practicable or, where the Seller Collection Account Bank ceases to have the Seller Collection Account Bank Ratings, within 30 calendar days of such downgrade, in each case as prescribed and within the time limits as set out in the Servicing Agreement, transfer all direct debit mandates to such replacement collection account and procure that all payments made by a Debtor under a payment arrangement other than the direct debiting scheme are made to such</p>

replacement collection account from the date on which the replacement collection account is opened.

Non-Rating Triggers Table

Nature of Trigger	Description of Trigger	Consequence of Trigger
Notification Event	The following events:	If at any time the Issuer so requests upon the occurrence of a Notification Event:
See the section in the Prospectus entitled " <i>Overview of the Transaction Documents – The Receivables Sale Agreement</i> " for further information	<p>(a) pursuant to any applicable laws or regulations in place from time to time (whether at national or regional level) requiring notice of the transfer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;</p> <p>(b) the making of an order of a court or regulatory authority requiring notice of the transfer to the Issuer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;</p> <p>(c) the priority of the Transaction Security granted by the Issuer or any Seller has changed or has been otherwise affected in a manner which is prejudicial to the interests of the Noteholders but only to the extent that giving notice to the relevant Debtors that the Receivables have been transferred to the Issuer is necessary or advisable to protect the Transaction Security;</p> <p>(d) the occurrence of a Servicer Termination Event;</p> <p>(e) the occurrence of a Seller Insolvency Event;</p> <p>(f) the occurrence of an Amortisation Trigger Event;</p> <p>(g) on any Purchase Date, the aggregate Outstanding Balance of all Defaulted Receivables comprised in the Receivables Portfolio is equal to or higher than 20%</p>	<p>(a) each Seller shall (at its own cost and expense) execute and deliver a Notification Event Notice addressed to the relevant Debtors (including, for the avoidance of doubt, any Collateral Debtor) and copied to the Issuer in respect of the Receivables and Ancillary Rights (including the Claims) sold by it to the Issuer that are included in the Receivables Portfolio; and</p> <p>(b) should any Seller fail to notify the Debtors (including, for the avoidance of doubt, any Collateral Debtor) within three (3) Business Days of such request, the Issuer may notify the Debtors (including, for the avoidance of doubt, any Collateral Debtor) of the assignment and transfer of the Receivables and the Ancillary Rights (including the Claims) itself,</p> <p>provided, however, that upon the occurrence of a Seller Insolvency Event in respect of a Seller, the Issuer shall have a right to either request such Seller to deliver the Notification Event Notices or deliver them itself (directly or through any authorised agents).</p>

Nature of Trigger	Description of Trigger	Consequence of Trigger
	<p>of the Principal Amount Outstanding of the Notes as at the Issue Date; or</p> <p>(h) the occurrence of a Material Adverse Change in relation to the business, operations, assets or condition (financial or otherwise) of any Seller;</p>	
Back-Up Servicer Appointment Event	<p>The following events:</p> <p>(a) the removal of the Servicer; or</p> <p>(b) the resignation of the Servicer.</p>	<p>After having assumed the responsibility for the performance of the Services, the Back-Up Servicer shall replace the Servicer and perform the Services under the Back-up Servicing Agreement following notification by the Issuer</p>
<p>Servicer Termination Event</p> <p>See the section in this Prospectus entitled "<i>Overview of the Transaction Documents – The Servicing Agreement</i>" for further information.</p>	<p>The occurrence of any of the following events in respect of the Servicer (each a "Servicer Termination Event"): </p> <p>(a) the Servicer does not pay on the due date any amount payable pursuant to a Transaction Document in the manner and in the place and in the currency in which it is expressed to be payable, unless payment is made with 5 Business Days of its due date;</p> <p>(b) the Servicer fails to observe or perform in any material respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a Material Adverse Effect on the Issuer's ability to make payments in respect of the Notes and continues unremedied for a period of 60 days following written notice of such failure being received by the Servicer or the Servicer otherwise becoming aware of such failure; or</p> <p>(c) the Servicer fails to maintain any regulatory licence or</p>	<p>Without prejudice to any other rights of the Issuer and subject to the appointment of the Back-up Servicer or a Successor Servicer, the Servicing Agreement may be terminated at any time after the occurrence of a Servicer Termination Event.</p>

Nature of Trigger	Description of Trigger	Consequence of Trigger
	<p>approval required to comply with its obligations under the Transaction Documents and such failure continues unremedied for a period of 60 days; and</p> <p>(d) a Servicer Insolvency Event occurs;</p>	
Amortisation Trigger Event	<p>The following events:</p> <p>(a) the occurrence of a Servicer Termination Event;</p> <p>(b) the validity of the sale and transfer of the Receivables between any Seller and the Issuer or the enforceability of the same against any third party, including the relevant Debtors, is challenged by any person or entity (including without limitation any Seller, the Issuer or any Debtor) provided that any such challenge is in respect of Receivables with an aggregate Outstanding Balance at least equal to Euro 10,000,000 and such challenge is not frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement;</p> <p>(c) it is or becomes unlawful for any Seller to perform any of its material obligations under any Transaction Document or if such Transaction Document ceases to be effective;</p> <p>(d) the occurrence of a Material Adverse Change which would likely affect or impede the ability of any Seller to perform its material obligations pursuant to any Transaction Documents;</p> <p>(e) the Cross-Default of any Seller;</p> <p>(f) any expropriation, attachment, Sequestration, distress or execution</p>	<p>The Revolving Period will terminate earlier than expected (subject to time and cash tests set out in the definition of the Amortisation Trigger Event), in which case the Noteholders will receive payments of principal on the Notes earlier than expected.</p>

Nature of Trigger	Description of Trigger	Consequence of Trigger
	affecting any asset or assets of any Seller for an amount in excess of EUR10,000,000;	
	(g) if on any Calculation Date and with reference to the immediately preceding Calculation Period, the Three Months Rolling Average Default Ratio has been higher than 10 per cent. for three consecutive Calculation Dates;	
	(h) if there has been an outstanding debit on the Class F Principal Deficiency Sub-Ledger for more than two Interest Payment Dates (after applying Available Revenue Receipts in accordance with the Pre-enforcement Revenue Priority of Payments on such Interest Payment Dates);	
	(i) the occurrence of an Event of Default;	
	(j) the Principal Amount Outstanding of the Rated Notes is greater than the Total Assets;	
	(k) no transfer of Additional Receivables Portfolio is made to the Issuer during a period longer than 3 months;	
	(l) a breach in the Portfolio Requirements occurs and continues unremedied for 30 Business Days; and	
	(m) the Sample Verifier determines in a Revised Semi-annual Report that more than five (5) of the Receivables reviewed for the purposes of such Revised Semi-annual Report are Ineligible Receivables.	

FEES

The following table sets out the on-going fees to be paid by the Issuer to the transaction parties.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicing Fees	1.00% per annum of the average aggregate Outstanding Balance of the Receivables Portfolio in the preceding Collection Period (inclusive of VAT)	Ahead of payment of interest and principal on the Notes	Each Interest Payment Date
Cash Management Fees	A fixed on-going fee estimated at EUR120,000 per annum (exclusive of VAT)	Ahead of payment of interest and principal on the Notes	Each Interest Payment Date
	A floating on-going fee estimated at 0.01% per annum of the average aggregate Outstanding Balance of the Receivables Portfolio in the preceding Collection Period (exclusive of VAT)	Ahead of payment of interest and principal on the Notes	Each Interest Payment Date
Other on-going fees and expenses of the Issuer	Estimated at EUR116,000 per annum (exclusive of VAT)	Ahead of payment of interest and principal on the Notes	Each Interest Payment Date
Expenses related to the admission to trading of the Notes	Listing fees – estimated at EUR10,900 (exclusive of VAT)	Ahead of payment of interest and principal on the Notes	On or about the Issue Date

REGULATORY REQUIREMENTS

EU Risk Retention

Gedesco Factoring, S.L.U., as originator under paragraph (a) of the definition of “Originator” set out in Article 2(3) of the Securitisation Regulation, has confirmed that it will retain on an ongoing basis a material net economic interest of not less than 5% in the securitisation as required by Article 6(1) of the Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures). As at the Issue Date and while any of the Notes remain Outstanding, such interest will comprise the retention of the Class Z Notes by Gedesco Factoring, S.L.U. which will equal no less than 5 per cent. of the nominal value of the securitised exposures, in accordance with Article 6(3)(d) of the Securitisation Regulation (the “**Retained Interest**”).

Any change to the manner in which the Retained Interest is held will be notified to Noteholders in accordance with the Conditions and the requirements of the Securitisation Regulation. The Retained Interest will be confirmed through the disclosure in the monthly Investor Reports.

Pursuant to the Risk Retention Letter, Gedesco Factoring, S.L.U. has covenanted that it will, while any of the Notes remains outstanding:

- (i) retain the Retained Interest;
- (ii) not change the manner or form in which it retains such Retained Interest, except as permitted or required under the Retention Requirements;
- (iii) not to sell, short, hedge, transfer or otherwise dispose of any interest in the Retained Notes representing the Retained Interest or otherwise enter into any form of transaction which would result in the Retained Interest becoming subject to any form of credit risk mitigation which would result in a breach by the Retention Holder of the Retention Requirements, except, for the avoidance of doubt, as permitted under the Retention Requirements;
- (iv) confirm its Retained Interest through the disclosure in the monthly Investor Reports; and
- (v) promptly notify the Issuer, the Note Trustee, the Arranger, the Lead Manager, the Security Trustee and the Cash Manager if for any reason it ceases to hold the Retained Interest in accordance with the Risk Retention Letter or fails to comply with the covenants set out in the Risk Retention Letter in respect of the Retained Interest.

Credit granting standards and information regarding the policies and procedures

Each Seller has confirmed that it has applied, or will apply, to the Receivables which will be transferred by it to the Issuer the same sound and well-defined criteria for credit-granting in accordance with Article 9(1) of the Securitisation Regulation which it applies to non-securitised Receivables. In particular, each relevant Seller has:

- (a) applied, and will apply, the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Receivables; and
- (b) effective systems in place to apply those criteria and processes in order to ensure that credit granting is based on a thorough assessment of the relevant Debtor’s creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Debtor meeting his obligations under the relevant Funding Agreement.

Adverse selection - Information on credit risk profile of the Receivables

Each Seller has confirmed that the Receivables sold by it or to be sold by it, to the Issuer have not been, and will not be, selected to be sold to the Issuer with the aim of rendering losses on the Receivables sold to the Issuer, measured over a

period of four (4) years, higher than the losses over the same period on comparable Receivables held on the balance sheet of the relevant Seller.

Reporting

Designation of the Reporting Entity

For the purposes of Article 7(2) of the Securitisation Regulation, the Issuer (the "**Reporting Entity**") has been designated as the entity responsible for compliance with the requirements of Article 7 of the Securitisation Regulation and will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf. See the section entitled "*General Information*" for further information.

Reporting under the Securitisation Regulation

The Reporting Entity has undertaken to provide information to the competent authorities, to Noteholders and (upon request) potential investors as required by Article 7(1) of the Securitisation Regulation in a manner consistent with Article 7(2) of the Securitisation Regulation, subject always to any requirement of law.

The Reporting Entity has undertaken to procure that:

- (a) a monthly investor report as required by and in accordance with Article 7(1)(e) of the Securitisation Regulation is published no later than three (3) Business Days following each Interest Payment Date, which shall be provided (i) as at the date of this Prospectus and prior to the relevant technical standards required under the Securitisation Regulation coming into effect, in the form of the standardised template set out in Annex XII of the Draft Technical Standards and (ii) following the technical standards required under the Securitisation Regulation coming into effect, in the manner required by such technical standards. For the avoidance of doubt, such reporting shall include any change in the Priority of Payments which will materially affect the repayment of the Notes;
- (b) on a monthly basis, certain receivable by receivable information in relation to the Receivables Portfolio in respect of the preceding Collection Period as required by and in accordance with Article 7(1)(a) of the Securitisation Regulation is published no later than one month following each Interest Payment Date, which shall be provided (i) as at the date of this Prospectus and prior to the relevant technical standards required under the Securitisation Regulation coming into effect, in the form of the standardised template set out in Annex IV of the Draft Technical Standards and (ii) following the technical standards required under the Securitisation Regulation coming into effect, in the manner required by such technical standards;
- (c) any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the Securitisation Regulation is published without delay, which shall be provided (i) as at the date of this Prospectus and prior to the relevant technical standards required under the Securitisation Regulation coming into effect, in the form of the standardised template set out in Annex XIV of the Draft Technical Standards and (ii) following the technical standards required under the Securitisation Regulation coming into effect, in the manner required by such technical standards; and
- (d) within 15 days of the issuance of the Notes (in final form), copies of the STS Notification, the Transaction Documents and this Prospectus are made available.

The Reporting Entity (or the Reporting Agent on its behalf) has confirmed that it has made (in respect of information required to be made available, upon request, to potential investors of the Notes before pricing of the Notes) and has undertaken that it will make the information referred to above available to the holders of any of the Notes, relevant competent authorities and, upon request, to potential investors in the Notes, by arranging for it to be published on the website of European Data Warehouse at <https://editor.eurowdw.eu/>, being a website which conforms with the requirements set out in Article 7(2) of the Securitisation Regulation. For the avoidance of doubt, such website and the contents thereof do not form part of this Prospectus.

Notification to the Central Bank of Ireland

Pursuant to the European Union (General Framework for Securitisation and Specific Framework for Simple, Transparent and Standardised Securitisation) Regulations 2017 of Ireland (the "**Irish Securitisation Regulations**"), an originator, sponsor and securitisation special purpose entity ("**SSPE**") must make a notification to the Central Bank of Ireland within 15 working days of the issue of the Notes and in the manner prescribed in section 6 of the Irish Securitisation Regulations (the "**15-Day Notification**"). The Central Bank of Ireland was appointed as the competent authority in Ireland under the Irish Securitisation Regulations.

The Issuer and the Sellers (as originators) have confirmed that they will make a 15-Day Notification to the Central Bank of Ireland.

Investors to assess Compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the Securitisation Regulation and any national measures which may be relevant and none of the Issuer, any Seller nor the Arranger or the Lead Manager makes any representation that the information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

In addition to the above, the Retaining Entity undertakes that it will procure the provision to Noteholders of any reasonable and relevant additional data and information referred to in Article 5 of the Securitisation Regulation (subject to all applicable laws), provided that the Retaining Entity will not be in breach of the requirements of this paragraph if, due to events, actions or circumstances beyond its control, it is not able to comply with such undertakings.

Please refer to the risk factors entitled "*Risk Factors - Regulatory initiatives result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*" for further information on the implications of the Securitisation Regulation and certain other related matters.

Article 22 of the Securitisation Regulation

The Sellers have provided to potential investors information regarding the Receivables originated by (a) the Sellers (other than Gedesco Factoring) in a period of at least five-year ending in December 2018 and (ii) with respect to Gedesco Factoring, in the three-year period between March 2016 (being the date of commencement of operations of Gedesco Factoring) and December 2018, which had a maturity date prior to 31 May 2019, pursuant to Article 22(1) of the Securitisation Regulation as set out in section "*Historical default and loss performance*" of this Prospectus, a draft of which was made available to such potential investors prior to the pricing of the Notes. The historical default and loss performance information relating to Gedesco Factoring set out in section "*Historical default and loss performance*" of this Prospectus can be considered to be comparable to the historical default and loss performance information of the Sellers other than Gedesco Factoring also set out in section "*Historical default and loss performance*".

For the purposes of compliance with the requirements stemming from Article 22(2) of the Securitisation Regulation, an agreed upon procedures review of a provisional Receivables Portfolio as at 31 May 2019 was conducted by an appropriate and independent party between 22 July 2019 and 26 July 2019 and the relevant report was issued by such appropriate and independent party on 21 November 2019. For such an agreed upon procedures review, a confidence level of at least 95 per cent. was applied. Such independent third party also conducted a review to verify whether the receivables included in a provisional Receivables Portfolio as at 31 July 2019 satisfied the Eligibility Criteria on the basis of the datatape provided to it. Such a review of the Eligibility Criteria was made on the full provisional Receivables Portfolio as at 31 July 2019. The Issuer confirms that no significant adverse findings have been found. The independent third party undertaking the review has reported the factual findings to the parties to its engagement letter. The third party undertaking the review only accepts a duty of care to the parties to the engagement letter governing the performance of the agreed upon procedures and to the fullest extent permitted by law shall have no responsibility to anyone else in respect of the work it has performed or the reports it has produced save where terms are expressly agreed. An independent third party has also performed agreed upon procedures in order to verify that the data included

in the stratification tables disclosed in this Prospectus in respect of the Provisional Initial Receivables Portfolio is accurate, in accordance with Article 22(2) of the Securitisation Regulation.

The Sellers have provided to potential investors the liability cash flow model as referred to in Article 22(3) of the Securitisation Regulation published on the platform of Intex Solutions available at <https://www.intex.com> prior to the pricing of the Notes and will, after the date of this Prospectus, on an ongoing basis make the liability cash flow model published by Intex Solutions available to Noteholders and, upon request, to potential investors in accordance with Article 22(3) of the Securitisation Regulation.

OVERVIEW OF THE TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary of certain features of those agreements and is qualified by reference to the detailed provisions of the terms and conditions of those agreements. Prospective Noteholders may inspect a copy of each of the Transaction Documents upon request at the Specified Office of the Paying Agent.

Receivables Sale Agreement

General

Pursuant to the Receivables Sale Agreement, each Seller (i) will undertake to the Issuer to sell (i) all right, title and interest of such Seller in the Initial Receivables Sub-Portfolio and (ii) has the right to sell all of its Receivables which are Eligible Receivables on each Additional Purchase Date during the Revolving Period, subject to and in accordance with the terms of the Receivables Sale Agreement.

To be eligible for transfer to the Issuer, a Receivable must be an Eligible Receivable, as set out in section "*Description of the Receivables*" of this Prospectus.

Any transfer of Eligible Receivables to the Issuer by any Seller shall include, to the fullest extent possible under Applicable Law, the rights, title and interests of the relevant Seller in those Eligible Receivables, their Ancillary Rights (including the Claims) and all monies derived therein from time to time, including the right to receive from the Debtors payments of interest (if applicable) and repayments of advanced balance or principal due and outstanding in respect of such Eligible Receivables and Ancillary Rights, together with the Benefit of the related Funding Documents, but expressly excluding any obligation of the Sellers relating (in any manner whatsoever) to the Receivables Sub-Portfolio and/or the Ancillary Rights, and including in particular in the sale and transfer, subject to the section below *Special provisions in relation to the transfer of the Collateral Claims*, the Collateral Claims assigned for payment (*para pago*), or otherwise attached or pertaining to, those Eligible Receivables.

In particular, subject to the Receivables Sale Agreement (and in particular to the right of the Seller or Gedesco Factoring to the retransfer of certain Collateral Claims or to the proceeds of Collateral Claims upon the fulfilment of certain requirements), the sale and transfer of the Eligible Receivables by a Seller to the Issuer which payment is to be made out of proceeds of, or otherwise secured or guaranteed by Collateral Claims shall entail the automatic transfer by the Seller or Gedesco Factoring, as the case may be, of the Collateral Claims related to the relevant transferred Eligible Receivables to the Issuer.

Sale of the Initial Receivables Portfolio

The Issuer will purchase from the Sellers on the Issue Date the Initial Receivables Portfolio.

The sale of the Initial Receivables Portfolio is subject to the payment by the Issuer of the Receivables Purchase Price of each Receivable in such Initial Receivables Sub-Portfolio to Gedesco Services, acting on behalf of each Seller; Gedesco Services will distribute to each Seller the aggregate Receivables Purchase Price of all Receivables transferred by each of them in the Initial Receivables Portfolio.

The transfer of the Initial Receivables Portfolio to the Issuer on the Issue Date shall have economic effect as from the Cut-Off Date so that all payments made by the Debtors in respect of such Receivables and any Ancillary Rights (including the Claims) as from the Cut-Off Date shall belong to the Issuer and all such payments shall be treated as Collections for all purposes under the Transaction Documents.

Sale of Additional Receivables Portfolio

In addition to the Initial Receivables Portfolio, on each Additional Purchase Date during the Revolving Period each Seller may offer to sell to the Issuer Eligible Receivables subscribed, acquired or originated by such Seller which have

not been sold to the Issuer on any previous Additional Purchase Date (each such sub-portfolio of Eligible Receivables, an "**Additional Receivables Sub-Portfolio**" and all Additional Receivables Sub-Portfolios sold on an Additional Purchase Date, an "**Additional Receivables Portfolio**").

Each Initial Receivables Sub-Portfolio together with each Additional Receivables Sub-Portfolio, a "**Receivables Sub-Portfolio**". In addition, all Additional Receivables Portfolios together with the Initial Receivables Portfolio, the "**Receivables Portfolio**").

The assignment and transfer of Receivables comprised in each Additional Receivables Sub-Portfolio sold by each Seller to the Issuer on each relevant Additional Purchase Date shall have economic effect as from the relevant Additional Purchase Date so that all payments made by the Debtors in respect of such Receivables and any Ancillary Rights (including the Claims) as from the relevant Additional Purchase Date shall belong to the Issuer and all such payments shall be treated as Collections for all purposes under the Transaction Documents.

On any Additional Purchase Date during the Revolving Period, the Offer Agent (on behalf of the relevant Seller) may offer to sell to the Issuer Eligible Receivables subscribed, acquired or originated, as applicable, by any Seller after the Cut-Off Date which have not been sold to the Issuer prior to such Additional Purchase Date at a price equal to the Purchase Price determined in accordance with section *Consideration* below by delivering by electronic means to the Cash Manager, prior to 10:00 a.m. (Madrid time) a Receivables Daily File identifying the Receivables each Seller offers to transfer to the Issuer on such Additional Purchase Date (each, an "**Offer Document**").

Delivery by electronic means of the Offer Document by the Offer Agent to the Cash Manager pursuant to the above shall constitute an irrevocable offer by each relevant Seller binding upon such Seller to sell to the Issuer each of the Receivables (and its Ancillary Rights, including the Claims) in the Additional Receivables Sub-Portfolio relevant to such Seller designated thereunder for the relevant Seller (an "**Offer**") and a representation by the relevant Seller to the Issuer and the Cash Manager that:

- (i) each Receivable identified in the Offer Document as being sold by the relevant Seller is an Eligible Receivable;
- (ii) all of the information contained in the Offer Document in relation to each Receivable and its Ancillary Rights (including the Claims) in the relevant Additional Receivables Sub-Portfolio relevant to such Seller is true and accurate in all respects and is not misleading because of any omission or ambiguity or for any other reason;
- (iii) no Amortisation Trigger Event has occurred and is continuing as at the relevant Additional Purchase Date or would result from the purchase of such Eligible Receivables; and
- (iv) each of the Portfolio Requirements are satisfied or, if not satisfied, would be improved by the relevant purchase.

Each Seller expressly confirms that the Offer Agent has the required authority to send any relevant Offer Document on its behalf.

Upon delivery of an Offer and subject to the below, the Cash Manager (on behalf of the Issuer) shall accept such Offer in respect of all Eligible Receivables subject of such Offer and shall purchase such Eligible Receivables provided that the following conditions (together the **Offer Conditions**) are satisfied:

- (i) the Cash Manager has not received an Enforcement Notice from the Note Trustee prior to 10.00 a.m. (Madrid time) on the relevant Additional Purchase Date;
- (ii) the Note Trustee has not instructed the Cash Manager to discontinue the purchase of Additional Receivables Portfolios from the Sellers before 10:00 a.m. (Madrid time) on the relevant Additional Purchase Date;
- (iii) the Purchase Price payable in respect of the relevant Additional Receivables Sub-Portfolio does not exceed the amount of Available Funds on such Additional Purchase Date;

For the avoidance of doubt, on each Additional Purchase Date falling between (i) any Interest Payment Date (excluded) and (ii) the Determination Date immediately following such Interest Payment Date (included) the Issuer shall be able to purchase Additional Receivables Sub-Portfolios up to an amount equal to the balance standing to the Principal Ledger at close of business on the Business Day immediately preceding such Additional Purchase Date.

- (iv) the relevant Seller having represented, as a condition to the sending of the relevant Offer, that:
 - (A) each Receivable identified in the Offer Document to be sold by such Seller is an Eligible Receivable;
 - (B) all of the information contained in the Offer Document in relation to each Receivable and its Ancillary Rights (including the Claims) being sold by such Seller in the relevant Additional Receivables Sub-Portfolio is true and accurate in all respects and is not misleading because of any omission or ambiguity or for any other reason;
 - (C) no Amortisation Trigger Event has occurred and is continuing as at the relevant Additional Purchase Date or would result from the purchase of such Eligible Receivables; and
 - (D) each of the Portfolio Requirements are satisfied or, if not satisfied, would be improved by the relevant purchase.
- (v) the Cash Manager having received the relevant Receivables Daily File from the Offer Agent and having confirmed that each of the Portfolio Requirements are satisfied or, if not satisfied, would be improved by the relevant purchase.

Subject to satisfaction of the Offer Conditions set out above, the Cash Manager shall:

- (i) confirm to the Offer Agent the Receivables Purchase Price for the Eligible Receivables included in the relevant Additional Receivables Sub-Portfolios; and
- (ii) accept the relevant Offer on behalf of the Issuer by paying the Receivables Purchase Price.

Notwithstanding the above, in the event that:

- (i) any of the Receivables in the Offer is found not to be an Eligible Receivable; or
- (ii) the purchase of any of the Receivables in the Offer would not allow the Offer Conditions to be satisfied,

the Cash Manager (on behalf of the Issuer) shall not accept the Offer.

In the event that any Offer is not accepted by the Cash Manager, and to the extent possible, the Offer Agent (on behalf of each Seller) shall modify the Receivables Daily File (including by excluding or replacing Receivables) so as to ensure that the Offer Conditions are satisfied and deliver the modified Receivables Daily File to the Cash Manager by electronic means prior to 11:00 a.m. (Madrid time).

In particular, in the event that the Offer Condition not satisfied is that the Purchase Price payable in respect of the relevant Additional Receivables Sub-Portfolio does not exceed the amount of Available Funds on such Additional Purchase Date, then the Eligible Receivables to be included in the Receivables Daily File shall be randomly selected by the Offer Agent (on behalf of each Seller) until such time as the relevant Purchase Price payable by the Issuer is equal to (or if not possible, is as close as possible without exceeding) those Available Funds.

For clarification purposes, the Receivables subject to an Offer will under no circumstances be selected by the Issuer and, subject to the Offer Conditions being satisfied, the Cash Manager will be obliged to accept the Offer in respect of all Eligible Receivables.

If the relevant revised Receivables Daily File included in the Offer Document is received by the Cash Manager after 11:00 a.m. (Madrid time) on the relevant Additional Purchase Date, the Offer shall be considered as having been received by the Cash Manager on the following Additional Purchase Date for all relevant purposes.

On the first Additional Purchase Date of each week, the Offer Agent (on behalf of each Seller) shall send to the Cash Manager (on behalf of the Issuer) (by fax or email in *pdf* form) a fully completed and duly executed Assignment Agreement in the form set out in the Receivables Sale Agreement together with the Additional Receivables Portfolio Identification File (following the form attached to the Receivables Sale Agreement and which shall be annexed to the relevant Assignment Agreement) relating to all Receivables transferred by each Seller on each Additional Purchase Date during the previous week.

On such date, the Cash Manager shall provide the Offer Agent (on behalf of each Seller) (by fax or email in *pdf* form) with a copy of the duly signed Assignment Agreement.

Consideration

The Issuer shall pay (or cause to be paid) to the relevant Seller the Receivable Purchase Price for the purchase of each Receivable in each Initial Receivables Sub-Portfolio and each Additional Receivables Sub-Portfolio.

"Receivable Purchase Price" means, on any determination date, with respect to each Receivable comprised in the Initial Receivables Portfolio or the relevant Additional Receivables Portfolio, as applicable, an amount equal to the lowest of:

- (a) the net amount (after deducting applicable haircuts, fees, commissions and/or other similar amounts) of finance provided by the relevant Seller in respect of the relevant Receivable pursuant to the relevant Funding Documents under which the relevant Receivable arose or was acquired as specified by the Offer Agent in the relevant Offer; and
- (b) an amount equal to the Outstanding Balance of the relevant Receivable on its Purchase Date (or the Cut-Off Date in respect of each Receivable comprised in an Initial Receivables Sub-Portfolio), multiplied by a percentage equal to 100 per cent. minus the Minimum Discount (calculated on the Purchase Date of such Receivable), less an amount equal to the product of the Loss Absorption Percentage (calculated on the Purchase Date of such Receivable) and the Outstanding Balance of the Receivable on its Purchase Date.

"Purchase Price" means the aggregate Receivables Purchase Price for the Receivables comprised in the Initial Receivables Portfolio or any Additional Receivables Portfolio, as the case may be.

The Receivable Purchase Price of each Receivable in the Initial Receivables Portfolio shall be paid on the Issue Date by the Issuer to Gedesco Services, acting on behalf of each Seller; Gedesco Services will distribute to the relevant Seller the aggregate Receivable Purchase Price of all Receivables transferred by it.

Any Receivable Purchase Price payable by the Issuer to any Seller in relation to each Receivable in the relevant Additional Receivables Sub-Portfolio sold on any Additional Purchase Date by such Seller shall be paid by the Issuer to Gedesco Services, acting on behalf of each Seller; Gedesco Services will distribute to the relevant Seller the aggregate Receivable Purchase Price of all Receivables transferred by it:

- (i) by offsetting such aggregate Receivable Purchase Price against the Deemed Collection Amounts owed by such Seller on the London Business Day immediately following such Additional Purchase Date (each, a **"Purchase Price Payment Date"**); and
- (ii) any remaining excess amount shall be paid in cash on such Purchase Price Payment Date by the Issuer to Gedesco Services, acting on behalf of each Seller, for the distribution by Gedesco Services to the relevant Seller.

Taxes

Pursuant to the Receivables Sale Agreement, each Seller shall:

- (a) indemnify the Issuer in respect of any stamp duty, registration, transfer or other similar taxes in respect of the Receivables Sale Agreement, the transfer of any Receivables or Claims by it pursuant to the Receivables Sale Agreement (including for the avoidance of doubt, any Promissory Notes) or any judgment given in connection therewith;
- (b) use its best efforts to procure that each Debtor makes all payments to be made by it under the relevant Receivables or Claims without any Tax Deduction; and
- (c) in the event that any Debtor makes a Tax Deduction in relation to any payment made by it under the relevant Receivables or Claims transferred by such Seller, immediately pay into the relevant Seller Collection Account an amount equal to the amount of such Tax Deduction.

Notification of Assignment

If at any time the Issuer so requests upon the occurrence of a Notification Event:

- (a) each Seller shall (at its own cost and expense) execute and deliver a Notification Event Notice addressed to the relevant Debtors (including, for the avoidance of doubt, any Collateral Debtor) and copied to the Issuer in respect of the Receivables and Ancillary Rights (including the Claims) sold by it to the Issuer that are included in the Receivables Portfolio; and
- (b) should any Seller fail to notify the Debtors (including, for the avoidance of doubt, any Collateral Debtor) within three (3) Business Days of such request, the Issuer may notify the Debtors (including, for the avoidance of doubt, any Collateral Debtor) of the assignment and transfer of the Receivables and the Ancillary Rights (including the Claims) itself,
- (c) provided, however, that upon the occurrence of a Seller Insolvency Event in respect of a Seller, the Issuer shall have a right to either request such Seller to deliver the Notification Event Notices or deliver them itself (directly or through any authorised agents)

Each of the following constitutes a "**Notification Event**" and their occurrence will trigger the requirement that a notice that a Notification Event has occurred be delivered pursuant to the Receivables Sale Agreement (a "**Notification Event Notice**"):

- (a) pursuant to any applicable laws or regulations in place from time to time (whether at national or regional level) requiring notice of the transfer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;
- (b) the making of an order of a court or regulatory authority requiring notice of the transfer to the Issuer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;
- (c) the priority of the Transaction Security granted by the Issuer or any Seller has changed or has been otherwise affected in a manner which is prejudicial to the interests of the Noteholders but only to the extent that giving notice to the relevant Debtors that the Receivables have been transferred to the Issuer is necessary or advisable to protect the Transaction Security;
- (d) the occurrence of a Servicer Termination Event;
- (e) the occurrence of a Seller Insolvency Event;
- (f) the occurrence of an Amortisation Trigger Event;

- (g) on any Purchase Date, the aggregate Outstanding Balance of all Defaulted Receivables comprised in the Receivables Portfolio are equal to or higher than 20% of the Principal Amount Outstanding of the Notes as at the Issue Date; or
- (h) the occurrence of a Material Adverse Change in relation to business, operations, assets or condition (financial or otherwise) of any Seller;

Undertakings given by the Sellers

The Receivables Sale Agreement contains a number of undertakings by each Seller, to the Issuer and the Cash Manager, in respect of its activities relating to the Receivables Portfolio and the related Receivables. These include, *inter alia*, undertakings to:

- (a) ensure that all Receivables and Ancillary Rights (including the Claims) comprised in the Receivables Portfolio and sold to the Issuer by such Seller have been designated in the computer records of the relevant Seller as having been the subject of a sale to the Issuer pursuant to the Receivables Sale Agreement;
- (b) ensure that on receipt of a payment by a Debtor in respect of a Receivable or an Ancillary Right (other than a Collateral Claim) comprised in the Receivables Portfolio, unless such Debtor has specified otherwise and to the extent permitted by law, the payment shall be applied:
 - (i) *first*, in or towards payment of any late payment fees, charges or other unpaid costs and expenses owing in respect of such Receivable;
 - (ii) *second*, in or towards payment of any principal or advanced balance in respect of such Receivables; and
 - (iii) *third*, in or towards payment of any other sum owing in respect of such Receivable;
- (c) ensure that on receipt of a payment in respect of a Collateral Claim, the payment shall be applied in accordance with the provisions of the Receivables Sale Agreement related to the application of proceeds of Collateral Claims;
- (d) procure that any payment which is not applied to any specific receivable by the Debtor and which is incapable of being so applied by the relevant Seller shall be applied in accordance with the rules set out in the relevant Funding Document or, where no rules are provided in the relevant Funding Document, pro-rata to all outstanding Receivables owed by such Debtor;
- (e) comply in all material respects with the Credit Policy (including, without limitation, amending the current procedures relating to the allocation of an internal credit score to each Debtor according to a pre-determined internal score band and the subsequent steps to be taken according to the allocated credit score), and not implement any amendment to it without the prior written consent of the Issuer and the Note Trustee unless required in order to comply with Applicable Law or of purely administrative or otherwise of a formal, minor or technical nature only. Any amendments to the Credit Policy will be disclosed in accordance with Applicable Laws from time to time without undue delay;
- (f) not take any steps or cause any steps to be taken in respect of the Receivables and Ancillary Rights (including the Claims) comprised in the Receivables Portfolio, save in accordance with the terms of the Transaction Documents including:
 - (i) the termination, repudiation, rescission or discharge of any Funding Document;
 - (ii) the variation, novation, amendment or modification of any Funding Document, the Receivables or Ancillary Rights unless required in order to comply with Applicable Law or if such variation, novation, amendment or modification is made to improve or enhance the position of the Seller under the Funding Document and/or the ability of the Seller to recover amounts due under the relevant Funding Document or otherwise to provide for the provision of additional security or collateral or otherwise agreeing changes of a purely administrative nature or otherwise of a formal, minor or technical nature only;
 - (iii) the release of any Receivables and Ancillary Rights (including the Claims) from the Security;

- (iv) the assignment, assignation, transfer, sale, conveyance, discount, disposal of or dealing with any of the Receivables and Ancillary Rights (including the Claims) comprised in the Receivables Portfolio (other than the assignment and transfer under or pursuant to the Receivables Sale Agreement of the Receivables and Ancillary Rights (including the Claims)); and
- (v) the grant, creation or existence of any Adverse Claim (including the grant of security) on all or any of the Receivables and Ancillary Rights (including the Claims) comprised in the Receivables Portfolio.

Such undertakings shall remain in force and will be deemed to be repeated on every day until the Receivables Sale Agreement is terminated, but without prejudice to any right or remedy of the Issuer arising from a breach of any such representation prior to the date of termination of the Receivables Sale Agreement.

Deemed Collections

If:

- (i) on any date after its Purchase Date, any Receivable comprised in the Receivables Portfolio is found not to have met the Eligibility Criteria as at its Purchase Date;
- (ii) such Receivable fails on any date after its Purchase Date to meet the Permanent Eligibility Criteria by reference to the facts and circumstances existing on such date; or
- (iii) the Direct Debtor of such Receivable becomes an Affiliate of any Seller after its Purchase Date.

the Seller shall be deemed to have received a Collection ("**Deemed Collection**") in relation to such Receivable on the day the relevant Seller becomes aware, or is notified by the Issuer that, such event has occurred a "**Deemed Collection Date**") in the amount equal to the Outstanding Balance of the relevant Receivable and the relevant Seller shall pay to the Issuer an amount equal to the Deemed Collection (the "**Deemed Collection Amount**").

Any Receivable which is found not to have met the Eligibility Criteria as at its Purchase Date or which fails on any date after its Purchase Date to meet the Permanent Eligibility Criteria shall be considered as an "**Ineligible Receivable**".

Any Deemed Collection Amounts relating to Deemed Collections arising during the Revolving Period shall be paid by the relevant Seller to the Issuer as follows:

- (i) by offsetting such Deemed Collection Amounts against the Purchase Price payable to such Seller on the Purchase Price Payment Date immediately following the relevant Deemed Collection Date; and
- (ii) any remaining excess amount shall be paid in cash by such Seller to the Issuer on such Purchase Price Payment Date.

Any Deemed Collection Amounts relating to Deemed Collections arising after the end of the Revolving Period shall be paid by the relevant Seller to the Issuer within three (3) Business Days of the relevant Deemed Collection Date.

In the event of any Deemed Collection arising, all of the Issuer's rights, title and interest to the relevant Receivable and the Ancillary Rights (including Claims) shall automatically be passed and retransferred to the relevant Seller upon full payment by the relevant Seller to the Issuer of the related Deemed Collection Amount.

In respect of any Collections which are received by the Issuer in respect of any Receivable retransferred to the Sellers following a Deemed Collection, the Issuer shall hold such Collections as custodian (*depositario*) for the benefit of the relevant Seller and pay the amount of such Collections to the relevant Seller within five (5) Business Days of their identification by the Servicer in the corresponding Monthly Datatape. Any such payment will be made without interest.

Semi-annual report over the Receivables Portfolio

An internationally recognised accountancy firm appointed by the Issuer (the "**Sample Verifier**") shall prepare on a semi-annual basis (in each of the months of May and November, starting from May 2020) an agreed upon procedures report in relation to the Receivables included in the Monthly Datatape of the previous calendar month (ie. April and October, as applicable) (the "**Semi-annual Report**").

The objectives of the Semi-annual Report shall be:

- (a) to verify the accuracy of the information contained in the relevant Monthly Datatape through a sample of twenty (20) randomly selected Receivables in relation to the list of datatape fields set forth in the Receivables Sale Agreement (the "**Reviewed Datatape Fields**"); and
- (b) to verify that the Receivables selected comply with the Eligibility Criteria set forth in the Receivables Sale Agreement (the "**Reviewed Eligibility Criteria**").

The Sample Verifier shall select for each Semi-annual Report a sample which shall include, having regard to the Monthly Datatape of the previous calendar month, a sample of twenty (20) randomly selected Receivables.

The random selection shall not include any Receivables which have been selected in any previous Semi-annual Report.

In case that the information contained in one or more Reviewed Datatape Fields is found by the Sample Verifier to be incorrect, the Servicer shall prepare an amended and restated Monthly Datatape with the correct information and shall deliver it to the Sample Verifier as soon as reasonably practicable.

If the information included in the Reviewed Datatape Fields reveals that a Receivable did not comply with the Eligibility Criteria as at its Purchase Date or did not comply with the Permanent Eligibility Criteria at the date of the relevant Monthly Datatape then such Receivable shall be deemed to be an Ineligible Receivable.

In case the Semi-annual Report reveals that more than five (5) of the reviewed Receivables are Ineligible Receivables:

- (a) the Note Trustee shall instruct the Cash Manager to discontinue the purchase of Additional Receivables Portfolios from the Sellers; and
- (b) the Sample Verifier shall prepare a new Semi-annual Report (the "**Revised Semi-annual Report**") on a further sample of twenty (20) other Receivables randomly selected by the Sample Verifier.

In the event that the Revised Semi-annual Report carried out by the Sample Verifier

- (a) reveals that more than five (5) of the reviewed Receivables are Ineligible Receivables, an Amortisation Trigger Event shall occur; or
- (b) reveals that five (5) or less of the reviewed Receivables are Ineligible Receivables, the Note Trustee shall instruct the Cash Manager to resume the purchase of Additional Receivables Portfolios from the Sellers.

The Monthly Cash Manager Report immediately published after the date of the relevant Semi-annual Report or Revised Semi-annual Report, as the case may be, will state the date of such report, the number of Receivables which were found to be Eligible Receivables and the number of Receivables which were found to be Ineligible Receivables.

The Semi-annual Report or the Revised Semi-annual Report shall not disclose personal sensitive data of the Direct Debtors under the Receivables reviewed by the Sample Verifier.

Any liability of the Sample Verifier that may arise from the tasks referred to above or from the Semi-annual Report and/or Revised Semi-annual Report shall be limited to an amount equivalent to the amount payable to the Sample Verifier by way of fees in the immediately preceding one (1) year.

Representations and warranties given by the Sellers

Under the Receivables Sale Agreement, on each Purchase Date, each Seller will make (with reference to the facts and circumstances subsisting as at the relevant Purchase Date) the following representations and warranties to the Issuer in respect of each Receivable and Ancillary Rights (including in particular with respect to each Claim) in each Receivables Sub-Portfolio sold by such Seller to the Issuer on such Purchase Date:

- (a) as of such Purchase Date, each Receivable sold by it comprised in the Receivables Sub-Portfolio is an Eligible Receivable;

- (b) otherwise than in accordance with the Transaction Documents, the relevant Seller has not, in whole or in part assigned (whether outright or by way of security), transferred, sold, conveyed, discounted, novated, charged, disposed of or dealt with the relevant Receivables and Ancillary Rights (including the Claims) sold by it comprised in the Receivables Sub-Portfolio in any way whatsoever and has not permitted any of the same to be seized, attached or subrogated;
- (c) in respect of the Receivables comprised in the Receivables Sub-Portfolio sold by it, so far as the Seller is aware, there is no material default, breach or violation under the relevant Funding Documents to which the Seller is a party which has not been remedied and no event has occurred which, with the giving of notice and/or the making of any determination and/or the expiration of any applicable grace period, would constitute such default, breach or violation, provided that any default, breach or violation shall be material if it in any way affects the amount or the collectability of the Receivables;
- (d) the Seller has created and maintained and is in possession of all the Records relating to the Receivables and the Claims sold by it comprised in the Receivables Sub-Portfolio;
- (e) where such Receivables Sub-Portfolio is an Additional Receivables Portfolio, all of the information contained in the Offer Document in relation to each Receivable and Claim sold by it comprised in the relevant Additional Receivables Portfolio is true and accurate in all material respects and is not misleading because of any omission or ambiguity or for any other reason;
- (f) where the Receivables Sub-Portfolio is an Additional Receivables Portfolio, no Event of Default has occurred and is continuing as at the relevant Additional Purchase Date or would result from the purchase of the Eligible Receivables comprised in the relevant Additional Receivables Portfolio;
- (g) none of the Receivables sold by it comprised in the Receivables Sub-Portfolio will include any transferrable securities under the meaning of as defined in point (44) of Article 4(1) of Directive 2014/65/EU.;
- (h) none of the Receivables sold by it comprised in the relevant Receivables Sub-Portfolio will include any securitisation position, pursuant to article 20(9) of the Securitisation Regulation; and
- (i) all Receivables sold by it comprised in the Receivables Sub-Portfolio were originated in the ordinary course of the relevant Seller's business pursuant to the Credit Policy which is applied to the entire business of the relevant Seller and not only the Receivables to be transferred to the Issuer.

Special provisions in relation to the transfer of the Collateral Claims

- (a) In accordance with article 1,528 of the Spanish Civil Code, the sale and transfer of the Eligible Receivables by a Seller where payment in respect of which is to be made out of proceeds of, or payment is otherwise secured or guaranteed by Collateral Claims transferred by the relevant Client Debtor to the relevant Seller or Gedesco Factoring for payment (*para pago*) pursuant to the relevant Funding Document shall entail the automatic transfer to the Issuer by the relevant Seller or Gedesco Factoring, as the case may be, of such Collateral Claims.
- (b) Without prejudice to article 1,528 of the Spanish Civil Code, each Seller and Gedesco Factoring, as the case may be agree, that the sale of any Initial Receivables Sub-Portfolio or Additional Receivables Sub-Portfolio and their Ancillary Rights (including Claims) by any Seller shall include the transfer the Issuer of any Collateral Claims assigned for payment (*para pago*), securing or otherwise guaranteeing the relevant Eligible Receivables transferred under the Receivables Sale Agreement, for all relevant legal purposes and without any additional acts (subject to certain rights of the relevant Seller or Gedesco Factoring to the retransfer of Collateral Claims or the proceeds of Collateral Claims in certain circumstances). Each Seller and the Issuer declare for all relevant purposes (i) that the Issuer would not have agreed to purchase such Eligible Receivables without the transfer to it of the related Collateral Claims which are essential to the relevant transaction and (ii) that in order to assess the Receivable Purchase Price to be paid for such Eligible Receivables the transfer of the related Collateral Claims shall be taken into account by the Issuer, subject to the terms of the Receivables Sale Agreement.

- (c) Each Seller and the Issuer agree that the proceeds of the Collateral Claims shall be used in accordance the rules set out in this section and in the Servicing Agreement and for no other use (as set out under "*Special provisions in relation to the servicing of the Collateral Claims*" below).
- (d) Each Seller and, where applicable, Gedesco Factoring undertakes to carry out any actions and execute any further documents as may be necessary or desirable in order to ensure the transfer of the Collateral Claims attached to or pertaining to any Eligible Receivables transferred to the Issuer and their enforceability vis-à-vis any third parties.
- (e) The collections received under the Collateral Claims will be applied by the Servicer in accordance with the rules set out in the Servicing Agreement (as set out under "*Special provisions in relation to the servicing of the Collateral Claims*" below).
- (f) The collections received under the Collateral Claims to be retransferred to Gedesco Factoring or the relevant Seller will be retransferred by the Servicer in accordance with the provisions in the Servicing Agreement (as set out under "*Special provisions in relation to the servicing of the Collateral Claims*" below).
- (g) The Collateral Claims held by the relevant Seller or Gedesco Factoring for the purpose of payment (*para pago*), securing or guaranteeing Eligible Receivables transferred by the relevant Seller to the Issuer may be far in excess of the amount required in order to pay the relevant Receivable in full. As a result, any transfer by a Seller or Gedesco Factoring of Collateral Claims to the Issuer is subject to the right of the relevant Seller or Gedesco Factoring to require the retransfer of Collateral Claims which are existing credit rights at the option of Gedesco Factoring or the relevant Seller (represented by the Servicer), as applicable, if the following conditions are met:
 - (i) there are no unpaid amounts under the relevant Eligible Receivable in the Receivables Portfolio in respect of which the relevant Collateral Claim has been assigned as security (the "**Relevant Receivable**");
 - (ii) there are no unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by the Client Debtor of the Relevant Receivable;
 - (iii) there are no unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by any entity within the Group of the Client Debtor of the Relevant Receivable;
 - (iv) no Solvency Trigger in respect of the Client Debtor of the Relevant Receivable has occurred;
 - (v) the Collateral Ratio Threshold is met;
 - (vi) the Collateral Claims to be retransferred are existing credit rights (and not future credit rights) represented by a validly issued invoice;
 - (vii) no Revocation Event has occurred; and
 - (viii) the retransfer of the Collateral Claim is for the purpose of factoring that Collateral Claim by the relevant Seller or Gedesco Factoring.

For these purposes, a **Revocation Event** means:

- (a) the occurrence of a Servicer Termination Event;
- (b) the occurrence of a Seller Insolvency Event; or
- (c) the occurrence of an Amortisation Trigger Event.

Neither Gedesco Factoring nor the relevant Seller (as appropriate) will pay any amount to the Issuer as purchase price for the retransfer of any Collateral Claims.

The Issuer has authorised and granted a power of attorney to the Servicer to give effect to these transfers on its behalf. Neither the relevant Seller nor Gedesco Factoring nor the Servicer shall be required to obtain any prior consent from the Issuer for the retransfer of any existing Collateral Claim or the exercise of the above power of attorney, provided always that such retransfer is in accordance with the terms of the Receivables Sale Agreement and in particular complies with the conditions above.

Gedesco Services, acting on behalf of each Seller, will report to the Issuer and the Cash Manager in each Monthly Datatape the details and amount of each Collateral Claim transferred back to Gedesco Factoring or the relevant Seller since the last Monthly Datatape.

Any receivable under a Collateral Claim returned by the Issuer to Gedesco Factoring or the relevant Seller and subsequently factored by Gedesco Factoring or a Seller may be sold by Gedesco Factoring or such Seller to the Issuer on any Additional Purchase Date provided that it meets the relevant criteria to be an Eligible Receivable in accordance with the provisions of the Receivables Sale Agreement.

Enforcement Re-Transfer

With the exclusive view to maximise the recovery of the amounts due under the Eligible Receivables comprised in the Receivables Portfolio, each Seller may (but shall have no obligation to) agree with the Issuer to repurchase any Defaulted Receivables previously sold by such Seller to the extent and only in the exclusive and limited circumstances in which any such re-transfer will be appropriate or necessary in order for the relevant Seller (or the Servicer, as the case may be) to more efficiently and/or validly exercise and enforce the relevant Defaulted Receivables and their Ancillary Rights (including the Claims) (hereinafter, each an "**Enforcement Re-transfer**").

Any Enforcement Re-transfer of Defaulted Receivables shall not result in the relevant Seller either assuming any further liabilities or risk in respect of or guaranteeing the payment of such Defaulted Receivable.

Any Enforcement Re-transfer shall be a transfer without recourse and as a consequence the relevant Seller shall not have any right of recourse against the Issuer in connection with any failure by a Debtor to pay any Defaulted Receivable comprised in the Receivables Portfolio which has been re-transferred pursuant to the Receivables Sale Agreement.

Any Enforcement Re-transfer shall be without any representation and warranty (including, for the avoidance of doubt, as to the existence of the relevant re-transferred Defaulted Receivable), except that the Issuer shall represent and warrant to the relevant Seller that it has not transferred the relevant re-transferred Defaulted Receivable to any third party.

The repurchase price due and payable to the Issuer by the relevant Seller for each Defaulted Receivable re-transferred pursuant to an Enforcement Re-transfer shall be equal and limited to the Outstanding Balance of each Defaulted Receivable (the **Re-transfer Amount**). Such Re-transfer Amount shall be payable to the Issuer by the relevant Seller on the date of execution of the relevant Repurchase Agreement.

If both the relevant Seller and the Issuer agree to the Enforcement Re-transfer of a Defaulted Receivable, then the relevant Seller and the Issuer shall proceed with the relevant Enforcement Re-transfer by promptly executing a Repurchase Agreement in the form and in accordance with the provisions in the Receivables Sale Agreement.

Notarisation of the Assignment Agreements

Each Seller shall agree to, not later than the fifth (5th) Business Day of each calendar month, raise to public status in an *escritura pública* or *póliza mercantil*, together with the Cash Manager (on behalf of the Issuer) any Assignment Agreement entered into by it under the Receivables Sale Agreement within the preceding month or which has otherwise not been raised to public status.

All taxes, duties, costs and expenses arising out of such raising to public status shall be borne by the relevant Seller.

Governing Law

The Receivables Sale Agreement and any non-contractual obligations arising out of or in connection with it will be governed by Spanish law.

Servicing Agreement

Pursuant to the Servicing Agreement dated on or about the Issue Date between, among others, the Servicer, the Sellers, the Cash Manager and the Issuer, the Servicer will be appointed to service, collect and administer the Receivables and their Ancillary Rights (including the Claims) and to perform all related functions and, if necessary, enforce the Receivables and their Ancillary Rights (including the Claims) and pay all proceeds to the Issuer.

Under the terms of the Servicing Agreement, the Servicer has, among other things, undertaken to perform its duties in accordance with all Applicable Laws and regulations and pursuant to specific instructions that, on certain conditions, it may be given by the Issuer from time to time.

Servicer's Duties

The Servicer shall have no authority by virtue of the Servicing Agreement to act for or represent the Issuer as agent or otherwise save in respect of those functions and duties which it is authorised to perform and discharge pursuant to the Servicing Agreement and for the period during which the Servicing Agreement so authorises it to perform and discharge those functions and duties. The duties of the Servicer include servicing of the Receivables comprised in the Receivables Portfolio from time to time and certain ancillary duties set out in the Servicing Agreement (the "**Services**").

Under the Servicing Agreement, the Servicer will, *inter alia*:

- (i) collect all amounts due under or in connection with the Receivables and the Ancillary Rights (including the Claims but excluding the Collateral Claims as per (iii) below) from time to time and transfer them to the Issuer in accordance with the provisions of the Servicing Agreement;
- (ii) administer the Receivables and the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio, in accordance with the Servicing Agreement;
- (iii) collect, administer and apply the Collateral Claims relevant to any Receivables comprised in the Receivables Portfolio in accordance with the rules set out in the Servicing Agreement;
- (iv) prior to the enforcement of the security securing the Receivables, exercise all rights and remedies of the Issuer in its capacity as the holder of the Receivables and the Ancillary Rights (including the Claims), comprised in the Receivables Portfolio in accordance with the provisions of the Servicing Agreement;
- (v) recover amounts due from the Debtors under the Receivables and the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio in accordance with the Collection Policy and in particular (but without prejudice to the generality of the foregoing) take relevant enforcement actions concerning amounts due from those Debtors (including the enforcement of Ancillary Rights) in accordance with the provisions of the Servicing Agreement;
- (vi) undertake to comply in all material respects with the Collection Policy and not implement any amendment to the Collection Policy without the prior consent of the Issuer and the Note Trustee unless required in order to comply with Applicable Law or of a purely administrative or otherwise of a formal, minor or technical nature only;
- (vii) keep all Records, books of account and documents relating to the Receivables and the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio distinguishable from all other records, books of

account and documents relating to other receivables or ancillary rights otherwise made, held or serviced by it and hold all Records relating to the Receivables and the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio in its safe possession to the order and for the benefit of the Issuer for as long as provided by Applicable Law;

- (viii) keep records for all taxation purposes for as long as provided by Applicable Law;
- (ix) make the reports available in accordance with the provisions of the Servicing Agreement;
- (x) subject to receiving the relevant Semi-annual Report or Revised Semi-annual Report, as applicable, from the Sample Verifier, provide to the Cash Manager the following information regarding any Semi-annual Report or Revised Semi-annual Report so that this information is included in the relevant Monthly Cash Manager Report immediately published after the issue date of the relevant Semi-annual Report or Revised Semi-annual Report: date of such report, the number of Receivables which were found to be Eligible Receivables and the number of Receivables which were found to be Ineligible Receivables;
- (xi) where so required by the Issuer or the Note Trustee, provide to the Issuer or the Note Trustee the necessary information and assistance so that each of the Issuer or the Note Trustee is able to make an informed decision on whether to carry out the actions and adopt the decisions that the Issuer or the Note Trustee is required to take or adopt pursuant to the Transaction Documents;
- (xii) provide in a timely manner to the Cash Manager, as Reporting Agent, any reports, data and other information in the correct format, required and in its possession in connection with the proper performance by the Reporting Agent of its obligation to make available to the Noteholders, potential investors in the Notes and the competent authorities, the reports and information necessary to fulfil the reporting requirements of Article 7 of the Securitisation Regulation;
- (xiii) exercise all discretions, make all judgments and determinations and give directions and take all other actions the Servicer is authorised or required to exercise, make or take under the Servicing Agreement (subject always to Applicable Laws and the terms of the Receivables and Ancillary Rights (including the Claims)) in order to maximise collections and recoveries of the Receivables and the Ancillary Rights (including the Claims); and
- (xiv) provide the Cash Manager with any additional information in accordance with the Cash Management Agreement and the Servicing Agreement.

The Servicer shall have full power and authority to exercise all rights and remedies of the Issuer in its capacity as holder of the Receivables and the Ancillary Rights (including the Claims) in accordance with the Collection Policy.

The Servicer will perform its obligations under the Servicing Agreement with the standard of skill, care and diligence the Servicer would apply if it were the owner of the Receivables and its Ancillary Rights (including the Claims) comprised in the Receivables Portfolio and, in any event, with the skill and care of a prudent businessperson (*de un ordenado comerciante*).

Servicer's Covenants

In addition, the Servicer covenants in the Servicing Agreement that it shall:

- establish, maintain and implement all necessary accounting, management and administrative systems and procedures (including but not limited to the servicing procedures), electronic or otherwise, to establish and maintain reasonably accurate, complete, reliable and up-to-date information regarding the Receivables and their Ancillary Rights (including the Claims) comprised in the Receivables Portfolio including, but not limited to, all information contained in the Monthly Datatape.

- obtain and keep in force all licences (including all software licences) approvals, authorisations, registrations and consents which are necessary in connection with the performance of the Services and to make all filings or obtain all documents, including (without limitation) in relation to the protection of personal data, needed at any time for the purposes of the performance of its obligations pursuant to the Servicing Agreement and the other Transaction Documents to which it is a party in order to comply with Applicable Law;
- at its expense and in a timely manner, fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Funding Documents in respect of any Receivables and any Ancillary Rights (including the Claims) comprised in the Receivables Portfolio and under the Servicing Agreement and forthwith inform the Issuer of any breach thereof; in addition, the Servicer undertakes to notify as soon as reasonably practicable the Issuer and the Cash Manager upon becoming aware of the same, of:
 - the occurrence of any Servicer Termination Event;
 - any envisaged change of control, merger, absorption, acquisition or any other change which may affect the legal form of the Servicer;
 - any material inaccuracy of any representation or warranty made, and of any material breach of the undertakings given by it under the terms of the Transaction Documents to which it is a party, as soon as it becomes aware of any such inaccuracy or breach;
 - any judicial proceedings initiated against it which might materially and adversely affect the title of the Issuer to, or the interest of the Issuer in, the Receivables and its Ancillary Rights (including the Claims) comprised in the Receivables Portfolio;
- comply with all legal requirements applicable to the servicing and collection of the Receivables and the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio and the protection of personal data;
- not sell, assign or otherwise dispose of, or create or permit to exist any Adverse Claim upon or with respect to, any of the Receivables, Claims or related Funding Documents or any Ancillary Rights, in each case comprised in the Receivables Portfolio or assign any right to receive income in respect thereof or attempt, purport or agree to do any of the foregoing;
- not take any action which would cause the Issuer to breach any Spanish legal or regulatory requirements or the terms of any Transaction Document to which the Issuer is a party; and
- to maintain each Seller Collections Account pledged under a pledge granted under a Seller Collection Accounts Pledge Agreement and to extend such pledge (or grant a new pledge substantially in the same terms, as applicable) to each new each Seller Collections Account,

provided always that the Servicer shall have no power to enter into any new contracts on behalf of the Issuer nor to act as any form of branch, agency or representative of the Issuer nor to direct, administer or manage any aspect of the Issuer's business (without prejudice to the specific activities expressly contemplated in the Servicing Agreement)

Appointment of Agents

The Servicer may perform any and all of its duties and exercise its rights and powers by or through any one or more agents, including any of its affiliates, selected by the Servicer in accordance with the standard of care required pursuant to the Servicing Agreement, subject to the Servicer ensuring that any such agent is subject to no less a standard of care and provided that the Servicer may not delegate the performance of any of its duties or exercise any of its rights to any person in any jurisdiction where such delegation would cause the Issuer to be subject to taxation on its net income in that jurisdiction.

For the avoidance of doubt, notwithstanding any use by the Servicer of an agent, the Servicer will not be released or discharged from any of its obligations under the Servicing Agreement nor from any liabilities it would otherwise have thereunder and shall remain responsible for the performance of all of the obligations of the Servicer under the Servicing Agreement.

Under no circumstances will such delegation imply (i) amendments to the Servicing Agreement or to any of the other Transaction Documents to which the Servicer is a party, or (ii) additional costs or expenses for the Issuer or the Cash Manager.

The agent shall have no right to take any step against the Issuer or the Cash Manager for the purpose of obtaining payment of any amounts payable to it under a sub servicing agreement.

Allocation of Payments

Subject to the special provisions in relation to the servicing of the Collateral Claims with respect to payments made under the Collateral Claims, the Servicer shall ensure that on receipt of a payment by a Debtor in respect of a Receivable or Ancillary Rights (other than a Collateral Claim) comprised in the Receivables Portfolio, unless such Debtor has specified otherwise and to the extent permitted by law, the payment shall be applied:

- (i) *first*, in or towards payment of any late payment fees, charges or other unpaid costs and expenses owing in respect of such Receivable;
- (ii) *second*, in or towards payment of any advanced balance in respect of such Receivable; and
- (iii) *third*, in or towards payment of any other sum owing in respect of such Receivable.

The Servicer shall ensure that on receipt of a payment in respect of a Collateral Claim, the payment shall be applied in accordance with the specific provisions in the Servicing Agreement.

The Servicer shall procure that any payment which is not applied to any specific Receivable by the Debtor and which is incapable of being so applied by the Seller shall be applied in accordance with the rules set out in the relevant Funding Document or, where no rules are provided in the relevant Funding Document, pro-rata to all outstanding Receivables owed by such Debtor;

If the Servicer receives any money arising from the Receivables or the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio or otherwise, which money belongs to the Issuer or is to be paid to the Issuer or into the relevant Seller Collection Account, pursuant to the Servicing Agreement or otherwise, it will hold such money to the order and for the benefit of the Issuer as agent (*comisionista*) and will forthwith upon receipt thereof pay or hold the same in accordance with the relevant terms of the Servicing Agreement or as otherwise directed by the Issuer.

Collections

The Servicer shall:

- (i) recover and collect all Collections and all other sums due under or in connection with the Receivables and the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio; and
- (ii) enforce all covenants and obligations of Debtors due to the Issuer under the Receivables, the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio and the related Funding Documents in the same manner as it does in respect of assets of the nature and character of the Receivables and the Ancillary Rights (including the Claims) which it manages for itself or for the Sellers,

in accordance with the Servicing Agreement and Applicable Laws.

In performing its obligations the Servicer shall comply in all material respects with the Collection Policy in regard to each Receivable and Ancillary Rights (including the Claims) comprised in the Receivables Portfolio as it does in respect of assets similar in nature and character to the Receivables and Ancillary Rights (including the Claims) which it manages for itself or for the Sellers.

Accounts

The Servicer shall:

- (i) ensure that:
 - (A) all Receivables and Ancillary Rights (including the Claims) other than the Collateral Claims are directly paid by the Debtors into the relevant Seller Collection Account opened by the Seller of such Receivables; and
 - (B) all Collateral Claims are directly paid by the Collateral Debtors into the relevant Seller Collection Account opened by the Seller of such Receivables or, with respect to Collateral Claims assigned to Gedesco Factoring, the Seller Collection Account opened by Gedesco Factoring;
 - (C) all amounts paid to a Seller Collection Account in respect of:
 - I. PN Receivables arising under Promissory Notes Programs, PN Claims and Loan Receivables comprised in the Receivables Portfolio are transferred within one (1) Business Day of receipt to the Issuer Collection Account;
 - II. Factoring Receivables (including PN Receivables arising under Factoring Agreements), Factoring Claims and PN Receivables arising under Promissory Note Agreements comprised in the Receivables Portfolio are transferred within five (5) Business Days of receipt to the Issuer Collection Account;
 - III. Collateral Claims assigned by a Seller or Gedesco Factoring to the Issuer and not retransferred by the Issuer to a Seller or Gedesco Factoring or retained for the use of the Seller or Gedesco Factoring are transferred to the Issuer Collection Account in accordance with and to the extent required by the provisions set out in the Servicing Agreement relating to the servicing of Collateral Claims;
 - (D) no other withdrawal of amounts held in any Seller Collection Account is made other than in respect of amounts related to Receivables or Claims not comprised in the Receivables Portfolio or amounts in relation to the Collateral Claims retransferred to Gedesco Factoring or the relevant Seller in accordance with the Receivables Sale Agreement and the provisions set out herein or otherwise returned to the Seller or Gedesco Factoring in accordance with the Servicing Agreement;
- (ii) refrain from operating the Seller Collection Accounts in any manner if there is a Servicer Termination Event and the Cash Manager gives notice to the Seller Collection Account Bank in accordance with the Spanish Bank Mandates;
- (iii) ensure that no Seller Collection Account goes overdrawn;
- (iv) not open any account for the collection of any amounts due in connection with the Receivables and/or the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio other than the Seller Collection Accounts without the prior written consent of the Issuer;
- (v) it is expressly agreed by the Issuer that the Cash Manager shall only be required to operate the Seller Collection Accounts when:

- (A) a Servicer Termination Event has occurred and is continuing and no Back-up Servicer or Successor Servicer has yet assumed responsibilities for the performance of the Services (as defined in the Servicing Agreement); or
- (B) if expressly instructed to the effect by the Issuer and only to the extent reasonably practicable for the Cash Manager, if the Servicer is prevented by an extraordinary event or circumstance from providing the Seller Collection Account Bank the operational instructions (if any) required under the Servicing Agreement or any of the Transaction Documents.

Custody and verification of Promissory Notes

The Servicer shall hold the Promissory Notes in custody for the benefit of the Issuer.

In addition, the Servicer shall verify that each Promissory Note (i) complies with all formalities and contain all relevant mentions in order for it to amount to a validly issued “*pagaré*” pursuant to Law 19/1985 (*Ley Cambiaria y del Cheque*) and (ii) has been validly transferred and/or endorsed to the relevant Seller and the Issuer.

The Servicer shall hold any Promissory Note in custody for the benefit of the relevant Seller and the Issuer until the related Receivable has been fully paid and, once the related Receivable has been fully paid, shall deliver it to the relevant Seller (or to the person designated by the relevant Seller).

Enforcement of Receivables and the Claims

The Servicer shall exercise the same diligence and procedure for claiming amounts due and unpaid under the Receivables and the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio as it applies in respect of assets of the nature and character of the Receivables and Ancillary Rights (including Claims) which it manages for itself or for the Sellers.

In the event of breach of payment obligations by a Debtor, the Servicer shall take the measures which it would ordinarily take in the case of Receivables and the Ancillary Rights (including the Claims) which it manages for itself or for the Sellers and in accordance with the Collection Policy.

For these purposes, the Servicer:

- (i) shall act in accordance with the Collection Policy;
- (ii) shall be authorised to consult with the delinquent Debtors to identify the appropriate actions to safeguard the rights of the Issuer and to consult with third party experts to assess such proposed actions;
- (iii) shall be authorised to pursue any and all enforcement procedures in accordance with the Collection Policy set forth in the relevant Receivables, the Ancillary Rights (including the Claims) and/or Funding Documents or otherwise available under Applicable Law, including the acceleration of the relevant Funding Documents and the enforcement of any Ancillary Rights (including the Claims); and
- (iv) shall be authorised to take all necessary or useful judicial or extra-judicial steps as may be foreseen in accordance with the Collection Policy for the recovery of amounts under the Receivables and the Ancillary Rights (including the Claims) comprised in the Receivables Portfolio.

Information and Regular Reporting

The Servicer shall keep and maintain Records, on a Receivable by Receivable basis (in respect of the Receivables and their Ancillary Rights (including information as to relevant Claims) comprised in the Receivables Portfolio from time to time), in computer readable form for the purposes of identifying at any time any outstanding amount due by each Debtor and the source of receipts and amounts which are paid into the Seller Collection Accounts.

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

The Servicing Agreement requires the Servicer to produce a Monthly Datatape in the form or similar to the form attached as a schedule to the Servicing Agreement.

The Servicer shall deliver the Monthly Datatape to the Cash Manager, the Issuer and the Sellers. The Servicer shall deliver the Monthly Datatape by no later than the second Business Day following the end of each calendar month.

The Servicer must ensure that all data included in the Monthly Datatape complies with protection of personal data regulations applicable at the time (including by anonymising any personal data).

Termination of appointment of Servicer

(a) Removal of the Servicer

Without prejudice to any other rights of the Issuer and subject to the appointment of the Back-up Servicer or a Successor Servicer, the Servicing Agreement may be terminated at any time after the occurrence of a Servicer Termination Event.

(b) Resignation by the Servicer

The Servicer may resign its appointment only for proper cause (*con justa causa*) upon six (6) months' prior written notice to the Issuer provided that the Back-up Servicer, or if the Back-up Servicer fails to assume the obligations of the Servicer pursuant to the Back-up Servicing Agreement, a Successor Servicer appointed in accordance with the Servicing Agreement, has effectively assumed responsibility for the performance of the Services, provided that all costs and expenses arising for the Issuer from such resignation (including any excess of the servicing fee charged by the Back-up Servicer or the Successor Servicer to the Issuer over the Servicing Fee payable to the servicer hereunder) shall be borne by the Servicer.

(c) Servicer to continue to act upon removal or resignation

Upon any removal or resignation of the Servicer, the existing Servicer will continue to act in such capacity until the Back-up Servicer or a Successor Servicer appointed in accordance with the Servicing Agreement has assumed responsibility for the performance of the Services.

(d) Notices

The termination of the appointment of the Servicer, the appointment of a successor servicer and the termination of its appointment will be notified by the Issuer to the Note Trustee and to the Noteholders.

A **"Servicer Termination Event"** means the occurrence of one of the following:

- (a) the Servicer does not pay on the due date any amount payable pursuant to a Transaction Document in the manner and in the place and in the currency in which it is expressed to be payable, unless payment is made with 5 Business Days of its due date;
- (b) the Servicer fails to observe or perform in any material respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a Material Adverse Effect on the Issuer's ability to make payments in respect of the Notes and continues unremedied for a period of 60 days following written notice of such failure being received by the Servicer or the Servicer otherwise becoming aware of such failure; or

- (c) the Servicer fails to maintain any regulatory licence or approval required to comply with its obligations under the Transaction Documents and such failure continues unremedied for a period of 60 days; and
- (d) a Servicer Insolvency Event occurs.

Appointment of the Back-up Servicer or the Successor Servicer

Upon the occurrence of a Back-Up Servicer Appointment Event, the existing Servicer will continue to act in such capacity in all events until:

- (i) the Back-up Servicer has effectively assumed responsibility for the performance of the Services; or
- (ii) if the Back-up Servicer fails to assume the obligations of the Servicer pursuant to the Back-up Servicing Agreement, a successor servicer has been appointed and effectively begins to provide the servicing function to the Issuer on substantively the same terms as the Servicing Agreement (the **Successor Servicer**).

The Successor Servicer will be selected by the Issuer upon instructions of the Security Trustee, provided that the proposed successor servicer is legally qualified and has the regulatory capacity to act as servicer.

In any event, the Successor Servicer shall enter into an agreement on substantially the same terms as the Servicing Agreement and such successor servicer shall have experience in servicing assets of the nature and character of the Receivables and the Ancillary Rights (including the Claims) on similar terms to that required under the Servicing Agreement.

Upon the occurrence of a Back-Up Servicer Appointment Event, the Servicer shall:

- (i) execute such documents (including any notarial documents) and take such actions as the Back-up Servicer or the Successor Servicer and the Issuer may reasonably require for the purpose of enabling the Back-up Servicer or the Successor Servicer to comply with its obligations;
- (ii) promptly deliver a copy of the Records to the Back-up Servicer or the Successor Servicer and shall provide the Back-up Servicer or the Successor Servicer with all other reasonable information requested by the Back-up Servicer or the Successor Servicer to enable it to comply with its obligations;
- (iii) co-operate with the Back-up Servicer or the Successor Servicer to ensure that all computer Records can be transferred in a compatible form to the computer system of the Back-up Servicer or the Successor Servicer;
- (iv) immediately transfer to the Issuer Collection Account any monies (if any) held on behalf of or for the account of the Issuer;
- (v) following a written request from the Issuer or the Cash Manager (on behalf of the Issuer), without delay endorse to the benefit of the Issuer and/or the Back-up Servicer or the Successor Servicer any promissory note drawn as payment of any Receivable and/or any other payment instrument (to the extent each of them is capable of endorsement), provided however that the Issuer or the Cash Manager (on behalf of the Issuer) may request the Servicer to deliver any such cheques or promissory notes to it without being endorsed;
- (vi) following a written request from the Issuer, provide it, as soon as received on a daily basis, with all originals of promissory notes and/or any other payment instrument, endorsed or not;
- (vii) subject to receiving the relevant Semi-annual Report or Revised Semi-annual Report, as applicable, from the Sample Verifier, provide to the Cash Manager the following information regarding any Semi-annual Report or Revised Semi-annual Report so that this information is included in the relevant Monthly Cash Manager Report immediately published after the issue date of the relevant Semi-annual Report or Revised Semi-annual Report: date of such report, the number of Receivables which were found to be Eligible Receivables and the number of Receivables which were found to be Ineligible Receivables; and

- (viii) give to the Back-up Servicer or the Successor Servicer access to the Servicer's systems and premises where reasonably required by the Back-up Servicer or the Successor Servicer in order to perform their duties as Back-up Servicer or the Successor Servicer subject always to Applicable Laws.

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

- (a) the removal of the Servicer; or
- (b) the resignation of the Servicer.

Special provisions in relation to the servicing of the Collateral Claims

The Collections received under the Collateral Claims relevant to any Receivables comprised in the Receivables Portfolio and which have been transferred to the Issuer (and not retransferred to Gedesco Services or any Servicer in accordance with the Receivables Sale Agreement) will be applied by the Servicer in accordance with the rules set out below

- (i) first, to the repayment of any unpaid amounts under the relevant Eligible Receivable in the Receivables Portfolio in respect of which the relevant Collateral Claim has been assigned (the "**Relevant Receivable**");
- (ii) second, provided that:
 - (A) there are no unpaid amounts under the Relevant Receivable; and
 - (B) there are unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by the Client Debtor that owes the Relevant Receivable,

to the repayment of any unpaid amounts under any Eligible Receivable in the Receivables Portfolio that is repayable by such Debtor.
- (iii) third, provided that:
 - (A) there are no unpaid amounts under the Relevant Receivable; and
 - (B) there are no unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by the Client Debtor that owes the Relevant Receivable; and
 - (C) there are unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by any entity within the Group of such Client Debtor,

to the repayment of any unpaid amounts under any Eligible Receivable in the Receivables Portfolio that is repayable by any entity within the Group of such Debtor;
- (iv) fourth, provided that:
 - (A) there are no unpaid amounts under the Relevant Receivable; and
 - (B) there are no unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by the Client Debtor that owes the Relevant Receivable; and
 - (C) there are no unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by any entity within the Group of such Client Debtor; and
 - (D) there is a Solvency Trigger in respect of such Client Debtor,

to the repayment of any amounts under any Eligible Receivable repayable by such Client Debtor in the Receivables Portfolio.

For these purposes, a "**Solvency Trigger**" occurs, in respect of a Client Debtor that owes any Relevant Receivable, on the date when the Servicer records a downgrade in the credit rating of such Client Debtor in accordance with the Credit Policy.

(v) fifth, provided that:

- (A) there are no unpaid amounts under the Relevant Receivable; and
- (B) there are no unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by the Client Debtor that owes the Relevant Receivable; and
- (C) there are no unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by any entity within the Group of such Client Debtor; and
- (D) no Solvency Trigger in respect of such Client Debtor has occurred; and
- (E) the amount of the outstanding Collateral Claims is below the Collateral Ratio Threshold,

to the repayment of any amounts owed under any Receivable in the Receivables Portfolio and repayable by such Client Debtor until the Collateral Ratio Threshold is met.

For these purposes, "**Collateral Ratio Threshold**" means the outstanding amount of the Collateral Claims assigned to the Issuer for repayment (*para pago*) of any Receivable in the Receivables Portfolio (and which have not been retransferred to Gedesco Factoring or any Seller in accordance with the Receivables Sale Agreement) (which, for the avoidance of doubt includes existing and future credit rights, and with respect to future credit rights is determined by the relevant Seller in accordance with the Credit Policy based on the amount of such future credit rights that it expects to become existing credit rights having their due date prior to the final payment date of such Receivable) is at least 1.2x the Outstanding Amount of such Receivable.

(vi) sixth, provided that:

- (A) there are no unpaid amounts under the Relevant Receivable; and
- (B) there are no unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by the Client Debtor that owes such Relevant Receivable; and
- (C) there are no unpaid amounts under any Eligible Receivable in the Receivables Portfolio and repayable by any entity within the Group of such Client Debtor; and
- (D) no Solvency Trigger in respect of such Client Debtor has occurred; and
- (E) the Collateral Ratio Threshold is met,

such collections will be released from the Seller Collection Account and applied in accordance with the relevant Seller's or Gedesco Factoring's internal policies, as applicable, and their agreements with the relevant Client Debtors.

With respect to the Collections received under the Collateral Claims to be totally or partially retransferred to Gedesco Factoring or the relevant Seller (as original assignee) by the Issuer pursuant to the provisions above, the Servicer shall ensure that such amounts are retransferred within one (1) Business Day to the bank account indicated by Gedesco Factoring or the relevant Seller.

Servicing Fees

In accordance with the terms of the Servicing Agreement, on each Interest Payment Date, as full compensation for its servicing activities, the Issuer will pay to the Servicer for its Services a monthly servicing fee, payable in arrear, in an amount equal to 1.00% per annum calculated by reference to the average aggregate Outstanding Balance of all Receivables comprised in the Receivables Portfolio during the Collection Period preceding such Interest Payment Date ("**Servicing Fee**"). The Servicing Fee will be inclusive of any applicable tax or VAT.

The Servicing Fee shall be paid in Euros and shall be calculated with reference to the actual number of days in the relevant Collection Period and a year of 360 days.

Any Servicing Fee accrued but not paid on any Interest Payment Date will be added to the Servicing Fee due on the next occurring Interest Payment Date. For the avoidance of doubt, no default interest (or any other penalty) will accrue on any due but unpaid Servicing Fee.

Governing Law

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it will be governed by Spanish law.

Back-Up Servicing Agreement

Pursuant to the Back-Up Servicing Agreement dated on or about the Issue Date between, among others, the Back-Up Servicer, the Servicer, the Sellers, the Security Trustee and the Issuer, the Back-Up Servicer will be appointed to provide certain back-up services and all related functions until such appointment is terminated.

Under the terms of the Back-Up Servicing Agreement, the Back-Up Servicer has, among other things, undertaken to perform certain services pursuant to specific instructions and shall deliver to the Issuer the Initial Preparations Completion Notice.

It is expected that the Initial Preparations Completion Notice will be delivered within ninety (90) days of the Issue Date.

Copernicus Servicing, S.L. has serviced receivables of similar nature to the Receivables for at least five years prior to the Issue Date. The members of the management body of the Back-up Servicer and the senior staff of the Back-up Servicer that are responsible for servicing exposures of a similar nature to those securitised have adequate knowledge and skills in the servicing of exposures similar to those being securitised.

Back-Up Servicer Appointment Event

The Issuer shall instruct the Back-Up Servicer to commence servicing of the Portfolio in place of the Servicer upon the occurrence of a Back-Up Servicer Appointment Event.

Back-Up Servicer's Duties

Following the service of the Initial Preparations Completion Notice, the Back-Up Servicer covenants and undertakes to each of the Issuer and the Security Trustee that it shall perform for a period commencing on the day on which such notice is served and ending on the date on which the Back-Up Servicer replaces the Servicer in accordance with the Back-Up Servicer Agreement, the following services:

The Back-Up Servicer shall, from the date on which the Initial Preparations Completion Notice is served and ending on the date on which the Back-Up Servicer replaces the Servicer in accordance with Back-Up Servicer Agreement:

1. conduct annual operational reviews to include:
 - (a) re-running the operational review / due diligence (which shall not, in each case, involve an on-site review) and shall be limited to the type and scope conducted as of the date of the Back-Up Servicing Agreement;

- (b) reviewing the key servicing documentation e.g. collection policies, datatapes, records, etc;
- 2. deliver to the Issuer a report setting out the results of the operational review, performed by the Back-Up Servicer in accordance with item 1 above, within fifteen (15) Business Days after the end of each such annual review period;
- 3. re-run the data mapping process on an annual basis to:
 - (a) update the conversion report and load the portfolio on to the Back-Up Servicer's system;
 - (b) create a pool tape extract to the Back-Up Servicer's pool tape; and
- 4. deliver to the Issuer, the Security Trustee and the Servicer a report confirming the satisfactory load of the Portfolio data onto the Back-Up Servicer's system as required to be performed by the Back-Up Servicer in item 3 above, no later than fifteen (15) Business Days following the end of each annual period.

Replacement of the Servicer

Upon the occurrence of a Replacement Trigger, the Issuer shall deliver to the Back-Up Servicer a notice notifying it of the occurrence of a Replacement Trigger and the Back-Up Servicer Succession Date.

For the purposes of determining the Back-Up Servicer Succession Date, the Back-Up Servicer Succession Date shall be thirty (30) Business Days from the date of the Back-Up Servicer Notice.

On and from the Back-Up Servicer Succession Date, the Back-Up Servicer shall assume responsibility for the performance of the Servicing Services in accordance with the terms of the Replacement Servicing Agreement as if all parties to the Back-Up Servicing Agreement (other than the Servicer) had fully executed and delivered that Replacement Servicing Agreement with the effective date of that executed and delivered Replacement Servicing Agreement being the Back-Up Servicer Succession Date.

Remuneration

In consideration of the Back-Up Servicer entering into the Back-Up Servicing Agreement, and from the period beginning on the date of the Back-Up Servicing Agreement and ending on the day before the Back-Up Servicer Succession Date, the Issuer shall pay to the Back-Up Servicer an amount payable on each anniversary date of the date hereof that shall be equal to €5,000 (VAT or any applicable tax, if any, excluded).

Upon the occurrence of a Back-Up Servicer Succession Date, the Issuer shall pay to the Back-Up Servicer an onboarding fee equal to €25,000 (VAT or any applicable tax, if any, excluded).

Termination

The Back-Up Servicing Agreement will be terminated if (i) the Back-Up Servicer fails to deliver an Initial Preparations Completion Notice in accordance with the Back-Up Servicing Agreement; (ii) following the occurrence of a Back-Up Servicer Appointment Event, the Back-Up Servicer fails to assume the obligations of the Servicer on or prior to the Back-Up Servicer Succession Date and the Issuer delivers a notice to the Back-Up Servicer (with a copy to the Security Trustee) (such notice, a **Successor Servicer Trigger Notice**) notifying the Back-Up Servicer that its appointment under the Back-Up Servicing Agreement will be terminated with effect from the date of the appointment by the Servicer of a Successor Servicer in accordance with the Servicing Agreement (such date, the **Successor Servicer Succession Date**), or (iii) the Back-Up Servicer communicates its intention to resign its appointment on six months' prior written notice to the other Parties to the Back-Up Servicing Agreement.

Any notice of resignation delivered by the Back-Up Servicer pursuant to the Back-Up Servicing Agreement, shall not take effect until a suitably experienced third party acceptable to the Issuer (acting reasonably) and the Security Trustee is appointed as replacement back-up servicer and has effectively assumed the responsibility for the performance of the back-up services set out in the Back-Up Servicing Agreement by the expiry of such period of notice and (b) the Back-Up Servicer has provided the replacement back-up servicer all information, data and resources reasonably required by any replacement back-up servicer to perform the obligations of the Back-Up Servicer under the terms of this Agreement.

On termination of the appointment of the Back-Up Servicer under the Back-Up Servicing Agreement, the Back-Up Servicer shall be entitled to payment of all fees and other monies accrued up to the date of termination in accordance with the Back-Up Servicing Agreement (except for the cases where the Back-Up Servicer has failed to deliver the Initial Preparations Completion Notice or has failed to assume the obligations of the Servicer on or prior the Back-Up Servicer Succession Date).

If the appointment of the Back-Up Servicer under the Back-Up Servicing Agreement is terminated, then for a period of up to six (6) months following such termination (or such other period as may be sufficient to allow the administration of the Receivables and the Ancillary Rights (including the Claims) to be transferred to a Successor Servicer or a replacement back-up servicer) the Back-Up Servicer shall, without being obliged to incur any material cost or assume any liability in connection therewith, use reasonable endeavours to assist the Issuer and/or any Successor Servicer or replacement back-up servicer to: (i) establish and implement a computer system for administering the Receivables and the Ancillary Rights (including the Claims); and (ii) load the data held by the Back-Up Servicer in relation to Debtors and the Receivables and the Ancillary Rights (including the Claims) on to such computer system.

The parties to the Back-Up Servicing Agreement have agreed and acknowledged that upon the resignation or termination of appointment (as applicable) of the Back-Up Servicer, the Back-Up Servicer shall bear commercially reasonable costs incurred in the procurement of a Successor Servicer or a replacement back-up servicer, as applicable.

For the avoidance of doubt, references to the Successor Servicer or replacement back-up servicer entering into an agreement substantially on the same terms as the Servicing Agreement (in respect of the Successor Servicer) or the Back-Up Servicing Agreement shall not result in the Back-Up Servicer, being liable to pay the fees and costs of the Successor Servicer or replacement back-up servicer, as applicable, but shall result in the Issuer being liable to pay such fees and costs, as such fees and costs are agreed between the Issuer and the Successor Servicer or replacement back-up servicer, as applicable.

Without prejudice to any other rights of the Issuer and subject to the appointment of a Successor Servicer or a replacement back-up servicer, as applicable, in accordance with the Back-Up Servicing Agreement, the Back-Up Servicing Agreement may be terminated upon the Issuer having no further interest in any of the Receivables or the Ancillary Rights (including the Claims) and no further commitment under the Receivables Sale Agreement.

Liability of the Back-Up Servicer

Subject to the provisions of the Back-Up Servicing Agreement, the Back-Up Servicer shall have no liability in respect of:

1. any breach by the Servicer (including any agent, delegate, or sub-contractor) under the Servicing Agreement or any other Transaction Document including, for the avoidance of doubt, any operational losses suffered under the Servicing Agreement or subsequent operational losses arising from a cause whilst the Servicer administered the Receivables and the Ancillary Rights (including the Claims) under the Servicing Agreement;
2. any necessary information, documents, deeds, computer tapes, licences or other data not being made freely

available to it in good order and/or in good time for it to assume and/or perform its obligations under the Back-Up Servicing Agreement;

3. anything which the Back-Up Servicing Agreement or any other Transaction Document provides or anticipates will be done by the Back-Up Servicer if the same cannot be done as a result of the Issuer, the Sellers, the Servicer or the Security Trustee being in breach of their obligations under the Back-Up Servicing Agreement or any other Transaction Document (other than due to the default of the Back-Up Servicer);
4. anything done or omitted to be done by the Back-Up Servicer in compliance with any instructions properly given to it by any other person or any discretions properly exercised by any other person, in each case, as contemplated by the Back-Up Servicing Agreement or any other Transaction Document or any other person having failed to give such instruction or exercise such discretions; and
5. any actions or omissions of surveyors, valuers, solicitors, brokers accountants or other professionals or agents properly instructed by the Back-Up Servicer on behalf of the Issuer in connection with the performance by the Back-Up Servicer of its obligations under the Back-Up Servicing Agreement.

Governing Law

The Back-Up Servicing Agreement and any non-contractual obligations arising out of or in connection with it will be governed by Spanish law.

Replacement Servicing Agreement

Other than the specific provisions summarised below, the terms and conditions of the Replacement Servicing Agreement shall be substantially the same as the Servicing Agreement.

Successor Servicing Fees

In accordance with the terms of the Replacement Servicing Agreement, as full compensation for its servicing activities thereunder, the Servicer shall be entitled to receive from the Issuer a monthly successor servicing fee (the **Successor Servicing Fee**), payable in arrears on each Interest Payment Date up to the Final Maturity Date subject to the relevant Priorities of Payment.

During the first three (3) months after the occurrence of the Back-Up Servicer Succession Date, the amount of the Successor Servicing Fee payable on each Interest Payment Date shall be equal to €15,000 per month (VAT or any applicable tax, if any, not inclusive).

Once the first three (3) months after the occurrence of the Back-Up Servicer Succession Date have elapsed, the amount of the Successor Servicing Fee payable on each Interest Payment Date shall be equal to €10,000 per month (VAT or any applicable tax, if any, not inclusive).

The Successor Servicing Fee shall be paid in Euros and shall be calculated with reference to the actual number of days in the relevant Collection Period and a year of 360 days.

Any Successor Servicing Fee accrued but not paid on any Interest Payment Date will be added to the Successor Servicing Fee due on the next occurring Interest Payment Date. For the avoidance of doubt, no default interest (or any other penalty) will accrue on any due but unpaid Successor Servicing Fee.

NPL Management Fees

The recovery fees for Defaulted Receivables if the Default Ratio is lower than five (5) per cent., shall be equal to the lower of (i) an amount equal to the product of fifteen (15) per cent. multiplied by of the aggregate recoveries during the relevant Calculation Period and (ii) an amount equal to the product of 0.5 per cent. multiplied by the aggregate balance of the Receivables Portfolio as at the relevant Calculation Date. In this case, any fees, costs and/expenses related to litigation activity (i.e. fees from legal advisors, court clerks (*procuradores*) and court fees, etc.) shall not exceed an

amount equal to the product of 0.5 per cent. multiplied by the aggregate balance of the Receivables Portfolio as at the relevant Calculation Date.

The recovery fees for Defaulted Receivables if the Default Ratio is higher than five (5) per cent., shall be equal to the lower of (i) an amount equal to the product of ten (10) per cent. multiplied by the aggregate recoveries during the relevant Calculation Period and (ii) an amount equal to the product of one (1) per cent. multiplied by the aggregate balance of the Receivables Portfolio as at the relevant Calculation Date. In this case, any fees, costs and/expenses related to litigation activity (i.e. fees from legal advisors, court clerks (*procuradores*) and court fees, etc.) shall not exceed an amount equal to the product of ten (10) per cent. multiplied by the aggregate balance of the Receivables Portfolio as at the relevant Calculation Date.

The recovery fees for Defaulted Receivables will be payable on each Interest Payment Date (VAT or any applicable tax, if any, not inclusive) in Euros and shall be calculated with reference to the actual number of days in the relevant Collection Period and a year of 360 days.

Issuer Account Bank Agreement

Pursuant to the terms of the Issuer Account Bank Agreement to be entered into on or about the Issue Date between the Issuer, the Issuer Account Bank, the Cash Manager and the Security Trustee, the Issuer will agree to maintain the Revenue Account, the Issuer Collection Account, the Reserve Account and the Irish Issuer Account (together with any additional bank accounts) (the "**Issuer Accounts**") in its name with the Issuer Account Bank.

If the Issuer Account Bank ceases to maintain a long term bank deposits rating, of at least A2 by Moody's, then the Issuer shall use reasonable endeavors to close the Issuer Accounts and transfer such Issuer Accounts (such termination being effective on a replacement account bank being appointed by the Issuer which meets the minimum rating requirements) within a period not exceeding 30 calendar days from the first day on which such downgrade occurred.

The Issuer Account Bank Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Agency Agreement

On or prior to the Issue Date, the Issuer, the Note Trustee, the Security Trustee, the Paying Agent, the Class Z Note Registrar and the Agent Bank will enter into an agency agreement (the "**Agency Agreement**") pursuant to which provision will be made for, among other things, payment of principal and interest in respect of the Notes.

The Agency Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English Law.

Cash Management Agreement

The Issuer, the Cash Manager, the Servicer and the Security Trustee will, on or before the Issue Date, enter into the Cash Management Agreement pursuant to which Intermoney Titulización S.G.F.T. S.A will be appointed to act as the Cash Manager in respect of amounts standing from time to time to the credit of the Issuer Accounts and arrange for payments to be made on behalf of the Issuer from such accounts in accordance with the Priority of Payments.

Cash Management Services

The Cash Manager is required to manage the operation of the Issuer Accounts, and in each case give instructions to the Issuer Account Bank to enable it to perform its obligations. The Cash Manager shall additionally perform certain calculations required under the Transaction Documents necessary for the determination and payment of the various cash flows and shall be responsible for instructing the Issuer Account Bank to effect such payments in accordance with the Priority of Payments and the Transaction Documents.

Pursuant to the Cash Management Agreement, the Cash Manager will provide, *inter alia*, the following services to the Issuer:

- (a) checking, on each Additional Purchase Date, if the Offer Conditions are satisfied as at such Additional Purchase Date and that each of the Portfolio Requirements has been satisfied;
- (b) determine, on each Additional Purchase Date, the amount of Available Funds with respect to such Additional Purchase Date;
- (c) determine, on each Additional Purchase Date, the Receivables Purchase Price for the Eligible Receivables included in the relevant Additional Receivables Sub-Portfolios;
- (d) determining the amounts of Available Revenue Receipts and Available Principal Receipts to be applied on each Interest Payment Date and instructing the Issuer Account Bank to apply the Available Revenue Receipts and Available Principal Receipts on each Interest Payment Date in accordance with the applicable Priority of Payments set out in the Cash Management Agreement;
- (e) determining such amounts as are expressed to be calculations and determinations made by the Cash Manager in accordance with the Conditions of the Notes; and
- (f) preparing the Monthly Cash Manager Reports and the Investor Reports and any payment instructions to be delivered to the Issuer Account Bank and the Paying Agent.

See further the section entitled "*Cash Management*" and the sections "*Overview of the Transaction Documents – Cash Management Agreement*", "*Overview of the Transaction Documents – Cash Management Agreement – Monthly Cash Manager Reports*" and "*Overview of the Transaction Documents – Cash Management Agreement – Investor Reports*" below.

Priorities of Payments

The Priorities of Payments specifying the order in which payments should be made from funds available to the Issuer, are set out in full in the Cash Management Agreement. Prior to service of an Enforcement Notice, on each Interest Payment Date, Available Principal Receipts are applied in accordance with the Pre-Enforcement Principal Priority of Payments and Available Revenue Receipts are applied in accordance with the Pre-Enforcement Revenue Priority of Payments. Following the service of an Enforcement Notice, the Post-Enforcement Priority of Payments will apply. See the section "*Cash Management*" for further detail.

Monthly Cash Manager Reports

The Cash Manager will, on a monthly basis, prepare and publish Monthly Cash Manager Reports. The Monthly Cash Manager Reports will include, among other things, the following information: certain data on the Receivables Portfolio (including information on the assets, Direct Debtor/Indirect Debtor group concentration, statistics on the Defaulted Receivables Issuer Bank Accounts and new purchases and Collections), computation of the relevant Priority of Payments, and information about whether the Issuer has ceased to buy Receivables. The Monthly Cash Manager Report immediately published after the date of the relevant Semi-annual Report or Revised Semi-annual Report, as the case may be, will also state the date of such report, the number of Receivables which were found to be Eligible Receivables and the number of Receivables which were found to be Ineligible Receivables. The Monthly Cash Manager Reports will be prepared by the Cash Manager on each Monthly Cash Manager Report Date. The Monthly Cash Manager Reports will be published by the Cash Manager on each Monthly Cash Manager Report Date and will be available on the website of the Cash Manager at www.imtitulizacion.com.

Investor Reports

The Cash Manager will prepare and publish monthly Investor Reports. The Investor Reports will include, among other things, the details with respect to the amounts of principal and interest made in respect of the Notes, as well as with respect to other payments made by the Issuer and information about whether the Cash Manager has received from the Note Trustee a copy of any Enforcement Notice. The Investor Reports will be published by the Cash Manager no later than three (3) Business Days following each Interest Payment Date and will be available at the website of the Cash Manager at www.imtitulizacion.com.

Please refer to the section entitled "*Regulatory Requirements – Reporting under the Securitisation Regulation*" and to the section entitled "*General Information*" for further information in relation to investor reporting to be provided under the Securitisation Regulation.

Termination of appointment of Cash Manager

The Issuer, with the prior consent of the Security Trustee, may terminate the appointment of the Cash Manager hereunder by giving the Cash Manager 90 calendar days' prior notice (with a copy to the Security Trustee). The Issuer (prior to the service of an Enforcement Notice) or the Security Trustee (after the service of the Enforcement Notice) may at any time terminate the appointment of the Cash Manager under the Cash Management Agreement upon the occurrence of certain events (each a "**Cash Manager Termination Event**"). Such Cash Manager Termination Event will include:

- (a) default by the Cash Manager in the payment, on the due date, of any payment due and payable by it under the Cash Management Agreement where such default (where capable of remedy) continues unremedied for a period of two Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as the case may be, requiring the same to be remedied; or
- (b) a default by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Note Trustee is materially prejudicial to the interests of the Noteholders and such default continues unremedied (where capable of remedy) for a period of ten Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee in its absolute discretion, as the case may be, requiring the same to be remedied; or
- (c) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement; or
- (d) a Cash Manager Insolvency Event occurs.

No termination or resignation of the Cash Manager will be effective until the Issuer has appointed a new cash manager (the "**Replacement Cash Manager**"). In accordance with the terms of the Cash Management Agreement, any Replacement Cash Manager, must:

- (a) in the reasonable opinion of the Issuer have experience of cash management; and
- (b) agree to enter into an agreement on substantially similar terms as the relevant provisions of the Cash Management Agreement (provided that the Security Trustee shall not be obliged to enter into any such arrangements which, in the sole opinion of the Security Trustee would have the effect of (i) exposing the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights, powers, authorities, indemnification or protections, of the Security Trustee in the Transaction Documents) (the "**Replacement Cash Management Agreement**").

The Security Trustee shall give its consent to the termination of the appointment of the Cash Manager and shall give its consent to the appointment of a Replacement Cash Manager, where the Replacement Cash Manager satisfies the criteria set out in paragraphs (a) and (b) above.

The Cash Manager may also resign its appointment on no less than 90 calendar days' prior written notice to the Issuer, the Sellers, the Servicer, the Note Trustee and the Security Trustee. No termination or resignation of the Cash Manager may take effect until a Replacement Cash Manager has been appointed in its place.

Where no suitable entity is found that satisfies the criteria set out above, the Security Trustee and the Issuer may consent to the appointment of an entity as Replacement Cash Manager, such consent not to be unreasonably withheld where the Security Trustee has been directed to do so by an Extraordinary Resolution of the Noteholders.

The Cash Manager has undertaken to indemnify the Issuer and the Security Trustee against any loss, liability, claim or damage suffered or incurred by any such party as a direct result of fraud, gross negligence or wilful default of the Cash Manager in performing any obligation under the Cash Management Agreement and under the other Transaction Documents to which the Cash Manager is a party (in its capacity as such). In addition, pursuant to the terms of the Cash Management Agreement, the Security Trustee shall not be responsible or have any liability if a Replacement Cash Manager cannot be found or appointed in accordance with the terms of the Cash Management Agreement.

In accordance with the terms of the Cash Management Agreement, the Issuer will pay to the Cash Manager for its services an upfront fee and an annual fee as set out in a fee letter dated on or about the Issue Date between the Issuer and the Cash Manager (the "**Cash Management Fees**").

Governing Law

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Trust Deed

The Notes will be constituted pursuant to the Trust Deed to be entered into on or about the Issue Date between the Issuer and the Trustee.

U.S. Bank Trustee Limited will agree to act as Note Trustee subject to the conditions contained in the Trust Deed. The Trust Deed will contain provisions requiring the Note Trustee to have regard to the interests of the holders of all Classes of Notes issued by the Issuer unless in the Note Trustee's opinion there is a conflict between the interests of the holders of one or more different Classes of Notes in which case the Note Trustee will be required to have regard only to the interests of the holders of the Controlling Class.

The Trust Deed will contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and providing for its indemnification in certain circumstances.

The holders of the Controlling Class of Notes may by Extraordinary Resolution remove the Note Trustee by giving not less than 60 days' prior written notice to the Issuer and the Note Trustee provided a replacement is appointed pursuant to the Trust Deed.

The Note Trustee for the time being of the Transaction Documents may retire at any time upon giving not less than 60 days' prior written notice to the Issuer without assigning any reason therefor and without being responsible for any Liabilities occasioned by such retirement. The retirement of any Note Trustee shall not become effective until a replacement Note Trustee has been appointed in respect of each of the Transaction Documents to which it is then a party.

In addition, the Note Trustee shall only be bound to take any action at the direction of the Noteholders if it has been indemnified and/or pre-funded and/or secured to its satisfaction against all liabilities to which it may render itself liable or which it may incur by so doing. Under no circumstances is the Note Trustee required to use its own funds in relation to expenses incurred in connection with the Trust Deed.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed (and as amended from time to time) between the Issuer and the Note Trustee together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under the Trust Deed.

The Conditions of the Notes, including a summary of the provisions regarding Meetings of the Noteholders, are reproduced in full in the section headed "*Terms and Conditions of the Notes*".

The Trust Deed and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Security Deed

On the Issue Date, the Issuer and the Security Trustee (on its own behalf and on behalf of the other Secured Creditors) will enter into the Security Deed.

Transaction Security

Pursuant to the Security Deed, to secure the Secured Liabilities, the Issuer will create security in favor of the Security Trustee for it and the other Secured Creditors as follows:

- (a) a first ranking security interest in respect of the Receivables Portfolio, from time to time;
- (b) a first ranking security interest in respect of the Issuer's contractual rights under the Transaction Documents (other than the Security Deed, the Irish Deed of Charge and the Trust Deed); and
- (c) a first ranking security interest over any Issuer Accounts (other than the Irish Issuer Account) (save to the extent the Issuer has granted security over these pursuant to the Irish Deed of Charge).

The Security Trustee will hold the benefit of the Charged Property under the Security Deed, together with the covenants and undertakings given to it as Security Trustee under the Transaction Documents, on trust for itself and the other Secured Creditors to secure the Secured Liabilities.

Rights over the Proceeds

In the event that the security over the Charged Property under the Security Deed becomes enforceable, the Issuer has granted the Security Trustee the right to direct the Issuer as to how to deal with such Charged Property.

The Secured Creditors will have no right of set-off.

No other Enforcement Rights

Under the terms of the Security Deed, the Issuer will undertake, following the service of an Enforcement Notice, to comply with all directions of the Security Trustee in relation to the management and administration of the Charged Property. The Issuer will also grant irrevocable powers of attorney under English law in favour of the Security Trustee to empower the Security Trustee to take such action in the name of the Issuer as the Security Trustee may deem necessary to protect the interests of Secured Creditors in respect of the Charged Property.

At any time after the Notes shall have become due and repayable and the Transaction Security therefore shall have become enforceable, no Noteholder or any other Secured Creditor will be entitled to proceed directly against the Issuer unless (i) the Note Trustee or, as the case may be, the Security Trustee, having become bound so to proceed, fails to do so within a 60 day period of time and such failure shall be continuing, or (ii) the Note Trustee is unable to do so and such inability is continuing in which case the Secured Creditors (other than the Noteholders to whom the provisions of Condition 10 (Enforcement) apply) will be entitled to take any steps or proceedings against the Issuer for the purposes of recovering any of the Secured Liabilities or enforcing its rights arising out of the Transaction Documents (save for any steps or proceedings in respect of procuring the winding-up, administration or liquidation of the Issuer). The Security Trustee will not be able to enforce the Transaction Security at the request of any Secured Creditor (unless there are no Notes outstanding) and will be obliged to do so pursuant to a direction from the Note Trustee.

The Notes are limited recourse obligations of the Issuer and, if, after the distribution of all the Issuer's assets, there are amounts that are not paid in full, any amounts outstanding will be deemed to be discharged in full and any payment rights are deemed to be extinguished as described in more detail in Condition 16 (*Limited recourse*).

Governing Law

The Security Deed and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Irish Deed of Charge

On the Issue Date, the Issuer and the Security Trustee (on its own behalf and on behalf of the other Secured Creditors) will enter into the Irish Deed of Charge.

Transaction Security

Pursuant to the Irish Deed of Charge, the Issuer will charge and agree to charge by way of:

- (a) a first fixed charge over (or, to the extent not chargeable, an assignment of) all its rights and claims in respect of any amount standing from time to time to the credit of the Issuer Accounts (other than the Irish Issuer Account) in favour of the Security Trustee; and
- (b) a first floating charge in favour of the Security Trustee over any amount standing from time to time to the credit of the Issuer Accounts (other than those subject to the fixed charges or assignments set out in paragraph (a) above and the Irish Issuer Account).

The Security Trustee will hold the benefit of the Charged Property under the Irish Deed of Charge on trust for itself and the other Secured Creditors to secure the Secured Liabilities.

Notwithstanding the security granted over the Issuer Accounts (other than the Irish Issuer Account), the Issuer and the Cash Manager are (prior to service of an Enforcement Notice) permitted to make payments out of such accounts for the purposes, among other things, of making payments and transfers in accordance with the Security Deed, the Irish Deed of Charge, the Cash Management Agreement and the Agency Agreement, and, prior to service of an Enforcement Notice, to make payments to third parties when these fall due.

Rights over the Proceeds

In the event that the security over the Charged Property under the Irish Deed of Charge becomes enforceable, the Issuer has granted the Security Trustee the right to direct the Issuer as to how to deal with such Charged Property.

The Secured Creditors will have no right of set-off.

No other Enforcement Rights

Under the terms of the Irish Deed of Charge, the Issuer will undertake, following the service of an Enforcement Notice, to comply with all directions of the Security Trustee in relation to the management and administration of the Charged Property. The Issuer will also grant irrevocable powers of attorney under Irish law in favour of the Security Trustee to empower the Security Trustee to take such action in the name of the Issuer as the Security Trustee may deem necessary to protect the interests of Secured Creditors in respect of the Charged Property.

At any time after the Notes shall have become due and repayable and the Transaction Security therefore shall have become enforceable, no Noteholder or any other Secured Creditor will be entitled to proceed directly against the Issuer unless (i) the Note Trustee or, as the case may be, the Security Trustee, having become bound so to proceed, fails to do so within a 60 day period of time and such failure shall be continuing, or (ii) the Note Trustee is unable to do so and such inability is continuing in which case the Secured Creditors (other than the Noteholders to whom the provisions of Condition 10 (*Enforcement*) apply will be entitled to take any steps or proceedings against the Issuer for the purposes of recovering any of the Secured Liabilities or enforcing rights arising out of the Transaction Documents (save for any steps or proceedings in respect of procuring the winding-up, administration or liquidation of the Issuer). The Security Trustee will not be able to enforce the Transaction Security at the request of any Secured Creditor (unless there are no Notes outstanding) and will be obliged to do so pursuant to a direction from the Note Trustee.

The Notes are limited recourse obligations of the Issuer and, if, after the distribution of all the Issuer's assets, there are amounts that are not paid in full, any amounts outstanding will be deemed to be discharged in full and any payment rights are deemed to be extinguished as described in more detail in Condition 16 (*Limited recourse*).

Governing Law

The Irish Deed of Charge and any non-contractual obligations arising out of or in connection with it will be governed by Irish law.

Seller Collection Account Pledge Agreements

Pursuant to the Seller Collection Account Pledge Agreements, the Sellers will create security over the claims of the Sellers for reimbursement of the balance from time to time of the Seller Collection Accounts in favour of the Issuer to secure the obligations of each Seller and the Servicer to the Issuer under the Relevant Transaction Documents.

Each Seller Collection Account Pledge Agreement will be governed by Spanish law.

Corporate Services Agreement

On the Issue Date, the Issuer and the Share Trustee will enter into the Corporate Services Agreement with the Corporate Services Provider under which the Corporate Services Provider will agree to provide certain corporate administration services to the Issuer. In return for the services provided, the Corporate Services Provider will receive a fee (exclusive of VAT, if any) paid in accordance with the relevant Priority of Payments on each Interest Payment Date.

The Corporate Services Provider shall use reasonable endeavours to procure the services of another person to provide substantially similar corporate services.

The Corporate Services Provider may resign its appointment upon not less than 60 days' prior written notice to each of the other parties to the Corporate Services Agreement, provided that no resignation by or termination or revocation of the appointment of the Corporate Services Provider shall take effect until a successor has been duly appointed in accordance with the Corporate Services Agreement.

The Issuer may revoke its appointment of the Corporate Services Provider by not less than 60 days' prior written notice to the Corporate Services Provider provided a substitute Corporate Services Provider has been appointed by the Issuer on substantially the same terms as those set out in the Corporate Services Agreement. However, the Issuer may terminate the appointment of the Corporate Services Provider upon giving a notice to the Corporate Services Provider if a material breach is committed by the Corporate Services Provider of any of the terms and conditions of the Corporate Services Agreement, and the Corporate Services Provider fails to remedy the same within 30 days of being required to do so, or an Insolvency Event occurs with respect to the Corporate Services Provider.

If the appointment of the Corporate Services Provider is terminated, the Issuer undertakes that it will forthwith appoint a successor.

The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it will be governed by Irish law.

Subordinated Loan Agreement

Gedesco Factoring, S.L.U. as Subordinated Loan Provider will make available to the Issuer under the Subordinated Loan Agreement the Subordinated Loan which will be advanced to the Issuer on the Issue Date. The Subordinated Loan will be drawn down in the form of a single tranche in an amount equal to fifty per cent. of the Reserve Fund Required Amount and will bear interest at a rate of 8.00% per annum.

Prior to the service of an Enforcement Notice, interest and principal on the Subordinated Loan will be paid on each Interest Payment Date in accordance with the Pre-Enforcement Priorities of Payments.

Following the service of an Enforcement Notice, all amounts due and payable in respect of the Subordinated Loan will be payable in accordance with the Post-Enforcement Priority of Payments.

The Issuer's obligations under the Subordinated Loan Agreement will be secured by the Security Deed but rank behind the claims of the holders of the Rated Notes.

The Subordinated Loan Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

USE OF PROCEEDS

The estimated net proceeds from the issue of the Notes will be €279,743,000.

On the Issue Date, the Issuer will use the net proceeds of the Notes (other than the Class Z Notes) to pay (or cause to be paid) to the relevant Seller the Receivable Purchase Price for the purchase of each Receivable in each Initial Receivables Sub-Portfolio calculated on or around the Issue Date and pay certain fees and expenses of the Issuer incurred in connection with the establishment of the Issuer and the issue of the Notes on the Issue Date. The amount of the gross proceeds of the Class Z Notes will be set-off with the amount of the Receivable Purchase Price for the purchase of each Receivable in each Initial Receivables Sub-Portfolio calculated on or around the Issue Date. The Reserve Account will be funded by way of Subordinated Loan from Gedesco Factoring, S.L.U. in an amount equal to fifty per cent. of the Reserve Fund Required Amount.

WEIGHTED AVERAGE LIFE OF THE NOTES

The average lives of the Notes cannot be stated, as the actual rate of repayment of the Receivables and a number of other relevant factors are unknown. However, calculations of the possible average lives of the Notes can be made based on certain assumptions. For example, based on the assumptions that:

- (a) the Portfolio Option Holder exercises the Portfolio Repurchase Option to repurchase the entire Receivables Portfolio on the Revolving Period End Date and as a consequence the Notes are redeemed on the First Optional Redemption Date, in the first scenario, or the Portfolio Option Holder does not exercise the Portfolio Repurchase Option to repurchase the entire Receivables Portfolio on or after the Revolving Period End Date in the second scenario;
- (b) the Receivables are not subject to prepayment;
- (c) the assets of the Issuer are not sold except as may be necessary to enable the Issuer to realise sufficient funds to exercise its option to redeem the Rated Notes;
- (d) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
- (e) no Debtors are offered and accept different products by the Sellers and the Sellers are not required to repurchase any Receivables in accordance with the Receivable Sale Agreement;
- (f) the Security is not enforced;
- (g) the Receivables continue to be fully performing;
- (h) the Principal Amount Outstanding of:
 - (i) the Class A Notes is €225,000,000;
 - (ii) the Class B Notes is €15,000,000;
 - (iii) the Class C Notes is €15,000,000;
 - (iv) the Class D Notes is €7,500,000;
 - (v) the Class E Notes is €7,500,000;
 - (vi) the Class F Notes is €15,000,000; and
 - (vii) the Class Z Notes is €15,000,000
- (i) the Notes are issued on or about 4 March 2020;
- (j) the Revolving Period ends on the Interest Payment Date falling in December 2022;
- (k) the Receivables are sold to the Issuer for value as at the Cut-Off Date, therefore the accrual of cashflows starts at the Cut-Off Date;
- (l) the statistical calculation date of the Receivables is 31 December 2019 and the Cut-Off Date (for these purposes) is 31 December 2019;
- (m) the Weighted Average Life of each Note is calculated on an Act/360 basis;
- (n) Amounts credited to the Irish Issuer Account have a yield of 0 per cent.;

- (o) 1 month EURIBOR is -0.40 per cent.;
- (p) the characteristics of the Receivables as at the Cut-Off Date are assumed to be in accordance with the table below:

Days to maturity	% Portfolio	Principal %
0-29	22.04%	96.76%
30-59	24.40%	96.28%
60-89	18.95%	95.30%
90-119	9.19%	92.46%
120-149	6.94%	93.23%
150-179	3.82%	90.85%
180-209	1.60%	90.53%
210-239	1.60%	90.54%
240-269	1.05%	90.23%
270-299	1.98%	90.94%
300-329	0.99%	91.47%
330-359	7.44%	92.41%

- (q) during the Revolving Period, principal collections will be used to purchase further receivables in accordance with the table below:

Days to maturity	% Portfolio	Principal %
0-29	18.30%	98.99%
30-59	29.63%	98.19%
60-89	20.99%	96.93%
90-119	13.57%	95.91%
120-149	6.03%	95.15%
150-179	4.67%	94.84%
180-209	2.73%	93.01%
210-239	1.04%	92.51%
240-269	0.69%	91.67%

270-299	0.78%	91.03%
300-329	0.77%	89.26%
330-359	0.80%	88.75%

Assumption (a) above reflects the current intention of the Issuer but no assurance can be given that such assumption will occur as described.

Assumptions (b) to (k) (inclusive) relate to circumstances which are not predictable.

The average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic. They must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of the average lives estimated above, see the section entitled " *Risk Factors – The Issuer's ability to meet its obligations under the Notes may be affected by the performance of the Receivables Portfolio*" above.

Redemption on the First Optional Redemption Date

(Assuming the Portfolio Repurchase Option is called by the Portfolio Option Holder on the Revolving Period End Date)					
Possible Average Life (in years) of:					
Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
2.93	2.93	2.93	2.93	2.93	2.93

No Redemption on the First Optional Redemption Date

(Assuming the Portfolio Repurchase Option is not called by the Portfolio Option Holder on or after the Revolving Period End Date)					
Possible Average Life (in years) of:					
Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
3.00	3.14	3.18	3.18	3.24	3.28

THE PROVISIONAL INITIAL RECEIVABLES PORTFOLIO

General

Information contained in this section is based on the Provisional Initial Receivables Portfolio as at 31 July 2019.

The Provisional Initial Receivables Portfolio will comprise the portfolio of Eligible Receivables (and certain Ancillary Rights, including Claims) subscribed, acquired or originated as applicable by the Sellers under certain Funding Documents.

The Initial Receivables Portfolio transferred on the Issue Date may differ from the Provisional Initial Receivables Portfolio due to new Receivables being originated by the Sellers between 31 July 2019 and the Issue Date, any repayments of Receivables occurring or enforcement procedures being completed between 31 July 2019 and the Issue Date or if the Receivables do not comply with the Eligibility Criteria during the period between the Cut-Off Date and the Issue Date. The benefit of all Collections from the Initial Receivables Portfolio received during the period from the Cut-Off Date to the Issue Date will be for the account of the Issuer.

Representations and warranties in respect of the Receivables Portfolio

None of the Issuer or the Cash Manager has undertaken or will undertake any investigation to verify the details of the Receivables Portfolio and it will rely solely on the information, representations and warranties given by the Sellers to the Issuer pursuant to the Receivables Sale Agreement. Pursuant to the Receivables Sale Agreement, each Seller will make, in relation to the Receivables and Claims sold by it, certain representations and warranties to the Issuer regarding, among other things, its status and the validity of the Receivables and Claims sold by it and the Funding Documents to which the relevant Seller is a party. Such representations and warranties will be given by each Seller to the Issuer on each relevant Purchase Date in respect of the Receivables sold by it on that Purchase Date.

For more detailed information on the representations and warranties in respect of the Receivables Portfolio please refer to the section headed "*Overview of the Transaction Documents*".

The statistical and other information contained in this section has been compiled by reference to the Provisional Initial Receivables Portfolio as at 31 July 2019.

The information contained in this section will not be updated to reflect any change in the size of the Initial Receivables Portfolio from that of the Provisional Initial Receivables Portfolio.

As at 31 July 2019, the Provisional Initial Receivables Portfolio had the following characteristics:

Direct Debtor Concentration Table	Eligible Balance (€)	Eligible Balance (%)	Direct Debtors (#)	Contracts (#)
Top 1 Debtor	16,402,565	4.59	1.00	61
Top 5 Debtors	61,886,025	17.30	5.00	1,011
Top 10 Debtors	100,052,693	27.97	10.00	1,058
Top 20 Debtors	155,981,543	43.61	20.00	1,367
Top 50 Debtors	245,607,830	68.67	50.00	2,039
Top 100 Debtors	290,997,978	81.36	100.00	2,878
Total	357,684,273	100.00	1,634	9,302

Product Type	Balance (€)	Balance (%)	Direct Debtors (#)	Contracts (#)
Direct Lending	213,148,259	59.59	136	1,002
Factoring	35,749,504	9.99	258	1,799
Promissory Notes	108,786,510	30.41	1,288	6,501

Total	357,684,273	100.00	1,634	9,302
-------	-------------	--------	-------	-------

Unlevered Annual Return	Balance (€)	Balance (%)	Direct Debtors (#)	Contracts (#)
a) <= 0%	0	0.00	0	0
b) >0.0% to <=5.0%	33,164,030	9.27	662	1,981
c) >5.0% to <=10.0%	91,897,202	25.69	103	592
d) >10.0% to <=15.0%	92,338,127	25.82	241	1,017
e) >15.0% to <=20.0%	97,326,631	27.21	333	1,218
f) >20.0% to <=25.0%	16,411,519	4.59	442	1,120
g) >25.0% to <=30.0%	13,540,144	3.79	410	1,234
h) >30.0%	13,006,621	3.64	868	2,140
Total	357,684,273	100.00	1,634	9,302

Contract Size	Balance (€)	Balance (%)	Direct Debtors (#)	Contracts (#)
a) >0 to <=50,000	70,825,037	19.80	1,509	8,280
b) >50,000 to <=100,000	32,352,823	9.05	144	448
c) >100,000 to <=250,000	50,367,813	14.08	78	320
d) >250,000 to <=500,000	58,509,415	16.36	41	140
e) >500,000 to <=1,000,000	73,783,955	20.63	29	93
f) >1,000,000 to <=2,000,000	14,766,442	4.13	10	10
g) >2,000,000	57,078,789	15.96	8	11
Total	357,684,273.180	100.00	1,634	9,302

Debtor Size	Balance (€)	Balance (%)	Direct Debtors (#)	Contracts (#)
a) >0 to <=100,000	33,523,863	9.37	1,366	4,795
b) >100,000 to <=500,000	34,628,827	9.68	171	1,681
c) >500,000 to <=1,000,000	25,089,895	7.01	33	487
d) >1,000,000 to <=2,500,000	46,023,416	12.87	27	543
e) >2,500,000 to <=5,000,000	82,343,425	23.02	21	484
f) >5,000,000 to <=10,000,000	92,086,131	25.75	13	331
g) >10,000,000	43,988,716	12.30	3	981
Total	357,684,273.18	100.00	1,634	9,302

Original Days to Maturity	Balance (€)	Balance (%)	Direct Debtors (#)	Contracts (#)
b) 0 - 30 days	6,937,787	1.94	178	455
c) 30 - 90 days	116,036,050	32.44	1,165	4,181
d) 90 - 180 days	120,014,011	33.55	656	3,714
e) 180 - 360 days	72,471,174	20.26	124	827
f) 360+ days	42,225,251	11.81	46	125
Total	357,684,273	100.00	1,634	9,302

Remaining Term	Balance (€)	Balance (%)	Direct Debtors (#)	Contracts (#)
a) Past Maturity	0	0.00	0	0
b) 0 - 30 days	74,445,756	20.81	901	2,736
c) 30 - 90 days	144,477,246	40.39	1,144	4,706
d) 90 - 180 days	82,152,046	22.97	298	1,417
e) 180 - 360 days	54,609,225	15.27	58	439
f) 360+ days	2,000,000	0.56	1	4
Total	357,684,273	100.00	1,634	9,302

Company category	Balance (€)	Balance (%)	Direct Debtors (#)	Contracts (#)
a) Micro	78,855,596	22.05	574	2,673
b) Small	46,434,653	12.98	472	2,100
c) Medium-Sized	76,636,054	21.43	269	2,286
d) Large	101,645,946	28.42	141	1,602
e) Company Data not Available	54,112,024	15.13	178	641
Total	357,684,273	100.00	1,634	9,302

Internal Rating	Balance (€)	Balance (%)	Direct Debtors (#)	Contracts (#)
A	274,681,033	76.79	347	3,826
B	42,497,937	11.88	581	2,267
C	40,505,303	11.32	706	3,209
Total	357,684,273	100.00	1,634	9,302

Industry	Balance (€)	Balance (%)	Direct Debtors (#)	Contracts (#)
Aerospace & Defense	54,245	0.02	2	6
Automotive	1,417,675	0.40	22	185
Beverage, Food & Tobacco	12,303,323	3.44	67	237
Capital Equipment	21,173,449	5.92	236	1,062
Chemicals, Plastics, & Rubber	4,587,393	1.28	29	100
Construction & Building	101,665,534	28.42	339	2,551
Consumer goods: Non-durable	7,722,606	2.16	36	180
Containers, Packaging & Glass	23,977	0.01	1	1
Energy: Electricity	3,504,466	0.98	56	211
Environmental Industries	1,124,825	0.31	11	81
FIRE: Finance	5,893,593	1.65	5	10
Forest Products & Paper	10,353,196	2.89	43	292
Healthcare & Pharmaceuticals	1,660,257	0.46	11	58

Hotel, Gaming & Leisure	9,642,557	2.70	47	181
Media: Advertising, Printing & Publishing	698,225	0.20	15	63
Media: Broadcasting & Subscription	540,822	0.15	8	98
Metals & Mining	27,936,174	7.81	55	242
Retail	54,217,411	15.16	230	1,572
Services: Business	15,868,598	4.44	66	248
Services: Consumer	28,261,525	7.90	70	327
Sovereign & Public Finance	36,416,754	10.18	121	774
Transportation: Cargo	4,102,857	1.15	111	536
Transportation: Consumer	6,921,844	1.94	22	76
Utilities: Electric	980,879	0.27	12	103
Utilities: Oil & Gas	337,835	0.09	9	40
Wholesale	274,257	0.08	10	68
Total	357,684,273	100.00	1,634	9,302

HISTORICAL DEFAULT AND LOSS PERFORMANCE

The tables in this section relate to the historical default and loss performance information of (i) Receivables originated (A) by the Sellers (other than Gedesco Factoring) during a period of at least five (5) years ending in December 2018, and (B) in respect of Gedesco Factoring, in the three-year period between March 2016 (being the date of commencement of operations of Gedesco Factoring) and December 2018, and which had a maturity date prior to 31 May 2019, such selection being made in consideration of the 60-day default definition of Factoring Receivables and the payments/recoveries data available as at 31 July 2019 and (ii) payments/recoveries collected in the period between January 2008 and July 2019.

The tables in this section have been prepared by the Sellers and are made available to potential investors for the purposes of Article 22(1) of the Securitisation Regulation. The historical default and loss performance information relating to Gedesco Factoring set out in this section “*Historical Default and Loss Performance*” of this Prospectus can be considered to be comparable to the historical default and loss performance information of the Sellers other than Gedesco Factoring also set out in this section “*Historical Default and Loss Performance*”.

The Receivables to be purchased by the Issuer will have similar characteristics to those of the Receivables analysed for the preparation of the historical default and loss performance information.

Historical default and loss performance per Product

In the following tables, under the column referring to Product on such table, (i) Direct Lending refers to any Receivable originated under a Promissory Notes Program or Loan Agreement, (ii) Promissory Notes refers to any Receivable originated under a Promissory Note Agreement and (iii) Factoring refers to any Receivable originated under a Factoring Agreement.

Total Portfolio	Origination Period	Sales (EUR mln)	Balance Outstanding at Default Date	60-day Loss Rate	60-day Recovery Rate	360-day Loss Rate	360-day Recovery Rate
Total	2008	154	3.47%	2.26%	34.99%	1.57%	54.92%
Total	2009	137	2.20%	1.37%	37.52%	0.88%	59.93%
Total	2010	198	5.20%	2.91%	44.10%	1.64%	68.50%
Total	2011	218	4.42%	3.23%	26.90%	2.40%	45.74%
Total	2012	240	5.79%	4.24%	26.87%	1.99%	65.62%
Total	2013	301	6.97%	4.77%	31.51%	2.23%	68.01%
Total	2014	658	4.71%	1.88%	60.07%	1.14%	75.75%
Total	2015	1,014	2.11%	1.05%	50.16%	0.64%	69.46%
Total	2016	1,155	7.39%	2.19%	70.37%	1.80%	75.69%
Total	2017	1,260	3.98%	1.99%	50.07%	1.42%	64.41%
Total	2018	1,475	1.66%	0.96%	42.47%	0.19%	88.82%

Product	Origination Period	Sales (EUR mln)	Balance Outstanding at Default Date	60-day Loss Rate	60-day Recovery Rate	360-day Loss Rate	360-day Recovery Rate
Direct Lending	2012	2	38.73%	19.27%	50.23%	16.63%	57.06%
Direct Lending	2013	10	32.70%	17.34%	46.96%	4.94%	84.88%
Direct Lending	2014	151	3.14%	1.70%	45.77%	0.77%	75.32%
Direct Lending	2015	426	1.49%	0.45%	69.44%	0.40%	73.33%
Direct Lending	2016	568	12.46%	2.86%	77.05%	2.54%	79.59%

Direct Lending	2017	560	4.13%	1.37%	66.71%	1.26%	69.45%
Direct Lending	2018	655	1.25%	0.64%	48.82%	0.06%	95.00%
Factoring	2008	7	3.94%	3.94%	0.00%	3.94%	0.00%
Factoring	2009	3	16.82%	4.71%	71.98%	1.68%	89.99%
Factoring	2010	8	32.47%	29.63%	8.75%	12.87%	60.37%
Factoring	2011	3	18.36%	14.67%	20.12%	3.33%	81.84%
Factoring	2012	16	21.45%	17.75%	17.23%	0.81%	96.22%
Factoring	2013	33	26.94%	19.50%	27.63%	8.50%	68.44%
Factoring	2014	197	4.09%	2.46%	39.71%	1.65%	59.51%
Factoring	2015	260	1.19%	0.86%	27.96%	0.48%	59.55%
Factoring	2016	285	2.45%	1.51%	38.26%	0.99%	59.74%
Factoring	2017	388	4.27%	2.86%	32.96%	1.68%	60.58%
Factoring	2018	395	2.04%	1.20%	41.23%	0.40%	80.56%
Promissory Notes	2008	147	3.45%	2.18%	36.88%	1.45%	57.89%
Promissory Notes	2009	134	1.88%	1.30%	30.93%	0.86%	54.18%
Promissory Notes	2010	190	4.03%	1.76%	56.30%	1.16%	71.30%
Promissory Notes	2011	215	4.22%	3.07%	27.33%	2.39%	43.44%
Promissory Notes	2012	222	4.41%	3.14%	28.92%	1.98%	55.14%
Promissory Notes	2013	258	3.49%	2.44%	29.87%	1.34%	61.67%
Promissory Notes	2014	310	5.86%	1.59%	72.80%	0.99%	83.05%
Promissory Notes	2015	328	3.65%	1.98%	45.68%	1.09%	69.97%
Promissory Notes	2016	302	2.51%	1.57%	37.61%	1.15%	54.03%
Promissory Notes	2017	312	3.34%	1.99%	40.31%	1.36%	59.32%
Promissory Notes	2018	425	1.93%	1.21%	37.34%	0.18%	90.75%

Historical default and loss performance per Seller

Seller	Origination Period	Sales (EUR mln)	Balance Outstanding at Default Date	60-day Loss Rate	60-day Recovery Rate	360-day Loss Rate	360-day Recovery Rate
Gedesco Factoring	2016	83	2.91%	1.65%	43.40%	1.11%	61.96%
Gedesco Factoring	2017	246	3.56%	2.37%	33.38%	1.42%	60.21%
Gedesco Factoring	2018	291	1.60%	1.01%	36.99%	0.38%	76.47%
Gedesco Services Spain	2008	154	3.47%	2.26%	34.99%	1.57%	54.92%
Gedesco Services Spain	2009	120	1.31%	0.63%	52.08%	0.36%	72.37%
Gedesco Services Spain	2010	112	1.15%	0.35%	69.21%	0.13%	88.64%
Gedesco Services Spain	2011	115	0.82%	0.50%	39.50%	0.33%	59.27%
Gedesco Services Spain	2012	129	1.20%	0.62%	48.20%	0.26%	77.91%
Gedesco Services Spain	2013	149	1.15%	0.92%	20.24%	0.47%	58.87%
Gedesco Services Spain	2014	200	1.14%	0.43%	62.00%	0.09%	91.68%
Gedesco Services Spain	2015	240	2.51%	1.44%	42.64%	0.50%	79.93%

Gedesco Services Spain	2016	183	1.27%	0.69%	45.92%	0.52%	58.65%
Gedesco Services Spain	2017	249	2.32%	1.69%	26.98%	0.98%	57.86%
Gedesco Services Spain	2018	264	1.75%	1.39%	20.97%	0.34%	80.63%
Pagaralia	2009	17	7.35%	5.72%	22.15%	4.68%	36.32%
Pagaralia	2010	87	10.40%	6.20%	40.38%	3.58%	65.55%
Pagaralia	2011	104	8.40%	6.26%	25.54%	4.68%	44.28%
Pagaralia	2012	111	11.15%	8.45%	24.20%	4.00%	64.09%
Pagaralia	2013	151	12.72%	8.58%	32.51%	3.97%	68.82%
Pagaralia	2014	145	10.65%	6.92%	35.04%	4.43%	58.41%
Pagaralia	2015	168	4.38%	2.83%	35.43%	1.79%	59.16%
Pagaralia	2016	180	6.14%	3.74%	39.00%	2.59%	57.87%
Pagaralia	2017	114	6.23%	3.41%	45.23%	2.18%	64.99%
Pagaralia	2018	78	6.36%	3.82%	40.01%	0.52%	91.86%
Toro Finance ⁵	2009	1	31.73%	25.52%	19.56%	0.00%	100.00%
Toro Finance ⁶	2010	0	52.03%	0.00%	100.00%	0.00%	100.00%
Toro Finance ⁷	2013	0	0.00%	0.00%	100.00%	0.00%	100.00%
Toro Finance	2014	313	4.24%	0.47%	88.88%	0.29%	93.20%
Toro Finance	2015	606	1.32%	0.40%	69.43%	0.38%	71.06%
Toro Finance	2016	709	9.81%	2.24%	77.11%	2.00%	79.57%
Toro Finance	2017	650	4.37%	1.70%	61.11%	1.45%	66.89%
Toro Finance	2018	841	1.22%	0.54%	55.85%	0.04%	96.65%

Internal Rating	Origination Period	Sales (EUR mln)	Balance Outstanding at Default Date	60-day Loss Rate	60-day Recovery Rate	360-day Loss Rate	360-day Recovery Rate
A	2008	4	1.36%	0.00%	99.95%	0.00%	99.95%
A	2009	72	1.32%	0.66%	49.63%	0.36%	72.77%
A	2010	108	4.46%	2.78%	37.72%	1.15%	74.19%
A	2011	116	1.33%	0.97%	27.14%	0.44%	67.29%
A	2012	105	4.34%	3.03%	30.03%	0.25%	94.31%
A	2013	82	3.99%	3.08%	22.96%	1.29%	67.82%
A	2014	230	5.00%	0.50%	89.98%	0.40%	92.01%
A	2015	495	1.47%	0.84%	42.84%	0.32%	78.38%
A	2016	709	6.42%	2.56%	60.05%	2.25%	64.90%

⁵ The data for the period 2009 – 2013 relates to the origination of Receivables by subsidiaries other than Toro Finance, S.L.U. prior to the commencement of operations of Toro Finance, S.L.U. in January 2014. When Toro Finance S.L.U. commenced its operations in January 2014, origination data on the Gedesco Group internal systems relating to Receivables originated by entities other than the Sellers was re-assigned to Toro Finance, S.L.U. for product-related data reclassification purposes.

⁶ The data for the period 2009 – 2013 relates to the origination of Receivables by subsidiaries other than Toro Finance, S.L.U. prior to the commencement of operations of Toro Finance, S.L.U. in January 2014. When Toro Finance S.L.U. commenced its operations in January 2014, origination data on the Gedesco Group internal systems relating to Receivables originated by entities other than the Sellers was re-assigned to Toro Finance, S.L.U. for product-related data reclassification purposes.

⁷ The data for the period 2009 – 2013 relates to the origination of Receivables by subsidiaries other than Toro Finance, S.L.U. prior to the commencement of operations of Toro Finance, S.L.U. in January 2014. When Toro Finance S.L.U. commenced its operations in January 2014, origination data on the Gedesco Group internal systems relating to Receivables originated by entities other than the Sellers was re-assigned to Toro Finance, S.L.U. for product-related data reclassification purposes.

A	2017	840	3.65%	1.56%	57.20%	1.13%	68.88%
A	2018	1,099	1.21%	0.58%	51.99%	0.08%	93.44%
B	2008	2	1.20%	0.19%	83.89%	0.00%	99.94%
B_----	2009	25	1.55%	1.02%	34.23%	0.64%	58.68%
B	2010	26	0.26%	0.12%	51.91%	0.06%	77.62%
B	2011	28	1.82%	1.15%	36.82%	0.95%	47.86%
B	2012	31	0.96%	0.83%	14.27%	0.60%	37.82%
B	2013	33	4.04%	3.39%	16.02%	2.20%	45.57%
B	2014	171	0.82%	0.12%	84.97%	0.09%	89.52%
B	2015	279	0.70%	0.46%	35.33%	0.30%	57.33%
B	2016	252	2.04%	0.85%	58.48%	0.54%	73.49%
B	2017	255	3.95%	2.58%	34.71%	1.96%	50.27%
B	2018	222	2.05%	1.49%	27.46%	0.44%	78.70%
C	2008	149	3.55%	2.34%	34.18%	1.62%	54.31%
C	2009	41	4.15%	2.84%	31.45%	1.95%	53.00%
C	2010	64	8.47%	4.26%	49.68%	3.11%	63.31%
C	2011	74	10.21%	7.54%	26.19%	6.00%	41.22%
C	2012	104	8.71%	6.47%	25.70%	4.17%	52.18%
C	2013	186	8.79%	5.76%	34.46%	2.65%	69.85%
C	2014	257	7.02%	4.27%	39.14%	2.50%	64.35%
C	2015	240	5.06%	2.18%	56.98%	1.72%	66.05%
C	2016	194	17.92%	2.57%	85.68%	1.76%	90.18%
C	2017	165	5.69%	3.23%	43.27%	1.99%	65.02%
C	2018	153	4.36%	2.88%	33.80%	0.59%	86.55%

Delinquencies

Quarter Ending	Total Balance (EUR mln)	> 30 <= 90 Days Past Due	> 90 <= 180 Days Past Due	>180 <= 360 Days Past Due
31-Mar-2014	91	3.2%	3.9%	3.7%
30-Jun-2014	94	3.2%	4.8%	5.5%
30-Sep-2014	129	1.1%	1.8%	4.4%
31-Dec-2014	134	1.2%	1.0%	3.8%
31-Mar-2015	153	3.0%	1.6%	1.5%
30-Jun-2015	197	1.1%	2.0%	1.5%
30-Sep-2015	168	0.8%	1.5%	3.6%
31-Dec-2015	215	0.7%	0.8%	2.9%
31-Mar-2016	222	1.6%	1.0%	1.7%
30-Jun-2016	202	0.6%	1.1%	1.5%
30-Sep-2016	194	1.0%	0.8%	1.8%
31-Dec-2016	269	0.9%	1.1%	1.2%

31-Mar-2017	288	4.1%	0.8%	1.2%
30-Jun-2017	276	1.2%	4.6%	1.5%
30-Sep-2017	254	2.7%	2.3%	5.7%
31-Dec-2017	280	1.9%	2.4%	6.2%
31-Mar-2018	270	3.5%	2.3%	4.3%
30-Jun-2018	278	1.2%	3.4%	3.9%
30-Sep-2018	287	0.9%	1.0%	4.7%
31-Dec-2018	331	1.3%	0.8%	3.1%
31-Mar-2019	343	0.6%	1.4%	1.3%
30-Jun-2019	377	0.4%	0.5%	1.5%

CASH MANAGEMENT

Pursuant to the Issuer Account Bank Agreement and the Cash Management Agreement, each to be dated on or about the Issue Date, the Issuer Account Bank and the Cash Manager will provide the Issuer (respectively) (i) in the case of the Issuer Account Bank, with certain account holding services and (ii) in the case of the Cash Manager, with certain notification, calculation, reporting and other cash management services in relation to monies from time to time standing to the credit of the Issuer Accounts.

Cash Flows

Pursuant to the Servicing Agreement, the Servicer will procure that all relevant Collections in respect of the Receivables Portfolio are credited to the Seller Collection Accounts and transferred on a daily basis to the Issuer Collection Account.

Pursuant to the Servicing Agreement, the Servicer will procure that all Collections in respect of the Receivables Portfolio are credited to the Seller Collection Accounts and transferred to the Issuer Collection Account. The Servicer shall ensure that all amounts paid to a Seller Connection Account in respect of:

- (a) PN Receivables arising under Promissory Notes Programs, PN Claims and Loan Receivables comprised in the Receivables Portfolio are transferred within one (1) Business Day of receipt to the Issuer Collection Account; and
- (b) Factoring Receivables (including PN Receivables arising under Factoring Agreements), Factoring Claims and PN Receivables arising under Promissory Note Agreements comprised in the Receivables Portfolio are transferred within five (5) Business Days of receipt to the Issuer Collection Account.

Pursuant to the Cash Management Agreement, the Cash Manager will make the necessary determinations and calculations in order to: (a) determine Available Revenue Receipts and Available Principal Receipts to be distributed on each Interest Payment Date in accordance with the applicable Priority of Payments (see section "*Priorities of Payments*" below); and (b) during the Revolving Period, determine the Available Funds relevant to each Additional Purchase Date and perform calculations, determinations and transfers in connection with the purchase of each Additional Receivables Portfolio (see section "*Determinations and payments in connection with purchases of Additional Receivables Portfolios*" below).

Pursuant to the Cash Management Agreement, the Cash Manager has agreed to instruct the Issuer Account Bank to make the necessary transfers to give effect to the payments required to be made on each Interest Payment Date and, during the Revolving Period, in connection with the purchase of each Additional Receivables Portfolio on each Additional Purchase Date, and the Issuer Account Bank has agreed to comply with the directions of the Cash Manager until such time as the Cash Manager receives a copy of an Enforcement Notice served by the Note Trustee on the Issuer or has notice of any enforcement action taken by the Security Trustee, to effect payments from the Issuer Accounts (other than the Irish Issuer Account).

The Cash Management Agreement also sets out the priority of distributions following the service of an Enforcement Notice and the enforcement of the Transaction Security (see section "*Priorities of Payments – Post-Enforcement Priority of Payments*" below).

Priorities of Payments

No later than on the Determination Date immediately following each Calculation Date, the Cash Manager will make the necessary determinations and calculations under the Transaction Documents, and in particular will determine the Available Revenue Receipts and Available Principal Receipts to be distributed on the immediately following Interest Payment Date.

Pre-Enforcement Revenue Priority of Payments

One Business Day prior to each Interest Payment Date, the Cash Manager (on behalf of the Issuer) shall instruct the Issuer Account Bank to apply or provide for application of the Available Revenue Receipts on the relevant Interest Payment Date in accordance with the following priority of payments (the "**Pre-Enforcement Revenue Priority of Payments**"), provided that the value date for such payments is the relevant Interest Payment Date, in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *first*, the Trustee Expenses;
- (b) *second*, the Expenses (excluding the Servicing Fees);
- (c) *third*, the Servicing Fees;
- (d) *fourth*, the Third-Party Expenses;
- (e) *fifth*, payment of the Issuer Profit Amount to the Irish Issuer Account;
- (f) *sixth*, all Interest Amounts due and payable on the Class A Notes;
- (g) *seventh*, amounts to be credited to the Class A Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (h) *eighth*, replenish the Reserve Account to the Reserve Fund Required Amount;
- (i) *ninth*, all Interest Amounts due and payable on the Class B Notes;
- (j) *tenth*, amounts to be credited to the Class B Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (k) *eleventh*, all Interest Amounts due and payable on the Class C Notes;
- (l) *twelfth*, amounts to be credited to the Class C Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (m) *thirteenth*, all Interest Amounts due and payable on the Class D Notes;
- (n) *fourteenth*, amounts to be credited to the Class D Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (o) *fifteenth*, all Interest Amounts due and payable on the Class E Notes;
- (p) *sixteenth*, amounts to be credited to the Class E Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (q) *seventeenth*, all Interest Amounts due and payable on the Class F Notes;
- (r) *eighteenth*, amounts to be credited to the Class F Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (s) *nineteenth*, amounts to be credited to the Class Z Principal Deficiency Sub-Ledger and applied as Available Principal Receipts until any debit balance is reduced to zero;
- (t) *twentieth*, if the relevant Interest Payment Date falls during the Amortisation Period, all remaining Available Revenue Receipts to be applied as Available Principal Receipts pursuant to the Pre-Enforcement Principal Priority of Payments;
- (u) *twenty-first*, if the relevant Interest Payment Date falls during the Revolving Period, any interest due and payable on the Subordinated Loan;

- (v) *twenty-second*, if the relevant Interest Payment Date falls during the Revolving Period, any principal amount due and payable on the Subordinated Loan; and
- (w) *twenty-third*, if the relevant Interest Payment Date falls during the Revolving Period, the Class Z Notes Interest Amount due and payable on Class Z Notes.

Pre-Enforcement Principal Priority of Payments

Prior 11:00a.m. (Madrid time) on each Interest Payment Date, the Cash Manager (on behalf of the Issuer) shall instruct the Issuer Account Bank to apply or provide for application of the Available Principal Receipts on such Interest Payment Date, in accordance with the following priority of payments (the "**Pre-Enforcement Principal Priority of Payments**"), provided that the value date for such payments is such Interest Payment Date, in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *first*, the payment on a sequential basis of the amounts referred to in paragraphs (a), (b), (c), (d), (e), (f), (h), (i), (k), (m), (o) and (q) of the Pre-Enforcement Revenue Priority Payments above, but only to the extent not paid in full thereunder and subject to the relevant PDL Condition being satisfied (each such amount used to meet such shortfall, a "**Principal Addition Amount**");
- (b) *second*, if the relevant Interest Payment Date falls (x) during the Revolving Period and a Cash Collateral Ratio Trigger Event has occurred that is continuing and for an amount corresponding to the Excess Cash, or (y) after the Revolving Period, to the payment of:
 - (i) *first*, any outstanding principal on the Class A Notes;
 - (ii) *second*, any outstanding principal on the Class B Notes;
 - (iii) *third*, any outstanding principal on the Class C Notes;
 - (iv) *fourth*, any outstanding principal on the Class D Notes;
 - (v) *fifth*, any outstanding principal on the Class E Notes;
 - (vi) *sixth*, any outstanding principal on the Class F Notes;
 - (vii) *seventh*, any interest due and payable on the Subordinated Loan, up to the amount (if any) not paid under such item and on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments;
 - (viii) *eighth*, any principal amount due and payable on the Subordinated Loan, up to the amount (if any) not paid under such item and on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments;
 - (ix) *ninth*, any outstanding principal on the Class Z Notes;
 - (x) *tenth*, Class Z Notes Interest Amount due and payable on the Class Z Notes.

On the Final Maturity Date, any amount remaining after payment of all sums due in accordance with the Pre-Enforcement Principal Priority of Payments and the Pre-Enforcement Revenue Priority of Payments shall be paid on a pro rata basis to the Class Z Noteholder as Class Z Note Interest Amounts.

Post-Enforcement Priority of Payments

The Cash Management Agreement and the Security Deed set out the priority of distribution by the Security Trustee following the service of an Enforcement Notice and the enforcement of the Transaction Security. In these circumstances, the Security Trustee (or receiver appointed on its behalf) will apply or instruct the Cash Manager to apply amounts received or recovered following enforcement of the Transaction Security in the following order of priority (the "**Post-Enforcement Priority of Payments**"), in each case, only to the extent that payments of a higher order of priority have been made in full:

- (a) *first*, the Trustee Expenses;

- (b) *second*, the Expenses (excluding the Servicing Fees);
- (c) *third*, the Servicing Fees;
- (d) *fourth*, the Third-Party Expenses;
- (e) *fifth*, the Issuer Profit Amount to the Irish Issuer Account;
- (f) *sixth*, all Interest Amounts due and payable on the Class A Notes;
- (g) *seventh*, any outstanding principal on the Class A Notes;
- (h) *eighth*, all Interest Amounts due and payable on the Class B Notes;
- (i) *ninth*, any outstanding principal on the Class B Notes;
- (j) *tenth*, all Interest Amounts due and payable on the Class C Notes;
- (k) *eleventh*, any outstanding principal on the Class C Notes;
- (l) *twelfth*, all Interest Amounts due and payable on the Class D Notes;
- (m) *thirteenth*, any outstanding principal on the Class D Notes;
- (n) *fourteenth*, all Interest Amounts due and payable on the Class E Notes;
- (o) *fifteenth*, any outstanding principal on the Class E Notes;
- (p) *sixteenth*, all Interest Amounts due and payable on the Class F Notes;
- (q) *seventeenth*, any outstanding principal on the Class F Notes;
- (r) *eighteenth*, any outstanding interest due and payable under the Subordinated Loan;
- (s) *nineteenth*, any outstanding principal due and payable under the Subordinated Loan;
- (t) *twentieth*, any outstanding principal on the Class Z Notes; and
- (u) *twenty-first*, all the remaining amounts to be paid as the Class Z Notes Interest Amount due and payable under the Class Z Notes.

Determinations and payments in connection with purchases of Additional Receivables Portfolios

During the Revolving Period, the Cash Manager will for each Additional Purchase Date determine:

- (a) if the Offer Conditions are satisfied as at such Additional Purchase Date;
- (b) no later than 10:00a.m. (Madrid time) on such Additional Purchase Date, the amount of Available Funds with respect to that Additional Purchase Date;
- (c) whether each of the Portfolio Requirements has been satisfied; and
- (d) the Receivables Purchase Price for the Eligible Receivables included in the relevant Additional Receivables Sub-Portfolios,

and will confirm the same to the Issuer (with a copy to the Servicer and the Security Trustee) by e-mail.

Reserve Account

One Business Day prior to each Interest Payment Date, the balance standing to the credit of the Reserve Account shall be transferred to the Revenue Account. On each Interest Payment Date, subject to the Pre-Enforcement Revenue Priority of Payment, an amount up to the Reserve Fund Required Amount shall be credited to the Reserve Account.

THE ISSUER

The Issuer was incorporated in Ireland on 1st August 2019, with registered number 654510 and with Spanish Tax Identification Number N0074647I as a private designated activity company with limited liability under the Companies Act. The registered office of the Issuer is 3rd Floor, Fleming Court, Fleming's Place, Dublin 4, Ireland and its telephone number is +353 01 566 8890.

Corporate Purpose of the Issuer

The principal objects of the Issuer are set forth in clause 3 of its Memorandum of Association (as currently in effect) and permit the Issuer, *inter alia*, to lend money and give credit, secured or unsecured, to issue debentures and otherwise to borrow or raise money and to grant security over its property for the performance of its obligations or the payment of money.

The Issuer is organised as a special purpose company. The Issuer was established to raise capital by the issue of asset backed securities.

Since its incorporation, the Issuer has not engaged in any material activities other than those incidental to its registration as a designated activity company under the Companies Act and those related to the authorisation and issue of the Notes. The Issuer has no employees.

Corporate Services Provider

CSC Capital Markets (Ireland) Limited (the "**Corporate Services Provider**"), acts as the corporate services provider for the Issuer. The office of the Corporate Services Provider serves as the general business and registered office of the Issuer. Through the office and pursuant to the terms of the corporate services agreement entered into on or about the Issue Date between, *inter alios*, the Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**"), the Corporate Services Provider performs various management functions on behalf of the Issuer, including the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within calendar 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least 60 days' prior written notice to the other party. The Corporate Services Provider's principal office is at 3rd Floor, Fleming Court, Fleming's Place, Dublin 4, Ireland.

Capital and Shareholders

The authorised share capital of the Issuer is 1,000,000 ordinary shares of par value €1. The Issuer has issued 1 share (the "**Share**"), which is fully paid and held on trust by CSC Share Trustee Services (Ireland) Limited (in such capacity the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 6 August 2019, under which the Share Trustee holds the Share on the terms of a discretionary charitable trust. The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from its holding of the Share. The Share Trustee will apply any income derived from the Issuer solely for the above purposes.

Directors and Company Secretary

The Issuer's Articles of Association provide that the board of directors of the Issuer will consist of at least two directors.

Name	Address	Principal Activities
Mary Murphy	3rd Floor, Fleming Court, Fleming's	Company Director

Name	Address	Principal Activities
	Place, Dublin 4, Ireland	
Ian Garvan	3rd Floor, Fleming Court, Fleming's Place, Dublin 4, Ireland	Company Director

The company secretary of the Issuer is:

Name	Business Address
CSC Capital Markets (Ireland) Limited	3rd Floor, Fleming Court, Fleming's Place, Dublin 4, Ireland

The directors do not hold any direct, indirect, beneficial or economic interest in the Share.

The directorship of the directors is provided as part of the Corporate Services Provider's overall corporate administration services provided to the Issuer pursuant to the Corporate Services Agreement.

The directors of the Issuer may engage in other activities and have other interests which may conflict with the interests of the Issuer.

Recent Developments

Save as disclosed herein, there has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation. Save for the issues of Notes described above and their related arrangements, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Financial Statements

Since its date of incorporation, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Prospectus. The Issuer intends to publish its first financial statements in respect of the period starting from the date of its incorporation and ending on 31 December 2020. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each year.

Each year, a copy of the audited profit and loss account and balance sheet of the Issuer together with a report of the directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 56 days of the annual return date of the Issuer and is available for inspection. The profit and loss account and balance sheet can be obtained free of charge from the registered office of the Issuer.

The auditors of the Issuer are Grant Thornton who are a chartered accountants and statutory audit firm and registered auditors qualified to practise in Ireland.

THE SELLERS, THE RECEIVABLES AND THE CREDIT POLICY

The Sellers

Toro Finance, S.L.U.

Toro Finance, S.L.U. is a Spanish limited liability company validly incorporated and existing under the laws of Spain with registered office at Paseo de la Castellana, 47, bajo, 28046 Madrid, Spain, registered with the Commercial Registry of Madrid, Volume 31442, Sheet 87, and with Spanish tax identification number B-86816246. Toro Finance, S.L.U. was established in December 2013, with operations starting in January 2014, and is a player in the Spanish alternative finance market, specializing in direct-lending.

Toro Finance also trades under the brand name “Bravo Capital”.

Toro Finance, S.L.U.'s sole shareholder is IbericaA Luxembourg S.A.R.L., whose main shareholders are AIP Side-Car SCSp (an investment vehicle of Alpinvest) and JZ Business Services 6 BV, both entities holding fifty percent (50%) of its share capital.

Toro Finance, S.L.U.'s corporate purpose covers secured and unsecured direct-lending through the following primary activities:

- (a) granting loans and financing large and medium-size companies through promissory notes (up to 3-years);
- (b) discounting trade receivables;
- (c) issuing private programs of promissory notes; and
- (d) giving economic, legal, financial, and tax advisory in relation to commercial transactions.

Gedesco Factoring, S.L.U.

Gedesco Factoring, S.L.U. is a Spanish limited liability company validly incorporated and existing under the laws of Spain with registered office at Valencia, Avenida de Aragón, número 2-bis, entresuelo, registered with the Commercial Registry of Valencia at the Volume 10.608, Book 7.889, Sheet 36, Section 8ª, Page V-185.610 and with Spanish tax identification number (NIF) B-87319448. Gedesco Factoring, S.L.U. was established in 2015, with operations starting in 2016, and is a player in the Spanish alternative finance market, specializing in factoring.

Gedesco Factoring, S.L.U.'s sole shareholder is Gedesco Finance, S.L. The main shareholder of Gedesco Finance, S.L. is JZ Gedhold BV, which holds sixty-seven per cent (67%) of its share capital, and the remaining 33% being owned by Venalta Capital, S.L. and Anthophila Capital, S.L..

Gedesco Factoring S.L.U.'s corporate purpose covers the activity of domestic factoring with or without recourse.

Pagaralia, S.L.U.

Pagaralia, S.L.U. is a Spanish limited liability company validly incorporated and existing under the laws of Spain with registered office at Valencia, Avenida de Aragón, número 2-bis, entresuelo, registered with the Commercial Registry of Valencia at the Volume 10.592, Book 7.873, Sheet 42, Section 8ª, Page V-185.156 and with Spanish tax identification number (NIF) B85761815. Pagaralia, S.L.U. was established in 2009, with operations starting in that year, and is a player in the Spanish alternative finance market, specialized in direct-lending business.

Pagaralia, S.L.U.'s sole shareholder is Gedesco Finance, S.L. The main shareholder of Gedesco Finance, S.L. is JZ Gedhold BV, which holds sixty-seven per cent (67%) of its share capital, and the remaining 33% being owned by Venalta Capital, S.L. and Anthophila Capital, S.L.

Pagaralia, S.L.U.'s corporate purpose covers secured and unsecured direct-lending through the following primary activities:

- (a) granting loans and financing little-size companies through promissory notes (up to 1-year);
- (b) discounting trade receivables.

Gedeco Services Spain, S.A.U.

Gedeco Services Spain, S.A.U. is a Spanish limited liability company validly incorporated and existing under the laws of Spain with registered office at Valencia, Avenida de Aragón, número 2-bis, entresuelo, registered with the Commercial Registry of Valencia at the Volume 6.993, Book 4.296, Sheet 45, Page V-79530 and with Spanish tax identification number (NIF) A-97097661.

Gedeco Services Spain, S.A.U.'s sole shareholder is Gedeco Finance, S.L. The main shareholder of Gedeco Finance, S.L. is JZ Gedhold BV, which holds sixty-seven per cent (67%) of its share capital, and the remaining 33% being owned by Venalta Capital, S.L. and Anthophila Capital, S.L.

Gedeco Services Spain, S.A.U.'s corporate purpose covers the following main activities:

- (a) granting loans and financing medium and little-size companies through promissory notes (up to 1-year);
- (b) the discount of short-dated promissory notes and receivables through notarized domestic and international factoring;
- (c) the common activities of a commission agent of other natural or legal person, excluding in any event those mediation activities subject to special regulation; and
- (d) the economic, legal and tax advisory to any natural or legal person in relation to the regular commercial trading activities in order to provide services through the applicable intermediation activity.

Gedeco Factoring, S.L.U., Gedeco Services, S.A.U. and Pagaralia, S.L.U. also trade under the brand name "Gedeco".

Toro Finance, S.L.U., Gedeco Factoring, S.L.U., Pagaralia, S.L.U. and Gedeco Services Spain S.A.U. are together referred as the "**Sellers**" and individually as a "**Seller**".

Gedeco Group started origination activities in 2002 and has transacted with 90,000 clients for a total amount of funding in excess of €7.3 billion since the commencement of its origination activities.

In 2018, the proforma⁸ Gedeco (ie. Gedeco Factoring, S.L.U., Gedeco Services, S.A.U. and Pagaralia, S.L.U.) plus Toro Finance, S.L.U. sales and EBITDA were € 1,540.5 million and €40.7 million, respectively, with a positive variation of 22% and 28% with respect to the figures obtained in 2017, when the group sales and EBITDA were €1,260.4 million and €31.8 million, respectively.

For the purposes of article 20(10) of the Securitisation Regulation, each Seller confirms that:

- it has originated exposures similar to those securitised for at least five (5) years prior to the Issue Date;
- it will represent and warrant pursuant to the Receivables Sale Agreement that it "has expertise in originating exposures of a similar nature to those securitised pursuant to article 20(10), last paragraph, of the Securitisation Regulation"; and
- the members of its respective management body and the senior staff responsible for managing the origination of exposures of a similar nature to those securitised, have adequate knowledge and skills in the origination of exposures of a similar nature to those securitised.

⁸ Gedeco and Toro do not form a consolidated group; aggregated numbers are presented on a proforma basis, and do include consolidation adjustments for intercompany items, when applicable.

Seller's origination channels and network

Toro Finance has the following origination channels:

- Proprietary branch network (9 sales points, of which 5 are shared with Gedesco (ie. Gedesco Factoring, S.L.U., Gedesco Services, S.A.U. and Pagaralia, S.L.U.));
- Sales force (around 35 commercial employees) with an average 15 years' experience in SME financing;
- Intense origination, focused commercial activity through junior bankers;

Gedesco (ie. Gedesco Factoring, S.L.U., Gedesco Services, S.A.U. and Pagaralia, S.L.U.) has the following origination channels

- Proprietary branch network (26 sales points, covering Spanish provinces representing c. 65% of the Spanish GDP).
- Sales force (~100 FTE) with an average ~10 years' experience in Gedesco.
- Intense origination, focused commercial activity through systems and repeating clients.

Toro Finance and Gedesco have additional agreements with around 400 agents network (composed by insurance companies, law firms, etc.).

In addition, a centralized commercial team of 49 full time equivalent personnel and 5 client managers perform around 33 calls per team-member a day.

Gedesco's commercial engine is supported by call centres and "web search" strategies – both of which are used to generate leads. The newly originated products are marketed through these existing channels by selling to existing and prospective clients.

Below is a summary of the origination channels and commercial network:

<i>Channel</i>	<i>Company</i>	<i>Origination</i>
Call Centre	Gedesco	<ul style="list-style-type: none"> ▪ Online RMs located in sales points (49 FTEs) ▪ Focus on lead generation and manage their portfolios by phone ▪ Average 927 calls per month / agent (>800K calls in 2015)
	Toro Finance	<ul style="list-style-type: none"> ▪ Strong origination activity by a junior bankers team (4 FTEs) (c.50 calls per day/junior banker)
Web	Gedesco	<ul style="list-style-type: none"> ▪ Active web positioning and mailing focused on identifying potential customers
	Toro Finance	<ul style="list-style-type: none"> ▪ Targeted online publicity
Salesforce / senior bankers	Toro Finance and Gedesco	<ul style="list-style-type: none"> ▪ 46 salesforce conduct frequent visits to potential clients ▪ 15 senior bankers maintain constant client interaction

The Receivables

Funding Documents

The Receivables are claims owed to a Seller and originated or acquired, as applicable, by such Seller in accordance with the Credit Policy under the following types of Funding Documents:

- **"Factoring Agreements"**, are agreements entered into by a Seller and a client (a **"Client Debtor"**) whereby such Seller purchases from that Client Debtor certain receivables represented by invoices or promissory notes (**"Promissory Notes"**) owed to that Client Debtor by third parties (the **"Factoring Debtors"** or, in the case of Receivables represented by Promissory Notes, the **"PN Debtors"**).

For the purposes of any Factoring Agreement:

- (c) **"Factoring Receivable"** means a receivable owed by a Factoring Debtor (in the case of receivables represented by an invoice) or a PN Debtor (in the case of receivables represented by Promissory Notes) (such receivables represented by Promissory Notes being referred to specifically as **"PN Receivables"**) and acquired by the Seller from the Client Debtor under such Factoring Agreement;
- (d) **"Factoring Claim"** means any recourse claim against the Client Debtor in respect of any Factoring Receivable acquired by the Seller from the Client Debtor under such Factoring Agreement.
- **"Promissory Note Agreements"**, are agreements entered into by a Seller and a Client Debtor whereby such Seller purchases from that Client Debtor certain receivables represented by Promissory Notes owing to that Client Debtor by PN Debtors.

For the purposes of any Promissory Note Agreement:

- (e) **"PN Receivable"** means any receivable represented by Promissory Notes owing by a PN Debtor acquired by the Seller from the Client Debtor under such Promissory Note Agreement;
- (f) **"PN Claim"** means any recourse claim against the Client Debtor in respect of any PN Receivable acquired by the Seller from the Client Debtor under such Promissory Note Agreement.
- **"Promissory Notes Programs"**, are agreements entered into by a Seller and a client (for these purposes, a **"PN Debtor"**) whereby the Seller may, at its absolute discretion, subscribe for Promissory Notes to be issued by that PN Debtor from time to time.

For the purposes of any Promissory Notes Program:

- (g) **"PN Receivable"** means any receivable represented by Promissory Notes owing by the relevant PN Debtor under such Promissory Notes Program;
- (h) **"Collateral Claim"** means any present or future receivable owed by a third party obligor (a **"Collateral Debtor"**) to the relevant PN Debtor and which is assigned to the Seller or Gedesco Factoring by the PN Debtor as collateral for repayment (*para pago*) of a PN Receivable acquired by the relevant Seller from the PN Debtor under such Promissory Notes Program.
- **"Loan Agreements"**, are fixed-rate interest loan agreements entered into by a Seller and a client (a **"Loan Debtor"**) with a maximum initial legal maturity of 364 days and repayable at maturity or in monthly instalments.

For the purposes of any Loan Agreement:

- (i) **"Loan Receivable"** means payment obligation owed by a Loan Debtor under a Loan Agreement and represented by a Promissory Note;
- (j) **"Collateral Claim"** means any present or future receivable owed by a Collateral Debtor to the Loan Debtor which is assigned to the Seller or Gedesco Factoring by the Loan Debtor as collateral for repayment (*para pago*) of a Loan Receivable under such Loan Agreement.
- **"Receivable"** means any Factoring Receivable, PN Receivable or Loan Receivable.
- **"Claim"** means any Factoring Claim, any PN Claim or any Collateral Claim.

The Receivables and the Claims are payable by:

- **"Direct Debtors"**, being:
 - (a) with respect to any Factoring Agreement, the relevant Factoring Debtor or the relevant PN Debtor;
 - (b) with respect to any Promissory Note Agreement, the relevant PN Debtor;
 - (c) with respect to any Promissory Notes Program, the relevant PN Debtor;
 - (d) with respect to any Loan Agreement, the relevant Loan Debtor;
- **"Indirect Debtor"**s, being:
 - (e) with respect to any Factoring Agreement, the Client Debtor;
 - (f) with respect to any Promissory Notes Agreement, the Client Debtor;
- **"Collateral Debtors"**, being with respect to the Promissory Notes Programs or the Loan Agreements, the relevant Collateral Debtor.

In addition, the Receivables may benefit from a Guarantee granted by a Guarantor or a Representative.

With respect to cash flows, the Receivables are repaid as follows:

- Factoring Receivables: the relevant Factoring Debtor must repay the amount on the relevant maturity date specified in the relevant invoice or if it fails to do so, the relevant Client Debtor must pay an amount equal to such amount.
- PN Receivables: the relevant PN Debtor must repay the amount on the relevant maturity date specified in the relevant promissory note or if it fails to do so, and the PN Receivable arises under a Promissory Notes Agreement, the relevant Client Debtor must pay an amount equal to such amount.
- Loan Receivables: the relevant Loan Debtor makes periodic (normally monthly) payments of principal until maturity (such amounts being represented as promissory notes).

Eligible Receivables

The Receivables to be assigned to the Issuer by the Sellers on the Issue Date and on any Additional Purchase Date during the Revolving Period must be Eligible Receivables.

For a Receivable to be an Eligible Receivable, a number of criteria must be complied with, including that such Receivable complies, as of the Cut-Off Date and the Issue Date (with respect to any Receivable comprised in an Initial Receivables Sub-Portfolio) or its Additional Purchase Date (with respect to any Receivable comprised in an Additional Receivables Sub-Portfolio), with the following criteria (the "**Receivables Eligibility Criteria**"):

- (a) it is an existing Receivable the Outstanding Balance of which specified in the relevant Offer remains a debt and has not been paid or discharged by set-off or otherwise;
- (b) it is denominated and payable in Euro;
- (c) it has been subscribed, acquired or originated, as applicable, by the relevant Seller pursuant to an Eligible Funding Document;
- (d) it is fully owned by the relevant Seller and is free and clear of any Adverse Claim other than those created by operation of law;
- (e) it has been created in compliance, and complies, with all applicable Spanish laws and regulations;
- (f) in the case of a Receivable that is evidenced by a Promissory Note, it contains all relevant mentions in order for it to amount to a validly issued "*pagaré*" pursuant to Law 19/1985 (*Ley Cambiaria y del Cheque*);
- (g) subject to Legal Reservations, it constitutes the legal, valid, binding and enforceable obligation of one or more Eligible Debtors;
- (h) as far as the relevant Seller is aware, it is not subject to any litigation (including, without limitation, any recovery or enforcement proceedings before the Spanish courts), dispute or right of set-off that may adversely affect the payment of the Receivable to the Issuer and which, in the case of a right of set-off, has not been remedied by the relevant Seller within five (5) Business Days of having been notified or otherwise becoming aware, of its existence;
- (i) it is not subject to right of counterclaim, defence or any other reduction or cancellation that may adversely affect the payment of the Receivable to the Issuer;
- (j) it can be segregated and identified for ownership on the relevant Seller's systems on any day;
- (k) it is capable of being subject to the Security;

- (l) it is not a Defaulted Receivable;
- (m) with respect to which the relevant Seller has performed all material obligations required to be performed by it under the relevant Funding Document;
- (n) it does not contain any restriction on assignment or, if any, all consents to be obtained under the Funding Documents for the assignment of the Receivable have been obtained;
- (o) the relevant Debtor and any person obliged to make payments thereunder has been directed to make all payments to the relevant Seller Collection Account;
- (p) the relevant Debtor or any person obliged to make payments thereunder has been notified of the Seller's ownership of the relevant Receivable;
- (q) payments thereof to the relevant Seller are not subject to withholding taxes;
- (r) payments thereof to the Issuer are not subject to withholding taxes;
- (s) the transfer of the relevant Receivable will not cause any breach of the Portfolio Requirements;
- (t) it is payable in full no later than one (1) year from its Purchase Date;
- (u) it is governed by the laws of Spain;
- (v) if an Endorsable Promissory Note (*pagaré a la orden*), it has been endorsed in blank (*endoso en blanco*) by the relevant Seller and delivered to, and is in the possession of, the Offer Agent as at the relevant Purchase Date;
- (w) if a Non-endorsable Promissory Note (*pagaré no a la orden*), it has been delivered by the relevant Seller to, and is in the possession of, the Offer Agent as at the relevant Purchase Date;
- (x) the relevant Direct Debtor has a Credit Scoring of A, B or C;
- (y) subject to Legal Reservations, the relevant Ancillary Rights are valid, binding and enforceable and the relevant Seller or, if applicable, Gedesco Factoring, is the holder of such Ancillary Rights;
- (z) if a Factoring Receivable, the purchase price thereof has been fully paid by the relevant Seller to the relevant Client Debtor, such purchase price having not been retained in whole or in part by such Seller other than in respect of any retention of the purchase price as may be agreed between the relevant Client Debtor and the relevant Seller in the relevant Factoring Agreement and such Factoring Agreement provides for full recourse by the Seller to the Client Debtor;
- (aa) if a Factoring Receivable, the Client Debtor's retention is at least 5 per cent. of the amount due under the Factoring Receivable;
- (bb) is not secured by any security over residential property;
- (cc) if a Loan Receivable, the loan made available under the relevant Loan Agreement has a maximum initial legal maturity of 364 days and is repayable at maturity or in monthly instalments, has been fully advanced by the Seller to the relevant Debtor, such loan amount having not been retained in whole or in part by the Seller (other than for the purposes of payment of interest, fees and expenses owed under such Loan Receivable);
- (dd) if guaranteed under a Guarantee, such Guarantee has been granted by a Guarantor or a Representative;
- (ee) if a Loan Receivable, the Seller is the sole lender under the related Loan Agreement;
- (ff) if a Loan Receivable, Promissory Notes have been issued by the Client Debtor to the Seller for each of the scheduled payments under the Loan Agreement;
- (gg) it is a Qualifying Asset within the meaning of Section 110 of the Irish TCA;

- (hh) it provides for full recourse to the relevant Debtors and, where applicable, the Guarantors;
- (ii) any Claim ancillary to the Receivable is an Eligible Claim;
- (jj) it does not relate to any “specified mortgages”, within the meaning of section 110 Irish TCA, units in an IREF or shares that derive their value, or the greater part of their value, from Irish land;
- (kk) it does not qualify as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 pursuant to article 20(11) of the Securitisation Regulation;
- (ll) it is not a derivative, pursuant to article 21(2) of the Securitisation Regulation.

In addition, in order to be an Eligible Receivable, a Receivable must, on any date after its Purchase Date, meet the Permanent Eligibility Criteria.

Therefore, “**Eligible Receivable**” means a Receivable which, as of the Cut-Off Date and the Issue Date (in respect of any Receivables comprised in an Initial Receivables Sub-Portfolio) or its Additional Purchase Date (in respect of any Receivables comprised in an Additional Receivables Sub-Portfolio) complies with the Receivables Eligibility Criteria or, on any date after its Purchase Date, meets the Permanent Eligibility Criteria.

An “**Eligible Claim**” means a Claim which, as of the Cut-Off Date and the Issue Date (in respect of any Receivable comprised in an Initial Receivables Sub-Portfolio) or the Additional Purchase Date (in respect of any Receivable comprised in an Additional Receivables Sub-Portfolio) of the relevant Receivable in respect to which it is an Ancillary Right, complies with the following criteria (the “**Claims Eligibility Criteria**”):

- (a) it is an existing Claim (or in the case of Collateral Claims, an existing or future Claim), the Outstanding Balance of which specified in the relevant Offer remains a debt and has not been paid or discharged by set-off or otherwise;
- (b) it is denominated and payable in Euro;
- (c) it is fully owned by the relevant Seller or, if applicable, Gedesco Factoring, and is free and clear of any Adverse Claim other than those created by operation of law;
- (d) it has been created in compliance, and complies, with all applicable Spanish laws and regulations;
- (e) in the case of a Claim that is evidenced by a Promissory Note, it contains all relevant mentions in order for it to amount to a validly issued “*pagaré*” pursuant to Law 19/1985 (*Ley Cambiaria y del Cheque*);
- (f) subject to Legal Reservations, it constitutes the legal, valid, binding and enforceable obligation of one or more Eligible Debtors;
- (g) as far as the Seller is aware, it is not subject to any litigation (including, without limitation, any recovery or enforcement proceedings before the Spanish courts), dispute or right of set-off that may adversely affect the payment of the Claim to the Issuer and which, in the case of a right of set-off, has not been remedied by the relevant Seller within five (5) Business Days of having been notified or otherwise becoming aware, of its existence;
- (h) it is not subject to right of counterclaim, defence or any other reduction or cancellation that may adversely affect the payment of the Claim to the Issuer;
- (i) it can be segregated and identified for ownership on the relevant Seller’s systems on any day;
- (j) it is capable of being subject to the Security;
- (k) with respect to which the relevant Seller has performed all material obligations required to be performed by it under the relevant Funding Document;
- (l) it does not contain any restriction on assignment or, if any, all consents to be obtained under the Funding Documents for the assignment of the Claim have been obtained;

- (m) the relevant Debtor and any person obliged to make payments thereunder has been directed to make all payments to the relevant Seller Collection Account;
- (n) the relevant Debtor or any person obliged to make payments thereunder has been notified of the Seller's ownership of the relevant Claim;
- (o) payments thereof to the relevant Seller are not subject to withholding taxes;
- (p) payments thereof to the Issuer are not subject to withholding taxes;
- (q) it is governed by the laws of Spain;
- (r) if an Endorsable Promissory Note (*pagaré a la orden*), it has been endorsed in blank (*endoso en blanco*) by the relevant Seller and delivered to, and is in the possession of, the Offer Agent as at the relevant Additional Purchase Date;
- (s) if a Non-endorsable Promissory Note (*pagaré no a la orden*), it has been delivered by the relevant Seller to, and is in the possession of, the Offer Agent as at the relevant Additional Purchase Date;
- (t) it is a Qualifying Asset within the meaning of Section 110 of the Irish TCA;
- (u) in respect of any Collateral Claim, such Collateral Claim is assigned by the relevant Seller or Gedesco Factoring,
- (v) does not relate to any “specified mortgages”, within the meaning of section 110 Irish TCA, units in an IREF or shares that derive their value, or the greater part of their value, from Irish land;
- (w) the Claim does not qualify as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 pursuant to article 20(11) of the Securitisation Regulation;
- (x) the Claim is not a derivative, pursuant to article 21(2) of the Securitisation Regulation.

The Credit Policy

General Risk Criteria: Pre-classification process and company analysis

Risk process: proposals and documentation related to each specific Receivable are sent to the risks department by the sales team following a pre-established template for future analysis of the proposal and rate the exposure with the internal model of the team, with credit scorings associated with the letters A, B, C and D.

Proposals and documentation can also be sent directly by the Client of the Seller through a virtual office.

Gedesco's origination and business sourcing is aligned with credit appetite. This is facilitated by robust IT platform, focused around a credit review workflow that transacts around 50,000 business proposal/transactions per year.

The approval process

1. Examination of the following fields:

- (a) Tax Identification Number (NIF).
- (b) Independence indicator to verify if it is a group.
- (c) Last year on which the annual accounts were filed.
- (d) CNAE code.
- (e) “Literal” of CNAE code
- (f) NIF of the parent company.
- (g) Operating income.

- (h) Profit (or loss) of the relevant fiscal year.
- (i) Total liabilities.
- (j) Date of incorporation.
- (k) Operating profit (or loss) of the relevant fiscal year.

2. Automatic theoretical rating process:

- (a) Calculation of the percentage of leverage (total liabilities-net equity)/net equity.
- (b) Examination of the industry average percentage of the “*Porcentaje Por Sectores*” chart of the relevant CNAE Code.
- (c) Examination of CNAE chart, according to the data obtained from Spanish Central Bank (“*Banco de España*”)
- (d) Examination of the industry leverage, according to the CNAE table. In case there is no existing CNAE or it is equal to 0, the leverage by default shall be equal to 3.
- (e) Examination of the turnover tranche, according to the Banco de España criteria.
- (f) Examination of the industry leverage of the “*Endeudamiento Sector*” chart according to the CNAE Code and the turnover tranche.
- (g) Calculation of the theoretical automatic rating (generic formula), using the following formula:

$$\text{Coefficient} * [(\text{net equity} * 1 + \text{profit and loss} * 4) * [1 - (((\text{leverage of the company} - \text{leverage of the industry}) / \text{Leverage of the industry}) * \text{adjustment})]$$

- (h) Formula variables:

Coefficient*: maximum risk concentration assumed per Debtor. A 3% shall apply to all companies.

Net equity: data obtained from the annual accounts.

Profit and loss: data obtained from the annual accounts.

Leverage of the company: (total liabilities-net equity)/Net equity.

Leverage of the industry: (external funds/net equity), according to the data obtained from Banco de España.

Adjustment*: ratio of adjustment of the industry leverage which shall be equal to 5%.

*Such coefficients shall be increased or decreased according to the percentage of defaults.

The automatic rating is a theoretical limit that the analyst shall review and complete with more variables in order to determine the final limit.

The theoretical automatic rating shall be the following:

$$3\% * [(\text{net Equity} * 1 + \text{profit and loss} * 4) * [1 - (((\text{leverage of the company} - \text{leverage of the industry}) / \text{leverage of the industry}) * 5\%)]$$

3. Classification rules

First, verify if the credit is automatically denied (scoring D).

If not automatically denied, calculation of the rating is made according to the theoretical automatic rating.

If the company belongs to section F of the CNAE codes (construction, civil works, engineering and infrastructure), the theoretical automatic rating shall be the following:

If the automatic rating \geq € 300,000	→	A group rating
If 300,000€ > automatic rating \geq € 100,000	→	B group rating
If automatic rating < € 100,000	→	C group rating
If automatic rating \leq € 0	→	D group rating

4. General regulation:

The credit analyst starts its credit analysis from the automatic theoretical rating process.

The credit analyst assigns a Credit Scoring to the Receivable ranging from A to D.

The Receivable will have the highest rating assigned to the Direct Debtor, the Indirect Debtor (if any) or the Collateral Debtor (if any).

Two ratings B make a rating on the Receivable as a whole equal to A.

4.1 Group A criteria:

In order to classify a Direct Debtor, Indirect Debtor or Collateral Debtor under this group, it shall comply with at least one of the following financial requirements:

- Companies with net equity over € 25,000,000.
- Leverage under 1/3.
- Yearly profit (EBT) of at least 2.5% over sales.
- Net sales over € 50,000,000.

4.2 Group B criteria:

In order to classify a Direct Debtor, Indirect Debtor or Collateral Debtor under this group, it shall comply with at least one of the following financial requirements:

- Companies with net equity between € 1,000,000 and € 25,000,000.
- Leverage under 1/3.
- Yearly profit (EBT) between 0.2% and 2.5% of sales.
- Net sales between € 2,500,000 and € 50,000,000.

4.3 Group C criteria:

In order to classify a Direct Debtor, Indirect Debtor or Collateral Debtor under this group, it shall comply with at least one of the following financial requirements:

- Companies with net equity under € 1,000,000.
- Leverage over 1/3.
- Yearly profit (EBT) under 0.2% of sales.

- Net sales under € 100,000.

4.4 D Rating

Those Direct Debtor, Indirect Debtor or Collateral Debtor which do not meet the aforementioned risk requirements shall be classified under this group.

4.5 M rating

This is an automatic classification when a Direct Debtor, Indirect Debtor or Collateral Debtor is in default.

After reviewing the documentation, the credit scoring is assigned by the case analyst, who signs off approving or turning down the proposal. If the proposal is approved, the transaction is transferred to a different analyst for confirmation and approval (two "Signatures" are needed for final approval). Signatures are personal to each analyst and depending on the difficulty and, in any case, for amounts equal or above €100,000, signature of the risk manager is mandatory.

4.6 Rating Revision

The risks department shall review, as appropriate, the rating of the Receivable.

When analysing Direct Debtor, Indirect Debtor or Collateral Debtors' financial performance, industry challenges, peers comparisons, etc the leverage ratios gross debt/EBITDA and net debt/EBITDA will be computed and taken into account by the risk analysts for classification and rating revision purposes.

In case that the risks department modifies the rating of any of them, such modification will be registered in the system for verification.

4.7 Transaction Review

This process intends that the transaction complies with all the required formal requirements.

The procedural department collects all the information, and requests closing and payment of the transaction. At that time, the risks department reviews the following documents:

- Promissory note: verification of the formal requirements.
- Invoice: formal requirements, review of subject and verification of the amount against the promissory note.
- Verification of the promissory note.
- Delivery and verification of the report.
- Additional documentation: delivery notes, construction contracts, certifications, etc.
- Connections between vendor and debtor.
- Alerts included in the system (existence of default, connections, etc)
- Validation of the Direct Debtor
- Any new Receivable of an existing Direct Debtor requires credit approval.
- Any renewal of an existing Receivable requires credit approval.

Once the transaction has been signed, there is authorisation for the payment to the Direct Debtor, which is accomplished by the procedural department.

5. Monitoring

The risks department will accomplish the corresponding monitoring duties, in order to verify the fulfilment of the requirements in each transaction and mitigate ongoing fraud risk.

Trade Verification

In-house credit management team makes appropriate verifications with underlying obligor as to: validity of invoice or promissory note; effective delivery of goods or services, internal approvals, etc. Confirmation from obligor is documented in a signed document.

Once verification is completed and registered (documents are uploaded to the system) the credit manager will approve transaction; it will need another credit manager's (analysis team) signature to authorize payment. If notional amount exceeds €100,000, Chief Risk Manager will approve too.

With these verifications the Seller mitigates the following fraud risks:

- Client produces fake invoice
- Client produces fake promissory note

4 Eye Checks

As part of the verification process, the credit management team checks the validity of the powers of attorney (both with respect to faculties and the dates).

The Client is requested to deliver proof of bank account (certificate of ownership issued by the relevant bank, utilities bank receipt, etc.).

With these verifications the Seller mitigates the following fraud risks:

- Absence of faculties to execute documents
- Wrong bank accounts

Database Verification

The collusion with underlying obligor normally involves someone within the Seller's organization, that will act to confirm a fake invoice or promissory note; the Sellers' credit team have already contact details (registered in the systems) for verification purposes of the repeating debtors; for new debtors, verification is done through contacts extracted from public information

Employee may be bribed but he/she has no power to get a transaction approved once all analysis and verifications are completed.

With this verifications the Seller mitigates the following fraud risks:

- Collusive relationship between client and underlying obligor
- Collusive relationship between employee and client
- Employee approves transaction to related party

- Employee is bribed

6. Collateralised Receivables (Collateral Claims and corporate guarantees)

Collateralised Receivables are receivables the payment of which is either guaranteed by means of a corporate Guarantee granted by a Guarantor or secured by means of a notarised assignment by the Loan Debtor under a Loan Agreement or a PN Debtor under a Promissory Notes Program to the Seller of Collateral Claims.

In the event that the Loan Debtor or the PN Debtor offers a corporate Guarantee the risks department will verify that:

- The corporate Guarantee is for an amount equal to or higher than the Outstanding Balance of the related Receivable.
- The corporate Guarantee is a first-demand guarantee (*garantía abstracta a primer requerimiento*).

In the event that the Loan Debtor or the PN Debtor offers a notarised assignment by the Loan Debtor or the PN Debtor to the relevant Seller of Collateral Claims as guarantee for the repayment of the relevant Loan Receivable or PN Receivable, the risks department will verify that:

(a) In case of credit assignments over present credit rights arising from an assigned contract or debtor by the Loan Debtor or the PN Debtor:

- The outstanding balance of the credit assignment is at least equal to or higher than the outstanding balance of the Receivable.
- The Collateral Ratio Threshold is met.
- The maturity date of the Collateral Claims is longer than the maturity date of the related Receivable and the expected cashflow coming from the Collateral Claim is such that, on the maturity date of the Receivable, the outstanding balance of the Collateral Claims is higher than the outstanding balance of the related Receivable.
- It is contractually agreed that the cash flow coming from the credit assignment will be used to repay the outstanding balance of the related Receivable.

(b) In case of credit assignments over present and future credit rights arising from an assigned contract or debtor by the Loan Debtor or the PN Debtor:

The Sellers estimate the amounts on the basis of the contract value or the historical business of the Client, according the accounting data available.

- The estimated outstanding balance of the credit assignment is at least equal to or higher than the Outstanding Balance of the Receivables and is expected to be collected within 12 months from the maturity date of the related Receivable.
- Such assignment is valid until the related Receivable has been paid in full.

7. Additional collateral

Additionally, there are other guarantees that the risk department might seek in order to improve the credit profile of the Receivables, although these guarantees are not considered for classification (rating) purposes and do not allow the related Receivable to be classified as Secured Receivables. Among these guarantees, the following may be considered as such:

- Cash (1:1)
- Stocks, machinery or installations (2:1)
- Properties (3:1)
- Shares of companies (sufficient to cover risk)
- Dividends (sufficient to cover risk)
- Corporate guarantees from parent company, affiliates, etc
- Shares of companies (with a market value/book value sufficient to cover risk)
- Credit assignments that do not fulfil all requirements as per Section 5.

Risks Department will accomplish the corresponding monitoring duties, in order to verify the fulfillment of the requirements in each transaction.

Overview of Risk Process by Department

In respect of the approval of each transaction, a sequential process takes place with seven (7) main phases in which the various departments at Gedesco interact as follow:

1. The process starts with the commercial visits and referrals analysis made by the sales team. Afterwards, the transaction proposal (ie. financials, collateral details, maturity/amount, yield, etc.) is registered in the Gedesco system.
2. After registration of the transaction proposal in the Gedesco system, the risks department analyses the Client/Debtor/Collateral for approval.
3. The risk is determined based on certain key performance indicators. Based on such analysis:
 - a. if Risk Department does not approve the transaction, it will be considered as denied; or
 - b. if Risk Department approves the transaction, the client will be provided with the transaction conditions.
4. If the client agrees with the conditions, the relevant transaction documents will be executed and notifications will be made. Once the transaction document is signed and notifications are effected, the procedural department will register the payment details in the Gedesco system.
5. The procedural department will then collect all the relevant information and will request internally the closing and payment of the transaction. Prior to payment of the transaction by Gedesco, the risk department carries out certain final verifications. Upon completion of such verifications, payment will be internally approved by the risk department.
6. Once the payment of the transaction is internally approved, the procedural department will confirm and verify the method of payment, amounts to be transferred and the relevant bank account of the client.
7. After the above verifications are made, the payment order will issued to the order of the relevant authorised person at the client previously validated by the risk department and the cash will be transferred.

THE SERVICER

Gedescos Services Spain S.A.U. ("**Gedescos**" or the "**Servicer**") is a Spanish limited liability company validly incorporated and existing under the laws of Spain with registered office at Valencia, Avenida de Aragón, número 2-bis, entresuelo, registered with the Commercial Registry of Valencia at the Volume 6.993, Book 4.296, Sheet 45, Page V-79530 and with Spanish tax identification number (NIF) A-97097661.

The Servicer's sole shareholder is Gedescos Finance, S.L.

The main shareholder of Gedescos Finance, S.L. is JZ Gedhold BV, which holds sixty-seven per cent (67%) of its share capital, and the remaining 33% being owned by Venalta Capital, S.L. and Anthophila Capital, S.L.

The Servicer's corporate purpose covers the following main activities corporate purpose covers secured and unsecured direct-lending through the following primary activities:

- (a) granting loans and financing medium and little-size companies through promissory notes (up to 1-year);
- (b) the discount of short-dated promissory notes and receivables through notarized domestic and international factoring;
- (c) the common activities of a commission agent of other natural or legal person, excluding in any event those mediation activities subject to special regulation; and
- (d) the economic, legal and tax advisory to any natural or legal person in relation to the regular commercial trading activities in order to provide services through the applicable intermediation activity.

The Servicer belongs to Gedescos Group which is an independent Spanish company's group specialising in direct lending, domestic and international factoring and discounting of trade receivables. The group was founded in 2001 by the current Chief Executive Officer and Sales Managing Director, Mr. Antonio Aynat and Mr. Fco. Javier García Escrivá, who remain significant shareholders. Through a network of 15 offices in Spain Gedescos Group has provided working capital and liquidity to Spanish corporates for more than 12 years.

Gedescos Services Spain S.A.U. has serviced receivables of similar nature to the Receivables for at least five years prior to the Issue Date. The members of the management body of the Servicer and the senior staff of the Servicer that are responsible for servicing exposures of a similar nature to those securitised have adequate knowledge and skills in the servicing of exposures similar to those being securitised.

The day-to-day management function of the Servicer is delegated to a sole administrator who acts as chief executive officer pursuant to a delegation by the board of directors of Gedescos Finance, S.L., sole shareholder of the Servicer and which may be amended from time to time. The Chief Executive Officer is supported by a senior management team that is organised in the following departments:

- 1. Credit Department
- 2. Legal Department
- 3. Recovery Department
- 4. IT Department
- 5. Treasury

6. Administration Department

Each department is led by a head, who reports to the Chief Executive Officer. As of the date of this Prospectus, the average experience in originating and servicing receivables of a similar nature to the Receivables of the Chief Executive Officer and each member of the senior management team is 10 years. The average tenure of the Chief Executive Officer and each member of the senior management team is 12 years.

SERVICING OF RECEIVABLES AND COLLECTION POLICY

Pursuant to the Servicing Agreement, the Issuer has appointed Gedesco Services Spain, S.A.U. as Servicer for the purposes of servicing the Receivables Portfolio. In particular, pursuant to the Servicing Agreement, the Servicer has undertaken to service the Receivables Portfolio and to perform its duties under the terms and conditions set out in the Servicing Agreement in accordance with Applicable Laws, the Collection Policy and pursuant to specific instructions that, on certain conditions, may be given to it by the Issuer. See "Overview of the Transaction Documents – Servicing Agreement" above.

Collection Policy Overview

The Collection Policy of the Servicer which is in force as at the Issue Date, includes provisions on the steps which the Servicer takes in connection with the servicing of receivables similar to the Receivables and the Ancillary Rights (and the Claims) included in the Receivables Portfolio, including steps aimed at the recovery of amounts due following a non-payment by a Debtor, both out-of-court and through the court recovery process. A brief summary of these procedures is given below.

The Servicer will undertake in the Servicing Agreement not to implement any amendment to the Collection Policy without the prior consent of the Issuer and the Note Trustee unless required in order to comply with Applicable Law or of purely administrative or otherwise with a formal, minor or technical nature only.

Key aspects of the Collection Process

The Servicer:

- carries out a segmentation and prioritization of delinquent cases by size, risk, financials and behaviour of defaulting client.
- differentiates collections strategy and team by segment.
- has Dedicated in-house team of legal and paralegal professionals.

The Collection Process

A default occurs when a client fails to pay or is classified as insolvent. For the purposes of the below, insolvent means that the Direct Debtor fails to pay or has been declared as insolvent (*concurso de acreedores*).

In such event, the servicer performs the following actions:

- (a) The default is allocated to a specialized manager from the recoveries department.
- (b) A Client default management file is created, where the manager generates the actions to begin managing the default.
- (c) Payment of all ongoing business operations, including outstanding retentions, of the combined pair of Indirect Debtor-Direct Debtor associated with the default is automatically blocked.
- (d) The corresponding internal and external communications are sent automatically.
- (e) Two recovery routes are started simultaneously: amicable procedure and legal procedure.

It may take up to 6 months from the default date to the trial in case of ordinary proceedings. The ruling is disclosed in approximately one month from the trial. When the ruling is favorable, its execution is immediate

and the recovery can be effective in about two months. Otherwise, with a non-favorable ruling the Servicer appeal it.

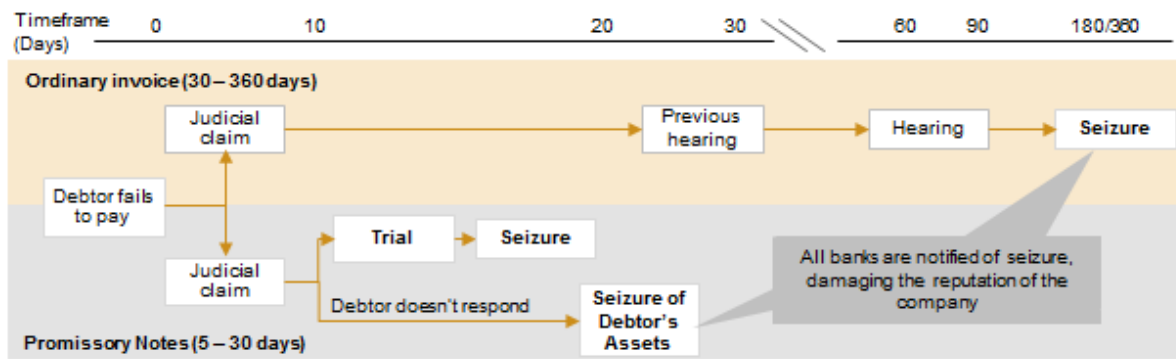
Amicable Procedure:

- (a) This procedure is followed within the first week since the default.
- (b) The Direct Debtor is contacted by phone after locating the Direct Debtor's manager, director or head of finance. The result of this first contact leads to a preliminary assessment of the file for management purposes.
- (c) The Indirect Debtors from whom the outstanding invoices are claimed, together with the relevant salesperson at the relevant Seller, are also contacted by phone.
- (d) The salesperson at the relevant Seller is informed and plans an immediate visit to obtain information and possible business amicable settlement.
- (e) A claim or payment request is sent by registered fax (*burofax*) to the Direct Debtors or/and Indirect Debtors, as applicable, notifying a potential legal action if the amount due is not repaid immediately.

Legal Procedure:

- (a) The manager prepares the documentation required for the lawsuit and submits it to the lawyer, who drafts the ordinary proceedings / *juicio cambiario* (special procedure for the enforcement of promissory notes) lawsuit and sends it to the law clerk (*procurador*) for filing.
- (b) Whilst preparing a legal claim, a court record of the payment default is generated. Such record reflects the reporting regarding the steps taken in relation to court proceedings and also the documentation that is filed in connection to such court proceeding. This information is entered in the table of Judicial Records.
- (c) The lawsuit against the Direct Debtor is filed in the context of ordinary proceedings / *juicio cambiario* (special procedure for the enforcement of promissory notes).
- (d) The defendant and its lawyers are contacted simultaneously to avoid pressure gaps between the court proceedings by means of, among others, constant monitoring of lawsuits and demanding the constant presence of the law clerks (*procuradores*) in the judicial courts.
- (e) The law clerks (*procuradores*) press the judicial courts for the lawsuit to be filed as quickly as possible.
- (f) A writ of summons is served on the defendant by the judicial court.
- (g) A Direct Debtor's response to our lawsuit setting of date for a preliminary hearing.
- (h) Conclusion of ordinary proceedings / *juicio cambiario* (special procedure for the enforcement of promissory notes).
 - (i) In case of favourable ruling: Servicer request enforcement of the ruling, requesting the court attachments (*embargo*) against the relevant Direct Debtor.
 - (ii) In case of non-favorable ruling: Servicer decides whether to appeal or not.

Below it is included a diagrammatic chart with the steps of an average recovery process:



CREDIT STRUCTURE AND LIQUIDITY

The obligations of the Issuer to pay interest and (following expiry of the Revolving Period or upon occurrence of a Cash Collateral Ratio Trigger Event which is continuing) to repay principal on the Notes will be subject to the applicable Priority of Payments and such amounts will only be payable to the extent that the Issuer has sufficient Available Revenue Receipts and Available Principal Receipts (or in the case of the redemption in part of the Notes following the occurrence of a Cash Collateral Ratio Trigger Event during the Revolving Period, Excess Cash) after making payment of all amounts of a higher priority pursuant to the applicable Priority of Payments. Until the expiry of the Revolving Period, no principal shall be repaid on the Notes, save upon the occurrence of a Cash Collateral Ratio Trigger Event which is continuing where Excess Cash (if any) shall be applied on each Interest Payment Date to repay the Notes, in accordance with the Pre-enforcement Principal Priority of Payments.

Additional credit and liquidity support is provided by the following structural features.

Reserve Account

Additional credit and liquidity support for payment of interest on the Class A Notes will be provided by the Reserve Account which will be funded on the Issue Date, by way of a Subordinated Loan from Gedesco Factoring, S.L.U. up to fifty per cent. of the Reserve Fund Required Amount. . The remaining fifty per cent. of the Reserve Fund Required Amount will be funded, in accordance with the Pre-Enforcement Revenue Priority of Payments, as of the first Interest Payment Date and on each following Interest Payment Date until the balance standing to the credit of the Reserve Account equals the Reserve Fund Required Amount. Thereafter, and prior to the service of an Enforcement Notice, the Reserve Account will be replenished on each Interest Payment Date up to the Reserve Fund Required Amount pursuant to the Pre-Enforcement Revenue Priority of Payments. See the section "*Overview of the Transaction Documents – Subordinated Loan Agreement*" for more detail.

On each Interest Payment Date, amounts standing to the credit of the Reserve Account shall be applied as Available Revenue Receipts in accordance with the applicable Priority of Payments and shall be used to pay, among other things, interest on the Class A Notes and senior expenses ranking in priority thereto. See the section "*Cash Management*" for more detail.

Loss Absorption Amount, Funding Discount and Expenses Discount

Additional credit and liquidity support for payment of interest on the Notes will be provided by the Loss Absorption Amount, the Funding Discount and the Expenses Discount.

The Loss Absorption Amount is discounted from the Outstanding Balance of each Receivable as part of the calculation of the Purchase Price payable by the Issuer for each Receivables Seller Sub-Portfolio and therefore results in additional Receivables Revenue Receipts which can be applied as Available Revenue Receipts and ultimately used in certain circumstances to make up principal shortfalls in respect of the Rated Notes.

Both the Funding Discount and the Expenses Discount form a part of the Minimum Discount calculation and as such, will provide additional credit support for the Notes by reducing the amount of funding available against the Initial Receivables Portfolio and each Additional Receivables Portfolio on the Issue Date and each Additional Purchase Date, respectively. See the section "*Overview of the Transaction Documents – Receivables Sale Agreement*" for more detail.

Available Revenue Receipts and Available Principal Receipts

To the extent that the Available Revenue Receipts and Available Principal Receipts are sufficient, they shall be paid on the relevant Interest Payment Date to the persons entitled thereto (or a relevant provision made) in accordance with the Pre-Enforcement Revenue Priority of Payments or the Pre-Enforcement Principal Priority of Payments, as applicable. It is not intended that any surplus will be accumulated in the Issuer, which for the

avoidance of doubt does not include the Issuer Profit Amount which the Issuer expects to generate annually as its profit in respect of the business of the Issuer.

If, on any Interest Payment Date, the Issuer has insufficient Available Revenue Receipts to pay the interest otherwise due on any Class of Notes (other than the Class A Notes), then the Issuer will be entitled under Condition 15 (*Subordination by Deferral of Interest*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. Such deferral will not constitute an Event of Default.

Failure to pay interest on the Class A Notes within any applicable grace period in accordance with the relevant Conditions shall constitute an Event of Default under the Class A Notes which may result in the Security Trustee enforcing the Security.

Liquidity Provider

There is no liquidity provider in the Transaction.

TERMS AND CONDITIONS OF THE NOTES

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

The €225,000,000 Class A asset backed floating rate Notes due January 2026 (the "**Class A Notes**"), €15,000,000 Class B asset backed floating rate Notes due January 2026 (the "**Class B Notes**"), €15,000,000 Class C asset backed floating rate Notes due January 2026 (the "**Class C Notes**"), €7,500,000 Class D asset backed floating rate Notes due January 2026 (the "**Class D Notes**"), €7,500,000 Class E asset backed floating rate Notes due January 2026 (the "**Class E Notes**"), €15,000,000 Class F asset backed floating rate Notes due January 2026 (the "**Class F Notes**") and €15,000,000 Class Z asset backed fixed rate Notes due January 2026 (the "**Class Z Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the "**Notes**"), in each case of Gedesco Trade Receivables 2020-1 Designated Activity Company (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated 11 March 2020 (the "**Issue Date**") and made between the Issuer and U.S. Bank Trustees Limited (in such capacity, the "**Note Trustee**") as trustee for the Noteholders (as defined below). Any reference in these terms and conditions ("**Conditions**") to a class of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class Z Notes, as the case may be, or to the respective holders thereof.

The security for the Notes is constituted by a security deed of charge and assignment (the "**Security Deed**", which expression includes such deed of charge and assignment as from time to time is modified or supplemented in accordance with the provisions therein contained) and an Irish law deed of charge and assignment (the "**Irish Deed of Charge**", which expression includes such deed of charge and assignment as from time to time is modified or supplemented in accordance with the provisions therein contained,) each dated the Issue Date and made between, among others, the Issuer and U.S. Bank Trustees Limited (in such capacity the "**Security Trustee**").

Pursuant to an agency agreement (the "**Agency Agreement**") dated the Issue Date and made between, *inter alios*, the Issuer, Elavon Financial Services D.A.C. as principal paying agent (the "**Principal Paying Agent**") and such additional or other paying agents, if any, appointed from time to time pursuant to the Agency Agreement, the "**Paying Agents**"), Elavon Financial Services D.A.C. (the "**Agent Bank**"), Elavon Financial Services D.A.C. as Class Z Note Registrar (the "**Class Z Note Registrar**") and the Note Trustee, provision is made for the payment of principal and interest in respect of the Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Security Deed, the Irish Deed of Charge and the Master Definitions Schedule entered into by, *inter alios*, the Issuer and the Note Trustee on or about the Issue Date.

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

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

1. FORM, DENOMINATION AND TITLE

1.1 Each Class of Rated Notes is initially represented by a temporary global note (in respect of each Class of Notes the "**Temporary Global Notes**"), in bearer form in the following aggregate principal amounts on issue:

- (a) €225,000,000 for the Class A Notes;
- (b) €15,000,000 for the Class B Notes;
- (c) €15,000,000 for the Class C Notes;
- (d) €7,500,000 for the Class D Notes;
- (e) €7,500,000 for the Class E Notes; and
- (f) €15,000,000 for the Class F Notes.

1.2 The Temporary Global Notes in respect of the Class A Notes will be deposited with Euroclear or Clearstream, Luxembourg as Common Safekeeper on the Issue Date and the Temporary Global Notes representing the other Rated Notes will be deposited with a common safekeeper for Euroclear or Clearstream, Luxembourg. Upon deposit of the Temporary Global Notes, the Clearing Systems will credit each subscriber of Rated Notes with the principal amount of Rated Notes equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in the Temporary Global Notes are exchangeable on and after the date which is 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests in a permanent global note (each a "**Permanent Global Note**") representing the relevant Class of Rated Notes (the expressions "**Global Notes**" and "**Global Note**" meaning, respectively, (i) the Temporary Global Notes and the Permanent Global Notes, or (ii) either the Temporary Global Notes or Permanent Global Notes, as the context may require). The Permanent Global Notes will be deposited with the relevant Common Safekeeper for Euroclear or Clearstream, Luxembourg. Title to the Global Notes will pass by delivery.

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

For so long as the Rated Notes are represented by Global Notes and the Clearing Systems so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000, notwithstanding that no Definitive Notes (as defined below) will be issued with a denomination above €199,000.

1.3 If, while any of the Rated Notes are represented by a Permanent Global Note, (a) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Note Trustee is then in existence or (b) the Issuer or any Paying Agent has or will become subject to adverse tax consequences which would not be suffered were the relevant Class of Rated Notes in definitive form, then the Issuer will issue Rated Notes in definitive form ("**Definitive Notes**") in exchange for the relevant Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Conditions and the Transaction Documents will be amended in such manner as the Note Trustee requires to take account of the issue of Definitive Notes.

1.4 Definitive Notes in respect of each Class of Rated Notes, if issued, will only be printed and issued in denominations of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. No Definitive Notes will be issued with respect to the Rated Notes with a

denomination above EUR199,000. All such Definitive Notes will be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons, principal coupons and, if necessary, talons attached.

- 1.5** The Class Z Notes will be in dematerialised registered form.
- 1.6** The Class Z Notes have a minimum denomination of €100,000 and may be issued and redeemed in integral multiples of €1,000. No certificates evidencing entitlement to the Class Z Notes will be issued.
- 1.7** The Issuer shall at all times cause to be kept and maintained at the office of the Class Z Note Registrar a register in respect of the Class Z notes in electronic or hard copy form which shall, without limitation, (i) record the identity of the person(s) being the registered holder of the Class Z Notes from time to time, the address(es) of the Class Z Noteholder, the Principal Amount Outstanding and any other relevant information in respect thereof of the Class Z notes and (ii) register transfers of the Class Z Notes.
- 1.8** Without prejudice to Condition 1.7 above, the Issuer shall procure the updating of the Class Z Note Register upon any repayment or prepayment of the Class Z Notes.
- 1.9** Title to the Class Z Notes shall only pass by and upon registration of the transfer in the Class Z Note Register provided that no transferee shall be registered as a new Class Z Noteholder (unless such Class Z Noteholder is already a current Class Z Noteholder) unless (i) the prior written consent of the Issuer and (for so long as any Rated Notes are outstanding) the Note Trustee has been obtained. The Note Trustee shall give its consent to such a transfer if the same has been sanctioned by an Extraordinary Resolution of the Controlling Class and (ii) such transferee has certified to, inter alios, the Class Z Note Registrar that it is:
- (a) by virtue of the law of a Relevant Territory, resident for the purposes of tax in the Relevant Territory and, if that person is a body corporate, the interest is not payable to that body corporate in connection with a trade or business which is carried on in Ireland by it through a branch or agency or;
 - (b) under the laws of a Relevant Territory, interest or other amounts payable under the Class Z Notes is subject, without reduction computed by reference to the amount of such payment, to a tax which generally applies to profits, income or gains received in that Relevant Territory by persons from sources outside that Relevant Territory; and
 - (c) not a U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as the same may be amended from time to time).
- 1.10** The entries in the Class Z Note Register shall be conclusive evidence of title to and beneficial interest in the Class Z Notes in the absence of manifest error and the Issuer, the Note Trustee, the Security Trustee and the Class Z Note Registrar shall be entitled to treat the registered holders whose identity is recorded in the Class Z Note Register as the holders of the Class Z Notes and except as ordered by a court of competent jurisdiction or as required by application of law, notwithstanding notice to the contrary or anything to the contrary contained herein unless such person is designated as a nominee for another person when at its election such other person may be treated as the said holder.
- 1.11** The Issuer shall procure that the Class Z Note Register shall be available for inspection by the Note Trustee, the Security Trustee or the Class Z Noteholder or any third party on behalf of any of them, at any reasonable time upon reasonable prior notice to the Issuer and the Class Z Note Registrar. No transfer or assignment of the Class Z Notes otherwise permitted hereunder shall be effective unless and until it has been duly recorded in the Class Z Note Register as provided in Condition 1.10

1.12 "Noteholders", means (i) with respect to each Class of Rated Notes, each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding (as defined in Condition 6.8 (*Principal Amount Outstanding*)) of each relevant Class of Rated Notes (in which regard any certificate or other document issued by the relevant Clearing System as to the Principal Amount Outstanding of the Rated Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) and such person shall be treated by the Issuer, the Note Trustee and all other persons as the holder of such Principal Amount Outstanding of such relevant Class of Rated Notes for all purposes, other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, any Paying Agent, the Note Trustee, the Security Trustee and all other persons, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and for which purpose "Noteholders" means the bearer of the relevant Global Note; and related expressions shall be construed accordingly and (ii) with respect to the Class Z Notes, each person who is recorded on the register for the Class Z Notes held by the Class Z Note Registrar.

- 1.13**
- (a) "Class A Noteholders" means Noteholders in respect of the Class A Notes;
 - (b) "Class B Noteholders" means Noteholders in respect of the Class B Notes;
 - (c) "Class C Noteholders" means Noteholders in respect of the Class C Notes;
 - (d) "Class D Noteholders" means Noteholders in respect of the Class D Notes;
 - (e) "Class E Noteholders" means Noteholders in respect of the Class E Notes;
 - (f) "Class F Noteholders" means Noteholders in respect of the Class F Notes; and
 - (g) "Class Z Noteholders" means Noteholders in respect of the Class Z Notes.

1.14 References to the Notes in these Conditions shall include the Global Notes, the Class Z Notes and any Definitive Notes.

2. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND TRANSACTION SECURITY

2.1 Status and relationship between the Notes

- (a) The Notes constitute direct, secured, limited recourse and, subject as provided in Condition 16 (*Limited recourse*), unconditional obligations of the Issuer.
- (b) Before the service of an Enforcement Notice, payments of interest on the Notes rank as follows:
 - (i) the Class A Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves;
 - (ii) the Class B Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes as provided in these Conditions and the Transaction Documents;
 - (iii) the Class C Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes and the Class B Notes as provided in these Conditions and the Transaction Documents;

- (iv) the Class D Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes, the Class B Notes and the Class C Notes as provided in these Conditions and the Transaction Documents;
- (v) the Class E Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as provided in these Conditions and the Transaction Documents;
- (vi) the Class F Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as provided in these Conditions and the Transaction Documents; and
- (vii) the Class Z Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to:
 - (A) payments of interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as provided in these Conditions and the Transaction Documents and in accordance with the Pre-Enforcement Revenue Priority of Payments; and
 - (B) payments of principal outstanding on the Class A Notes, Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes as provided in these Conditions and the Transaction Documents and in accordance with the Pre-Enforcement Principal Priority of Payments.
- (c) Before the service of an Enforcement Notice, payments of principal on the Notes rank as follows:
 - (i) the Class A Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves;
 - (ii) the Class B Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes as provided in these Conditions and the Transaction Documents;
 - (iii) the Class C Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes and the Class B Notes as provided in these Conditions and the Transaction Documents;
 - (iv) the Class D Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes, the Class B Notes and the Class C Notes as provided in these Conditions and the Transaction Documents;
 - (v) the Class E Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as provided in these Conditions and the Transaction Documents;
 - (vi) the Class F Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes, the Class B Notes, the Class C

Notes, the Class D Notes and the Class E Notes as provided in these Conditions and the Transaction Documents; and

- (vii) the Class Z Notes will rank *pari passu* and pro rata without any preference or priority amongst themselves but junior to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as provided in these Conditions and the Transaction Documents.
- (d) After the service of an Enforcement Notice, payments of principal and interest under the Notes rank as follows:
- (i) Payments of interest on the Class A Notes will at all times rank in priority to payments of principal on the Class A Notes and to payments of interest and principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes;
 - (ii) Payments of principal on the Class A Notes will at all times rank in priority to payments of interest and principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes;
 - (iii) Payments of interest on the Class B Notes will at all times rank in priority to payments of principal on the Class B Notes and to payments of interest and principal on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes;
 - (iv) Payments of principal on the Class B Notes will at all times rank in priority to payments of interest and principal on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes;
 - (v) Payments of interest on the Class C Notes will at all times rank in priority to payments of principal on the Class C Notes and to payments of interest and principal on the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes;
 - (vi) Payments of principal of the Class C Notes will at all times rank in priority to payments of interest and principal on the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes;
 - (vii) Payments of interest on the Class D Notes will at all times rank in priority to payments of principal on the Class D Notes and to payments of interest and principal on the Class E Notes, the Class F Notes and the Class Z Notes;
 - (viii) Payments of principal on the Class D Notes will at all times rank in priority to payments of interest and principal on the Class E Notes, the Class F Notes and the Class Z Notes;
 - (ix) Payments of interest on the Class E Notes will at all times rank in priority to payments of principal on the Class E Notes and to payments of interest and principal on the Class F Notes and the Class Z Notes;
 - (x) Payments of principal on the Class E Notes will at all times rank in priority to payments of interest and principal on the Class F Notes and the Class Z Notes;

- (xi) Payments of interest on the Class F Notes will at all times rank in priority to payments of principal on the Class F Notes and to payments of interest and principal on the Class Z Notes;
 - (xii) Payments of principal on the Class F Notes will at all times rank in priority to payments of interest and principal on the Class Z Notes; and
 - (xiii) Payments of principal on the Class Z Notes will at all times rank in priority to payments of interest on the Class Z Notes.
- (e) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), provided that the Note Trustee (other than as set out in the Trust Deed, in particular with regards to modifications, consents and waivers) will be required in any such case to have regard only to the interests of:
- (i) the Class A Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of on the one hand, the Class A Noteholders, and, on the other, each or any of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders or the Class Z Noteholder;
 - (ii) the Class B Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of on the one hand, the Class B Noteholders, and, on the other, each or any of the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders or the Class Z Noteholder;
 - (iii) the Class C Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of on the one hand, the Class C Noteholders, and, on the other, each or any of the Class D Noteholders, the Class E Noteholders, the Class F Noteholders or the Class Z Noteholder;
 - (iv) the Class D Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of on the one hand, the Class D Noteholders, and, on the other, each or any of the Class E Noteholders, the Class F Noteholders or the Class Z Noteholder;
 - (v) the Class E Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of on the one hand, the Class E Noteholders, and, on the other, each or any of the Class F Noteholders or the Class Z Noteholder; and
 - (vi) the Class F Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of on the one hand, the Class F Noteholders, and, on the other, the Class Z Noteholder.

Where there is a conflict between the interests of the holders of one Class of Notes and the holders of any other Class or Classes of Notes, the Note Trustee will be required to have regard only to the holders of the Class of Notes which is the most senior and will not have regard to any lower ranking Class of Notes nor to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds in accordance with the relevant Priority of Payments.

2.2 Transaction Security

- (a) The security constituted by and pursuant to the Security Deed and the Irish Deed of Charge is granted to the Security Trustee, on trust for the Noteholders and the other Secured Creditors of the Issuer, upon and subject to the terms and conditions of the Security Deed and, as applicable, the Irish Deed of Charge.
- (b) The Noteholders and the other Secured Creditors will share in the benefit of the security constituted by and pursuant to the Security Deed and the Irish Deed of Charge, upon and subject to the terms and conditions of the Security Deed and, as applicable, the Irish Deed of Charge.

2.3 Priorities of Payments

Prior to the service of an Enforcement Notice, the Issuer (or the Cash Manager on its behalf) is required to apply the Available Revenue Receipts and Available Principal Receipts in accordance with the Pre-Enforcement Priorities of Payments and, after the service of an Enforcement Notice, in accordance with the Post-Enforcement Priority of Payments.

3. COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted or contemplated under any of the Transaction Documents, the Issuer shall not, so long as any Note remains Outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking (other than for the avoidance of doubt, any security created pursuant to the Security Deed and the Irish Deed of Charge);
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities contemplated under the Transaction Documents or the Constitution; or (ii) have any subsidiaries (as defined in the Companies Act), any subsidiary undertakings (as defined in the Companies Act) or any employees or premises;
- (c) **Disposal of assets:** transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (d) **Dividends or distributions:** pay any dividend (other than out of funds retained as a profit in accordance with the applicable Priority of Payments) or make any other distribution to its shareholders or issue any further shares;
- (e) **Indebtedness:** incur any financial indebtedness (other than the Secured Liabilities) or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (f) **Merger:** consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (g) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied or agree to any modification of, or grant

any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party; and

- (h) **Issuer Accounts:** have an interest in any bank account other than the Issuer Accounts unless such account or interest therein is charged to the Security Trustee on terms acceptable to it.

4. INTEREST

4.1 Interest Accrual

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the close of business on the day preceding the day on which such Note has been redeemed in full unless, upon due presentation in accordance with Condition 5 (*Payments*), payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

4.2 Interest Payment Dates

The Notes bear interest on their respective Principal Amount Outstanding from and including the Issue Date payable monthly in arrears on each Interest Payment Date in respect of the relevant Interest Period.

4.3 Rate of Interest

- (a) The interest rate payable from time to time in respect of each of the following Class of Rated Notes shall be:
 - (i) 1 month EURIBOR plus a margin of 1.15 per cent. per annum in respect of the Class A Notes;
 - (ii) 1 month EURIBOR plus a margin of 2.20 per cent. per annum in respect of the Class B Notes;
 - (iii) 1 month EURIBOR plus a margin of 3.20 per cent. per annum in respect of the Class C Notes;
 - (iv) 1 month EURIBOR plus a margin of 4.50 per cent. per annum in respect of the Class D Notes;
 - (v) 1 month EURIBOR plus a margin of 7.00 per cent. per annum in respect of the Class E Notes; and
 - (vi) 1 month EURIBOR plus a margin of 10.00 per cent. per annum in respect of the Class F Notes,(each rate, the "**Rated Note Interest Rate**").
- (b) The interest amount payable from time to time in respect of the Class Z Notes shall be the Class Z Notes Interest Amount.
- (c) EURIBOR will be determined by the Agent Bank on the following basis:

- (i) on each Interest Determination Date the Agent Bank will determine the Screen Rate (as defined below) at approximately 11.00 a.m. (Brussels time) on that Interest Determination Date. If the Screen Rate is unavailable, the Issuer will request the principal Euro-zone (as defined below) office of each of the Reference Banks (as defined below) to provide the Issuer with the rate at which deposits in euro are offered by it to prime banks in the Euro-zone interbank market for one month at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question and for a Representative Amount (as defined below) and the Issuer shall provide such rate to the Agent Bank;
 - (ii) if the Screen Rate is unavailable, and at least two of the Reference Banks provide such rates, the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) as established by the Agent Bank of such rates; or
 - (iii) if fewer than two rates are provided as requested, the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the Issuer, at approximately 11.00 a.m. (Brussels time) on the first day of such Interest Period for loans in euro to leading European banks for a period of one month commencing on the first day of such Interest Period and for a Representative Amount; or
 - (iv) if, the Agent Bank is on any Interest Determination Date unable for whatever reason to determine EURIBOR in accordance with the above provisions, EURIBOR shall be determined as at the last preceding Interest Determination Date.
- (d)
- (i) Following the occurrence of any of the events described in Condition 11.6(g) (the "**Relevant Time**"), the Issuer shall, without undue delay, use commercially reasonable endeavours to propose an Alternative Base Rate in accordance with Condition 11.6(g) (the "**Relevant Condition**").
 - (ii) For the avoidance of doubt, the Issuer shall not be obliged to propose an Alternative Base Rate under this Condition 4.3(d)(i) if an Alternative Base Rate proposed by or on behalf of the Issuer (including any Alternative Base Rate which was proposed prior to the Relevant Time pursuant to the Relevant Condition) has failed to be implemented in accordance with the Relevant Condition as a result of the objections of the Noteholders of the Class of Rated Notes to the modification.
- (e) In no event shall the Rated Note Interest Rate in respect of any Class of Rated Notes be less than zero per cent. per annum.
- (f) In these Conditions (except where otherwise defined), the expression:
- (i) "**Euro-zone**" means the region comprised of the member states of the European Union that have adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended;
 - (ii) "**Interest Determination Date**" means the date falling two Business Days before each Interest Payment Date or, in the case of the first Interest Period, the Issue Date;
 - (iii) "**Reference Banks**" means the principal Euro-zone office of each of five major banks engaged in the Euro-zone interbank market selected by the Agent Bank provided that, once a Reference Bank has been selected by the Issuer, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such;

- (iv) **"Representative Amount"** means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time; and
- (v) **"Screen"** means Reuters Screen EURIBOR01 or Bloomberg Screen EUR0001M or:
 - (A) such other page as may replace Reuters Screen EURIBOR01 or Bloomberg Screen EUR0001M on that service for the purpose of displaying such information; or
 - (B) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Trustee) as may replace such screen.
- (vi) **"Screen Rate"** means, in relation to (i) the first Interest Determination Date, the linear interpolation of the offered quotations for euro deposits between one month and three months in the London interbank market displayed on the Screen, or (ii) any subsequent Interest Determination Date, the offered quotations for Euro deposits for one month which appears on the Screen (in the case of (i) and (ii)) as at or about 11:00 a.m. (London time) on that date (rounded upwards if necessary, to five decimal places).

4.4 Determination of Interest Amounts

- (a) The amount of interest payable in respect of each Note on any Interest Payment Date shall be calculated not later than on the first day of the Interest Period immediately preceding such Interest Payment Date. The Agent Bank will, on the Interest Determination Date in relation to each Interest Period, calculate the amount of interest (the **"Interest Amount"**) payable in respect of each Rated Note for such Interest Period. The Interest Amount in respect of each Class of the Rated Notes will be calculated by applying the Rated Note Interest Rate for such Interest Period for the relevant Class of Notes to the Principal Amount Outstanding of such Class of Notes on the first day of such Interest Period (after making any payments of principal in respect thereof), multiplying the product by the actual number of days in such Interest Period divided by 360 (the **"Day Count Fraction"**) and rounding the resulting figure to the nearest EUR0.01 (half a cent being rounded upwards).
- (b) The Class Z Note Interest Amount shall be Calculated an each Interest Determination Date by the Cash Manager and notified to the Agent Bank.

4.5 Publication of Interest Amounts

The Agent Bank shall cause the Interest Amount for each Class of Notes for each Interest Period and the relative Interest Payment Date to be notified to the Issuer, the Note Trustee, the Cash Manager, the Class Z Note Registrar, each of the Clearing Systems and to any stock exchange or other relevant authority on which the Rated Notes are at the relevant time admitted to trading and/or listed and to be published in accordance with Condition 14 (*Notice To Noteholders*) as soon as possible after their determination and in no event later than the second Business Day thereafter. The Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

4.6 Notifications

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the

Agent Bank, the Cash Manager or the Note Trustee, will (in the absence of manifest error) be binding on the Issuer, the Note Trustee, the Agent Bank, the Paying Agents, the Class Z Note Registrar and all Noteholders and (in the absence of its gross negligence, wilful default or fraud) no liability to the Issuer or to the Noteholders shall attach to the Agent Bank or, if applicable, the Note Trustee in connection with the exercise or non-exercise by any of them of their rights, powers, duties and discretions under this Condition 4.

4.7 Agent Bank

The Issuer shall procure that, so long as any of the Rated Notes remains Outstanding, there is at all times an Agent Bank for the purposes of the Rated Notes and the Issuer may with the prior written consent of the Note Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the amount of interest for any Interest Period, the Issuer shall, appoint the London office of another major bank engaged in the European interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

5. PAYMENTS

5.1 Payments in respect of the Rated Notes

Payments in respect of principal and interest in respect of any Global Note will be made outside the United States only against presentation of such Global Note to or to the order of the Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 14 (*Notice To Noteholders*) for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers and reflect such customers' interest in the Rated Notes) and such records shall be *prima facie* evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Rated Note shall have any claim directly against the Issuer in respect of payments due on such Rated Note whilst such Rated Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer (or the Paying Agent on the Issuer's behalf) shall procure that each payment shall be entered *pro rata* in the records of the relevant Clearing System but any failure to make such entries shall not affect the discharge referred to above.

5.2 Method of Payment

Payments will be made in respect of the Rated Notes by credit or transfer to an account in Euro (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET2 System and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Global Note at the specified office of any Paying Agent.

5.3 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment 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 any law implementing an intergovernmental approach thereto.

5.4 Payment only on a Presentation Date

A holder shall be entitled to present a Global Note for payment only on a Presentation Date and shall not, except as provided in Condition 4 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

In this condition, the expression Presentation Date means a day which (subject to Condition 8 (*Prescription*)):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the Specified Office of the Paying Agent at which the Global Note is presented for payment; and
- (c) in the case of payment by credit or transfer to a Euro account or other account to which Euro may be credited or transferred) as referred to above, is a relevant Business Day.

In this Condition 5.4, Business Day means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place.

5.5 Class Z Notes

Payments in respect of principal and interest in respect of the Class Z Notes shall be made only to the Class Z Noteholder by the Class Z Note Registrar. Each payment of principal or interest made in respect of the Class Z Notes will be recorded by the Class Z Note Registrar in the Class Z Note Register and, absent manifest errors, shall be prima facie evidence that the payment in question has been made.

5.6 Paying Agents

The name of the Principal Paying Agent, the Class Z Notes Registrar and their initial Specified Office are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Class Z Notes Registrar and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a person appointed to perform the obligations of the Principal Paying Agent and Class Z Notes Registrar; and
- (b) there will at all times be at least one Paying Agent (who may be the Principal Paying Agent) having its Specified Office in such place as may be required by the rules and regulations of the relevant stock exchange and competent authority which, for so long as the Rated Notes are admitted to trading on the Official List of Euronext Dublin and to trading on its regulated market and the relevant listing rules require, shall be a place in the United Kingdom (such as London) or such other place as Euronext Dublin may approve.

Notice of any termination or appointment and of any changes in Specified Office of the Paying Agent or the Class Z Note Registrar, as applicable will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (*Notice To Noteholders*).

5.7 Change in the Priority of Payments

The Issuer shall cause any change in the Priority of Payments (including for the avoidance of doubt the occurrence of an Amortisation Trigger Event terminating the Revolving Period before the Revolving

Period End Date) to be notified to all Noteholders without undue delay in compliance with Condition 14 (*Notice To Noteholders*).

6. REDEMPTION

6.1 Redemption at maturity

Unless previously redeemed in full, the Issuer will redeem the Notes at their respective Principal Amount Outstanding together with all accrued interest (including, without limitation any Deferred Interest and Additional Interest) on the Final Maturity Date.

6.2 Mandatory redemption in part on Interest Payment Date

On any Interest Payment Date following the end of the Revolving Period and prior to the service of an Enforcement Notice, the Notes shall be subject to mandatory redemption in part subject to the availability of Available Principal Receipts and application of such Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments, provided that the Principal Amount Outstanding of any Class Z Note may not be reduced below EUR1,000 before the day on which such Class Z Note must be redeemed in full pursuant to this Condition 6.

6.3 Mandatory redemption in part upon occurrence of a Cash Collateral Ratio Trigger Event

On any Interest Payment Date on which a Cash Collateral Ratio Trigger Event is continuing and prior to the service of an Enforcement Notice, the Notes shall be subject to mandatory redemption in part in an amount equal to the Excess Cash (if any) in accordance with the Pre-Enforcement Principal Priority of Payments, provided that the Principal Amount Outstanding of any Class Z Note may not be reduced below EUR1,000 before the day on which such Class Z Note must be redeemed in full pursuant to this Condition 6.

6.4 Mandatory redemption in whole

On and after the occurrence of an Event of Default and service of an Enforcement Notice, the Issuer shall redeem the Notes in accordance with the Post-Enforcement Priority of Payments.

6.5 Mandatory redemption in whole following a Risk Retention Regulatory Change Event

- (a) Upon the occurrence of a Risk Retention Regulatory Change Event, the Sellers, or their nominee, shall repurchase, no later than the date falling on the immediately following Interest Payment Date, all of the Purchased Receivables and Ancillary Rights from the Issuer at a repurchase price at least equal to the Principal Amount Outstanding of the Notes together with accrued but unpaid interest (including, without limitation, any Deferred Interest and Additional Interest on the Principal Amount Outstanding up to (but excluding) such date) (the “**Risk Retention Regulatory Change Repurchase Amount**”).
- (b) Subject to receipt of the Risk Retention Regulatory Change Repurchase Amount, the Issuer shall redeem all (but not some only) of the Notes on the next following Interest Payment Date in accordance with the relevant Priority of Payments, provided that:
 - (i) the Issuer has given not more than 30 nor less than 15 days’ notice (or such shorter period expiring on or before the latest date permitted by relevant law) to the Noteholders in accordance with Condition 14 (*Notice To Noteholders*) and to the Note Trustee (copied to the Rating Agencies if applicable) of its intention to redeem all, but not some only, of the Notes at their respective Principal Amount Outstanding together with accrued but unpaid interest (including, without limitation, any Deferred

Interest and Additional Interest on the Principal Amount Outstanding up to (but excluding) such date); and

- (ii) prior to the publication of any notice of redemption pursuant to this Condition 6, the Issuer shall deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that (i) a Risk Retention Regulatory Change Event is continuing and (ii) the Issuer will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date (upon which the Note Trustee shall rely without liability or enquiry), and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

6.6 Mandatory redemption in whole following a Tax Regulatory Change Option

If a Tax Regulatory Change Option occurs, the Issuer shall, on any Interest Payment Date thereafter, provided at least 15 Business Days' notice has been given to the Paying Agent, the Class Z Note Registrar, the Noteholders and the Note Trustee (copied to the Rating Agencies, if applicable) and provided that, prior to giving any such notice, the Issuer has provided the Note Trustee with (i) a legal opinion (addressed to the Note Trustee) from a firm of lawyers in the applicable jurisdiction, opining that the relevant change in tax law is a Tax Event, (ii) a certificate signed by two directors of the Issuer to the effect that the obligations to make such deduction withholding, after having taking reasonable measures available to it, cannot be avoided (upon which the Note Trustee shall rely without liability or enquiry), and (iii) a certificate signed by two directors of the Issuer to the effect that the Issuer will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date (upon which the Note Trustee shall rely without liability or enquiry), redeem all, but not some only, of the Notes at their Principal Amount Outstanding together with accrued but unpaid interest and any Deferred Interest and Additional Interest on the Principal Amount Outstanding up to (but excluding) such date.

6.7 Mandatory Redemption following exercise of the Portfolio Repurchase Option

- (a) The Portfolio Option Holder (acting in the name and on behalf of the Sellers) shall have the option to repurchase the entire Receivables Portfolio (but not a part only) on any Interest Payment Date during the Amortisation Period at a repurchase price equal to the aggregate of (i) the Principal Amount Outstanding of the Rated Notes together with accrued but unpaid interest (including, any Deferred Interest and Additional Interest on the Principal Amount Outstanding up to (but excluding) such date) (ii) the Trustee Expenses, (ii) the Expenses, (iii) the Servicing Fees, (iv) the Third-Party Expenses and (v) the Issuer Profit Amount, in each case calculated as of such Interest Payment Date (the "**Portfolio Repurchase Option**").
- (b) The Portfolio Option Holder shall advise the Issuer and the Cash Manager (and the Cash Manager, on behalf of the Sellers, shall advise the Noteholders) of its intention to exercise the Portfolio Repurchase Option on behalf of the Sellers at least five (5) Business Days prior to the contemplated redemption date, which shall be an Interest Payment Date (the "**Portfolio Repurchase Date**") by the delivery of a notice, (the "**Portfolio Repurchase Option Notice**") which shall be published by the Issuer in accordance with Condition 14 (*Notice To Noteholders*) to the Noteholders and the Note Trustee (copied to the Ratings Agencies, as applicable).
- (c) Subject to receipt of the repurchase price for the Portfolio Repurchase Option from the Portfolio Option Holder, the Issuer shall redeem all (but not some only) of the Notes on the

next following Interest Payment Date in accordance with the relevant Priority of Payments, provided that prior to the publication of any notice of redemption pursuant to this Condition 6, the Issuer shall deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that (i) the Portfolio Repurchase Option has been exercised and (b) the Issuer will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

6.8 Principal Amount Outstanding

The "**Principal Amount Outstanding**" of a Note on any date shall be its original principal amount less the aggregate amount of all principal payments in respect of such Note which have been paid since the Issue Date except if and to the extent that any such payment has been improperly withheld or refused.

6.9 Notice of redemption

Any such notice as is referred to in Condition 6.6 (*Mandatory redemption in whole following a Tax Regulatory Change Option*) above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above.

6.10 No purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

6.11 Cancellation

All Notes redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

7. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**"), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the relevant Paying Agent or Class Z Notes Registrar shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any other person shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

8. PRESCRIPTION

Claims in respect of principal and interest on the Notes will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

In this Condition 8 the "**Relevant Date**", in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Noteholders in accordance with Condition 14 (*Notice To Noteholders*).

9. EVENTS OF DEFAULT

9.1 Each of the following events shall be an "Event of Default":

- (a) **Insolvency:** an Issuer Insolvency Event occurs; or
- (b) **Non-payment:**
 - (i) the Issuer fails to pay any amount of interest in respect of the Class A Notes when the same becomes due and payable, and such non-payment continues for a period of ten (10) Business Days; or
 - (ii) the Issuer fails to pay any amount of principal on the Notes when due, and such non-payment continues for a period of five (5) Business Days; or
- (c) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of Notes, or under or in respect of any of the Transaction Documents to which it is a party and such default is either (i) in the opinion of the Note Trustee, incapable of remedy or (ii) in the opinion of the Note Trustee, capable of remedy, but remains unremedied for 30 days or such longer period as the Note Trustee may agree after the Note Trustee has given written notice of such default to the Issuer; or
- (d) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or Transaction Documents.

9.2 If an Event of Default occurs and is continuing, the Note Trustee in its absolute discretion may, and if so directed in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the Controlling Class of Notes then Outstanding or if so directed by an Extraordinary Resolution of the Controlling Class of Noteholders (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction against all Liabilities to which it may become liable or which it may incur by so doing and subject as further provided in clause 9.1(c) of the Trust Deed), (but, in the case of the happening of any of the events described in paragraph (c) above, only if the Note Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Controlling Class of Notes), shall give notice (an "**Enforcement Notice**") to the Issuer (with a copy being sent simultaneously to the Security Trustee, the Servicer, the Cash Manager, the Principal Paying Agent, the Class Z Note Registrar and the Issuer Account Bank) that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding, together with accrued interest.

9.3 General

- (a) Upon the service of an Enforcement Notice by the Note Trustee in accordance with Condition 9.1 above, all Notes then Outstanding shall thereby immediately become due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed. The security constituted by the Security Deed and the Irish Deed of Charge will become enforceable upon service of an Enforcement Notice.
- (b) The Issuer shall cause any Enforcement Notice served in accordance with Condition 9 (*Events of Default*) to be notified to all Noteholders without undue delay in compliance with Condition 14 (*Notice To Noteholders*).

9.4 Restriction

Except in the case of an Event of Default referred to in Condition 9.1(b) or 9.1(c), the Security Trustee will not be entitled to dispose of any of the assets comprised in the Security constituted by the Security Deed and the Irish Deed of Charge unless a financial adviser selected by the Security Trustee (at the cost of the Issuer) has confirmed that, in its opinion, either (i) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the Noteholders and all amounts payable in priority thereto in accordance with the applicable Priority of Payments or (ii) a sufficient amount would not be so realised, but the resulting shortfall would be less than the shortfall that would result from not disposing of such assets (provided that in relation to this Condition 9.4 the Security Trustee: (i) shall not be obliged to select any such financial adviser unless the Security Trustee has been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing and (ii) shall have no liability to any person if it is unable to select any such financial adviser and/or obtain any such opinion having made reasonable efforts to do so).

10. ENFORCEMENT

Subject to Condition 9 (*Events of Default*), the Note Trustee may at any time at its discretion and without notice, and shall, if so directed in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the Controlling Class of Notes or if so directed by an Extraordinary Resolution of the Controlling Class of Notes (subject in each case to being indemnified and/or prefunded and/or secured to its satisfaction against all Liability to which it may become liable or which it may incur by so doing and subject as further provided in clause 9.1(b) of the Trust Deed), take such action under or in connection with any of the Transaction Documents as it may think fit (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, after the service of an Enforcement Notice, to take steps to enforce the security constituted by the Security Deed), provided that:

- (a) neither the Note Trustee nor the Security Trustee shall be bound to take any such action unless it shall have been indemnified and /or pre-funded and/or secured to its satisfaction; and
- (b) none of the Note Trustee the Security Trustee or any of the Secured Creditors shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

Notwithstanding the foregoing, the Security Deed will provide that the Security Trustee shall (to the extent permitted by applicable law) use its best endeavours to enforce the security constituted by the Security Deed by appointing an administrative receiver in respect of the Issuer if it has actual notice of (i) an application for the appointment of an administrator in respect of the Issuer or (ii) the giving of a notice of intention to appoint an administrator in respect of the Issuer, such appointment of an administrative receiver to take effect not later than the final day by which the appointment must be made in order to prevent an administration proceeding.

The Security Deed will further provide that (a) the Security Trustee will not be liable for any failure to appoint an administrative receiver in respect of the Issuer, save in the case of its own gross negligence, wilful default or fraud and (b) in the event that the Security Trustee appoints an administrative receiver in respect of the Issuer under the Security Deed in the circumstances set out in the paragraph above, then the Issuer shall waive any claims against the Security Trustee in respect of the appointment of the administrative receiver.

11. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

- 11.1** The Trust Deed contains provisions for convening meetings of the Noteholders of each Class and, in certain cases, more than one Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents.
- 11.2** Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes of Notes for passing an Ordinary Resolution will be one or more persons holding or representing not less than one-fifth of the aggregate Principal Amount Outstanding of such Class or Classes of Notes, or, at any adjourned meeting, one or more persons being or representing a Noteholder of the relevant Class or Classes, whatever the aggregate Principal Amount Outstanding of the Notes of such Class or Classes held or represented by it or them.
- 11.3** Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes of Notes for passing an Extraordinary Resolution (other than in respect of a Basic Terms Modification) will be one or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes, or, at any adjourned meeting, one or more persons holding or representing not less than one quarter of the aggregate Principal Amount Outstanding of the Notes of such Class or Classes.
- 11.4** The quorum at any meeting of Noteholders of any Class or Classes for passing an Extraordinary Resolution to sanction a modification of the date of maturity of any Notes or which would have the effect of postponing any day for payment of interest in respect of the Notes (except in accordance with Condition 11.6(g) or Clause 21.2(g) of the Trust Deed), reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes (except in accordance with Condition 11.6(g) or Clause 21.2(g) of the Trust Deed), altering the currency of payment of such Notes, or altering the quorum or majority required in relation to this exception (each, a **Basic Terms Modification**) shall be one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than one-quarter of the aggregate Principal Amount Outstanding of the Notes of such Class or Classes.

Except in the case of (i) an Extraordinary Resolution directing the Note Trustee to give an Enforcement Notice, as to which the provisions of Condition 9 (*Events of Default*) shall apply or (ii) a Basic Terms Modification, which requires an Extraordinary Resolution of the relevant affected Classes of the Notes:

- (a) an Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholder irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or any of the other Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or any of the matters referred to in subparagraphs 19(a), (b), (c), (i) and (j) of Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed will not take effect unless either: (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class B Noteholders the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders or the Class Z Noteholder or (ii) it is sanctioned by an Extraordinary Resolution of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholder;
- (b) Whilst the Class A Notes are outstanding no Extraordinary Resolution of the Class B Noteholders (other than sanctioning an Extraordinary Resolution referred to in subparagraph (a) above) shall be effective for any purpose unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class A Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders or none of Class A Notes remain outstanding. If the Class A Notes are no longer outstanding, then an

Extraordinary Resolution passed at any meeting of the Class B Noteholders shall be binding on the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholder irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or any of the other Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or any of the matters referred to in subparagraphs 19(a), (b), (c), (i) and (j) of Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed will not take effect unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders or the Class Z Noteholder or (ii) it is sanctioned by an Extraordinary Resolution of the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholder;

- (c) Whilst the Class B Notes are outstanding no Extraordinary Resolution of the Class C Noteholders (other than sanctioning an Extraordinary Resolution referred to in subparagraph (a) and (b) above) shall be effective for any purpose unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class A Noteholders or the Class B Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and the Class B Noteholders or none of the Class A Notes and the Class B Notes remain outstanding. If the Class A Notes and the Class B Notes are no longer outstanding, then an Extraordinary Resolution passed at any meeting of the Class C Noteholders shall be binding on the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholder irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or any of the other Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or any of the matters referred to in subparagraphs 19(a), (b), (c), (i) and (j) of Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed will not take effect unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class D Noteholders, the Class E Noteholders, the Class F Noteholders or the Class Z Noteholder or (ii) it is sanctioned by an Extraordinary Resolution of the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholder;
- (d) Whilst the Class C Notes are outstanding no Extraordinary Resolution of the Class D Noteholders (other than sanctioning an Extraordinary Resolution referred to in subparagraph (a), (b) and (c) above) shall be effective for any purpose unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders or the Class C Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders or none of the Class A Notes, the Class B Notes and the Class C Notes remain outstanding. If the Class A Notes, the Class B Notes and the Class C Notes are no longer outstanding, then an Extraordinary Resolution passed at any meeting of the Class D Noteholders shall be binding on the Class E Noteholders, the Class F Noteholders and the Class Z Noteholder irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or any of the other Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or any of the matters referred to in subparagraphs 19(a), (b), (c), (i) and (j) of Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed will not take effect unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class E Noteholders, the Class F Noteholders or the Class Z Noteholder or (ii) it is sanctioned by an Extraordinary Resolution of the Class E Noteholders, the Class F Noteholders and the Class Z Noteholder;

- (e) Whilst the Class D Notes are outstanding no Extraordinary Resolution of the Class E Noteholders (other than sanctioning an Extraordinary Resolution referred to in subparagraph (a), (b), (c) and (d) above) shall be effective for any purpose unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders or the Class D Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders or none of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes remain outstanding. If the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are no longer outstanding, then an Extraordinary Resolution passed at any meeting of the Class E Noteholders shall be binding on the Class F Noteholders and the Class Z Noteholder irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or any of the other Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or any of the matters referred to in subparagraphs 19(a), (b), (c), (i) and (j) of Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed will not take effect unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class F Noteholders or the Class Z Noteholder or (ii) it is sanctioned by an Extraordinary Resolution of the Class F Noteholders and the Class Z Noteholder;
- (f) Whilst the Class E Notes are outstanding no Extraordinary Resolution of the Class F Noteholders (other than sanctioning an Extraordinary Resolution referred to in subparagraph (a), (b), (c), (d) and (e) above) shall be effective for any purpose unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders or none of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes remain outstanding. If the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are no longer outstanding, then an Extraordinary Resolution passed at any meeting of the Class F Noteholders shall be binding on the Class Z Noteholder irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or any of the other Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or any of the matters referred to in subparagraphs 19(a), (b), (c), (i) and (j) of Schedule 3 (*Provisions for Meetings of Noteholders*) to the Trust Deed will not take effect unless either the Note Trustee is of the opinion that: (i) it would not be materially prejudicial to the interests of the Class Z Noteholder or (ii) it is sanctioned by an Extraordinary Resolution of the Class Z Noteholder;
- (g) no Extraordinary Resolution of the Class Z Noteholder (other than sanctioning an Extraordinary Resolution referred to in subparagraph (a), (b), (c), (d), (e) or (f) above) shall be effective for any purpose unless either: (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders or the Class F Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders or (iii) none of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes remain outstanding.

11.5 The Note Trustee may agree, and may direct the Security Trustee to agree, without the consent of the Noteholders or the other Secured Creditors (but with the consent of the Secured Creditors which are

party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document):

- (a) to any modification, or to any waiver or authorisation of any breach or proposed breach, of these Conditions or of any of the Transaction Documents which, in the opinion of the Note Trustee, is not materially prejudicial to the interests of the Noteholders of each Class; or
- (b) to any modification (including in relation to a Basic Terms Modification) which, in the opinion of the Note Trustee, is of a formal, minor or technical nature, to correct a manifest error or is necessary to comply with any mandatory provisions of law.

11.6 Notwithstanding the provisions of Condition 11.5, the Note Trustee shall be obliged and shall direct the Security Trustee, without any consent or sanction of the Noteholders or the other Secured Creditors, but subject to the receipt of written consent from any of the Secured Creditors party to the Transaction Document being modified, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Conditions and/or any Transaction Document that the Issuer considers necessary:

- (a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that, in the case of any modification to a Transaction Document or these Conditions proposed by the Account Bank in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
 - (i) the Account Bank, as the case may be, certifies in writing to the Issuer, the Note Trustee and the Security Trustee (upon which the Note Trustee and Security Trustee may rely absolutely without enquiry or liability) that such modification is necessary for the purposes described in paragraph (x) and/or (y) above;
 - (ii) Either:
 - (A) the Account Bank obtains from each of the Rating Agencies a Ratings Confirmation and, if relevant, delivers a copy of each such confirmation to the Issuer, the Note Trustee and the Security Trustee; or
 - (B) the Account Bank, as the case may be, certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in a downgrade, qualification or withdrawal of the then current ratings assigned to any Class of Rated Notes by such Rating Agency; and
 - (iii) the Account Bank, as the case may be, pays all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee in connection with such modification;
- (b) in order to enable the Issuer to comply with any obligation which applies to it under EMIR;
- (c) for the purpose of complying with any changes in the requirements of the Securitisation Regulation after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to (i) the Securitisation Regulation, (ii) the CRR Amendment Regulation

or (iii) any other legislation, regulations or official guidance relating to securitisation transactions;

- (d) for the purpose of enabling each Class of Rated Notes to be (or to remain) listed on Euronext Dublin;
- (e) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto);
- (f) for the purpose of complying with any changes in the requirements of Regulation (EU) No 1060/2009 (the **CRA Regulation**) after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to the CRA Regulation or regulations or official guidance in relation thereto,
- (g) for the purpose of changing the screen rate or base rate than then applies in respect of the Rated Notes from EURIBOR to an alternative base rate (any such rate, an **Alternative Base Rate**) and making such other related or consequential amendments to any of the Transaction Documents as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change or which are required as a consequence of adopting an Alternative Base Rate (a **Base Rate Modification**), provided that, in relation to any amendment under this Condition 11.6(g) the Issuer certifies to the Note Trustee and the Security Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that:
 - (i) such Base Rate Modification is being undertaken due to:
 - (A) a material disruption to EURIBOR, an adverse change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;
 - (B) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed);
 - (C) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR);
 - (D) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
 - (E) a public statement by the supervisor of the EURIBOR administrator that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
 - (F) it being the reasonable expectation of the Cash Manager (acting on behalf of the Issuer) that any of the events specified in sub-paragraphs (A), (B), (C), (D) or (E) (inclusive) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and
 - (ii) such Alternative Base Rate is:
 - (A) a base rate published, endorsed, approved or recognised by any regulator in the European Union or any stock exchange on which the Rated Notes are

listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);

- (B) a base rate utilised in a material number of publicly-listed new issues of Euro-denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
- (C) such other base rate as the Cash Manager reasonably determines.

and, in each case, the change to the Alternative Base Rate will not, in its opinion, be materially prejudicial to the interests of the Noteholders of each Class.

The Note Trustee and the Security Trustee shall be entitled to rely on a Base Rate Modification Certificate absolutely without liability and enquiry.

(each a “**Proposed Amendment**”) and subject to:

- I. for any Proposed Amendment referred to in paragraphs (a) to (f) above, receipt by the Note Trustee and the Security Trustee of a certificate (upon which they may rely absolutely without enquiry or liability) issued by the Issuer signed by two directors of the Issuer certifying to the Note Trustee and the Security Trustee that the requested modifications in relation to any Proposed Amendment are to be made solely for the purpose of enabling the Issuer to satisfy such obligations under any Proposed Amendment and have been drafted solely to such effect both at the time Noteholders, the Note Trustee and the Security Trustee are notified of the proposed modification and on the date that such modification takes effect; and
- II. for any Proposed Amendment referred to in paragraphs (a) to (g) above, the Issuer certifying to the Note Trustee and the Security Trustee that:
 - (x) the Issuer has provided at least 30 days’ prior written notice of any such proposed modification to the Note Trustee and the Security Trustee and to Noteholders of each Class of the proposed modification in accordance with Condition 14 (*Notice To Noteholders*) and by publication on Bloomberg on the “Company News” screen relating to the Notes, in each case specifying the date and time by which Noteholders must respond, and has made available at such time the modification documents for inspection at the registered office of the Note Trustee for the time being during normal business hours;
 - (y) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Controlling Class of Notes then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification; and
 - (z) the Issuer pays all costs, fees and expenses (including reasonable and properly incurred legal fees) incurred in connection with such modification,and provided further that, for any Proposed Amendment referred to in paragraphs (a) to (g) above, other than in the case of a modification pursuant to Condition 11.6(a) above, either

- I. the Issuer obtains from each of the Rating Agencies a Ratings Confirmation; or
- II. the Issuer certifies (upon which the Note Trustee and Security Trustee may rely absolutely without enquiry or liability) that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in a downgrade, qualification or withdrawal of the then current ratings assigned to the Class A Notes by such Rating Agency.

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

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

11.7 Other than where specifically provided in Condition 11.6:

- (a) when implementing any modification pursuant to Condition 11.6 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Condition 11.6 and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (b) the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee in the Transaction Documents and/or these Conditions.

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

11.8 Any such modification, waiver, authorisation or determination pursuant to Conditions 11.5, 11.6 and 11.7 shall be binding on the Noteholders and the other Secured Creditors and, unless the Note Trustee agrees otherwise, any such modification shall be notified by the Issuer as soon as practicable thereafter to:

- (a) so long as any of the Rated Notes remain outstanding, each Rating Agency; and
- (b) the Noteholders in accordance with Condition 14 (*Notice To Noteholders*).

The Note Trustee shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any communication or confirmation by any Rating Agency (including any Ratings Confirmations and whether or not such communication or confirmation is addressed to, or provides that it may be relied upon by, the Note Trustee and the Security Trustee and irrespective of the method by which such confirmation is conveyed) (a) that the then current rating by it of any Class of the Rated Notes would not be downgraded, withdrawn or qualified by such exercise or performance and/or (b) if the original rating of any Class of Rated Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of such class of Notes.

Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Note Trustee is required to have regard to the interests of the Noteholders of any Class, it shall have regard to the general interests of the Noteholders of such Class as a Class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

- 11.9 "Ordinary Resolution"** means a resolution passed at a Meeting of the relevant Class or Classes of Notes duly convened and held in accordance with the Trust Deed by more than half of the eligible persons voting thereat on a show of hands or, if a poll is duly demanded, by a simple majority of the votes cast on such poll.

"Extraordinary Resolution" means, in respect of the holders of any Class or Classes of Notes:

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

12. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Trust Deed and the Security Deed contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the security constituted by and pursuant to the Security Deed unless indemnified and/or pre-funded and/or secured to their satisfaction.

The Trust Deed and the Security Deed also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia* (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

13. REPLACEMENT OF GLOBAL NOTES

If any Global Principal Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the Specified Office of the Paying Agent. Replacement of any mutilated, defaced, lost, stolen or destroyed Global Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and/or the Paying Agent may reasonably require. A mutilated or defaced Global Note must be surrendered before a new one will be issued.

14. NOTICE TO NOTEHOLDERS

Any notice shall be deemed to have been duly given to the Noteholders (other than the Class Z Noteholder) if sent to the Clearing Systems for communication by them to the holders of the Notes and shall be deemed to be given on the date on which it was so sent, any notice shall also be published on the website of Euronext Dublin in accordance with the relevant guidelines of Euronext Dublin.

In respect of the Class Z Notes, notices to the Class Z Noteholder shall be given by the Issuer to the fax number or email address notified to the Issuer by the relevant Class Z Noteholder.

15. SUBORDINATION BY DEFERRAL OF INTEREST

To the extent that, subject to and in accordance with the relevant Priority of Payments, the funds available to the Issuer to pay interest on any Class of Notes (other than the Class A Notes) on any Interest Payment Date (after deducting the amounts paid senior to such interest under the Pre-Enforcement Revenue Priority of Payments) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Class of Notes (the "**Deferred Interest**") will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after deducting the amounts paid senior to such interest under the Pre-Enforcement Revenue Priority of Payments and subject to and in accordance with the relevant Priority of Payments) to fund the payment of such deferred interest to the extent of such available funds.

Such Deferred Interest will accrue interest ("**Additional Interest**") at the rate of interest applicable from time to time to the applicable Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Class of Notes, when such amounts will become due and payable.

16. LIMITED RECOURSE

16.1 If at any time following:

- (a) (i) the Final Maturity Date or any earlier date upon which all of the Notes of each Class become due and payable; or

- (ii) the service of an Enforcement Notice; and
- (b) realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all claims ranking in priority to the Notes and all amounts then due and payable under any Class of Notes, then the amount remaining to be paid (after such application in full of the amounts first referred to in paragraph (b) above) under such Class of Notes (and any Class of Notes junior to that Class of Notes) shall, on the day following such application in full of the amounts referred in paragraph (b) above, cease to be due and payable by the Issuer.

For the purposes of this Condition 16.1, "**Realisation**" means, in relation to any Charged Property, the deriving, to the fullest extent practicable (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by an obligor.

16.2 In addition, none of the Noteholders or any of the other Secured Parties shall have any recourse against any director, shareholder, agent, employee or officer of the Issuer in respect of any obligations, covenants or agreements entered into or made by the Issuer pursuant to the terms of these Conditions or any other Transaction Document to which the Issuer is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

16.3 The provisions of this Condition 16 (*Limited recourse*) shall survive any redemption of the Notes.

17. NON PETITION

Only the Security Trustee may pursue the remedies available under the general law and/or under the Transaction Documents to enforce the Transaction Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Transaction Security. In particular, each of the Noteholders and the other Secured Creditors (other than the Security Trustee) agrees and acknowledges to each of the Issuer and the Security Trustee, and the Security Trustee agrees with and acknowledges to the Issuer, that:

- (a) none of the Secured Creditors (nor any person on their behalf, other than the Security Trustee where appropriate) are entitled, otherwise than as permitted by the Transaction Documents, to direct the Security Trustee to enforce the Transaction Security or take any proceedings or action against the Issuer to enforce or realise the Transaction Security;
- (b) none of the Secured Creditors (nor any person on their behalf, other than the Security Trustee) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to any of such Secured Creditors;
- (c) none of the Secured Creditors nor any person on their behalf shall initiate or join any person in initiating an Issuer Insolvency Event or the appointment of an Insolvency Official in relation to the Issuer other than a Receiver or an administrator appointed under clause 12 (*Receiver*) of the Security Deed; and
- (d) none of the Secured Creditors shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

18. INFORMATION REQUESTS AND REPORTS

Each Noteholder, the Issuer and the Note Trustee agrees that any Noteholder holding 50) per cent. or more of the Principal Amount Outstanding of the Notes then Outstanding may itself from time to time request any information in relation to the Notes (which it deems to be relevant) from the Cash Manager and Servicer (including, *inter alia*, any reports).

19. NON-RESPONSIVE RATING AGENCY

19.1 In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Notes and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled but not obliged to take into account any written confirmation or affirmation (in any form acceptable to the Note Trustee and the Security Trustee) from the relevant Rating Agencies that the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby (a “**Ratings Confirmation**”)

19.2 If a Ratings Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Ratings Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee) and:

(a)

- (i) one Rating Agency (such Rating Agency, a “**Non-Responsive Rating Agency**”)) indicates that it does not consider such Ratings Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy provide such Ratings Confirmation or response; or
- (ii) within 30 days of delivery of such request, no Ratings Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Ratings Confirmation or response could not be given; and

(b) one Rating Agency gives such Ratings Confirmation or response based on the same facts,

then such condition to receive a Ratings Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Ratings Confirmation or response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors of the Issuer certifying and confirming that each of the events in paragraphs (a)(i) or (ii) and (b) above has occurred, following the delivery by or on behalf of the Issuer of a written request to each Rating Agency.

19.3 The Note Trustee and the Security Trustee shall be entitled to rely without liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to this Condition 19. The Note Trustee and the Security Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat the applicable condition or requirement to receive a Ratings Confirmation or response from each Rating Agency as having been modified with the consent of all Noteholders and all parties to the relevant Transaction Documents so that there shall be no requirement for such Ratings Confirmation or response from the Non-Responsive Rating Agency.

20. GOVERNING LAW

Both the Trust Deed and the Security Deed and any non-contractual obligations arising out of or in connection with them will be governed by English law and the Irish Deed of Charge will be governed by Irish law.

21. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

SUMMARY OF PROVISIONS RELATING TO THE NOTES

Global Notes - General

Each Class of Notes (other than the Class Z Notes), as at the Issue Date, will initially be represented by a Temporary Global Note. All capitalised terms not defined in this paragraph shall be as defined in the Conditions of the Notes.

Each Temporary Global Note will be deposited on or about the Issue Date on behalf of the subscribers for the Class of Notes, with the relevant Common Safekeeper for the Clearing Systems. Upon deposit of the Temporary Global Notes, the Clearing Systems will credit each subscriber of the relevant Notes with the principal amount of the relevant Notes equal to the aggregate principal amount thereof for which the subscriber will have subscribed and paid. Interests in each Temporary Global Note are exchangeable on and after the date which is 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests recorded in the records of the Clearing Systems in a Permanent Global Note.

Payments on the Global Notes

Payments in respect of principal and interest in respect of each Global Note will be made only against presentation of such Global Note to or to the order of the Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 14 (*Notice To Noteholders*) for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal or interest made in respect of each Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers which reflect such customers' interest in the Notes) and such records shall be *prima facie* evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of such Global Note. The Issuer (or the Paying Agent on the Issuer's behalf) shall procure that each payment shall be entered *pro rata* in the records of the relevant Clearing Systems but any failure to make such entries shall not affect the discharge referred to above.

Payments will be made, in respect of the Notes by credit or transfer to an account of the payee in Euro.

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

A holder shall be entitled to present a Global Note for payment only on a Presentation Date and shall not except as provided in Condition 4 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream,

Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer or the Note Trustee requests any action of Noteholders or if a Noteholder desires to give instructions or to take any action that a Noteholder is entitled to give or take under the Trust Deed or the Security Deed, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the participants to give instructions or take such action, and such participants would authorise indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

Redemption

In the event that any Global Note (or portion thereof) is redeemed, the Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to or to the order of the common safekeeper and, upon final payment, will surrender such Global Note (or portion thereof) to or to the order of the Paying Agent for cancellation. The redemption price payable in connection with the redemption will be equal to the amount received by the Paying Agent in connection with the redemption of any Global Note (or portion thereof) relating thereto. Any redemptions of any Global Note in part will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a pro rata basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

Global Notes - Transfers and Transfer Restrictions

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its participants. See "Global Notes - General", above.

Issuance of Definitive Notes

If, while any of the Notes of each Class that are represented by a Permanent Global Note, (a) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system is then in existence or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Issue Date, the Issuer or any Paying Agent is or will on the next Interest Payment Date (as defined below) be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form, then the Issuer will issue Definitive Notes in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. The Conditions and the Transaction Documents will be amended in such manner as the Note Trustee requires to take account of the issue of Definitive Notes.

Any Notes issued in definitive form will be issued in definitive bearer form in the denominations set out in the Conditions and will be subject to the provisions set forth under "*Global Notes - Transfers and Transfer Restrictions*" above.

Global Notes - Notices and Reports

With respect to the Rated Notes, the Issuer or the Paying Agent on its behalf will send to Euroclear and Clearstream, Luxembourg a copy of any notices under the Agency Agreement and reports under the Cash Management Agreement received by it relating to the Issuer, the Global Notes or the Book-Entry Interests. Any notice shall be deemed to have been duly given to the relevant Noteholders if sent to the Clearing Systems for communication by them to the holders of the Notes and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Rated Notes are admitted to trading and listed on the official list of Euronext Dublin) any notice shall also be published on the website of Euronext Dublin in accordance with the relevant guidelines of Euronext Dublin.

Class Z Notes

The Class Z Notes will be issued in dematerialised registered form and no certificate evidencing entitlement to the Class Z Notes will be issued. The Issuer will maintain a register, to be kept on the Issuer's behalf by the Class Z Notes Registrar, in which the Class Z Notes will be registered in the names of the holders of such Class Z Notes. Transfers of the Class Z Notes may be made only through the register maintained by the Issuer and are subject to the transfer restrictions set out in Condition 1.9.

With respect to the Class Z Notes, the Issuer or the Class Z Notes Registrar on its behalf will send to the Class Z Noteholder a copy of any notices under the Agency Agreement and reports under the Cash Management Agreement received by it relating to the Issuer and any such notice shall be sent to the fax number or email address notified to the Issuer by the Class Z Noteholder for such purpose.

Payments received by the Class Z Note Registrar in respect of principal and interest on the Class Z Notes shall be made by the Class Z Note Registrar in accordance with the Conditions and the Trust Deed provided that the Class Z Notes Registrar shall not pay any Class Z Note Interest Amount to the Class Z Noteholder and such Class Z Noteholder shall not be entitled to receive such relevant Class Z Notes Interest Amount on any Interest Payment Date free of any relevant withholding or deduction for or on account of Irish income tax, unless and until the holder of the Class Z Notes has certified to the Issuer and the Class Z Notes Registrar that it is:

- (a) by virtue of the law of a Relevant Territory, resident for the purposes of tax in the Relevant Territory and, if that person is a body corporate, the interest is not payable to that body corporate in connection with a trade or business which is carried on in Ireland by it through a branch or agency or;
- (b) under the laws of a Relevant Territory, interest or other amounts payable under the Class Z Notes is subject, without reduction computed by reference to the amount of such payment, to a tax which generally applies to profits, income or gains received in that Relevant Territory by persons from sources outside that Relevant Territory; and
- (c) not a U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as the same may be amended from time to time).

The Class Z Note Registrar shall record each such payment in the Class Z Note Register.

In the event any Class Z Note is redeemed, the Class Z Note Registrar will pay all amounts received by it in respect of the redemption in accordance with the Conditions and the Trust Deed. Upon any redemption the Class Note Registrar shall note in the Class Note register the principal amount so redeemed.

TAXATION

The following is a summary of the principal Irish withholding tax consequences for individuals and companies of ownership of the Notes and some other miscellaneous tax matters based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Irish Taxation Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which should include interest payable on the Notes.

The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note falls within one of the following categories:

1. Interest paid on a quoted Eurobond

The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note where:

- (a) the Notes are quoted Eurobonds, i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as Euronext Dublin) and which carry a right to interest; and
- (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:
 - (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear, Clearstream Banking SA and Clearstream Banking AG are, amongst others, so recognised); or
 - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to the person by or through whom the payment is made in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and are held in a recognised clearing system such as Euroclear, Clearstream Banking SA or Clearstream Banking AG (or, if not so held, payments on the Notes are made through a paying agent not in Ireland), interest on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland.

Interest or other distributions paid out on the Notes which are to any extent profit dependent or exceeds a reasonable commercial rate of return could, under certain anti-avoidance provisions, be re-characterised as a non-deductible distribution and be subject to dividend withholding tax in certain circumstances. However, this should not apply on the basis of a confirmation by the Issuer that, at the time the Notes were issued, the Issuer was not in possession or aware of any information which could reasonably be taken to indicate that interest or other distributions paid on the listed Notes would not be subject, without reduction computed by reference to the amount of such interest or other distribution, to a tax in a Relevant Territory which generally applies to profits, income or gains received in that Relevant Territory by persons from sources outside that Relevant Territory.

The recently enacted Finance Act 2019 could impact the taxation of the Issuer. These changes apply from 1 January 2020 (with no grandfathering provided for in respect of transactions entered into in advance of implementation). Finance Act 2019 amends Section 110 of the TCA, which is the provision which governs the tax treatment of the Issuer. The changes expand the scope of the definition of “specified person” so that certain provisions which deny a deduction for profit dependant or excessive interest are widened to encompass payments to persons who are borrowers under loans acquired by the company, as well as under loans advanced by the company. The definition of control in the “specified person” definition was also widened to include persons that have “significant influence” over the company and hold more than 20% of the shares in the company; 20% by principal value of the debt carrying profit dependant or excessive interest issue by the company (or any securities with no par value) or 20% of the interest on such securities.

This amendment could result in tax deductions for payment of interest by the Issuer to such persons (taken together with certain connected persons) on any Notes, the return on which is dependent on the results of the Issuer’s business or exceeds a commercial rate of return, being non-deductible and potentially subject to dividend withholding tax. However, on the basis that the only Notes the return on which is profit dependent are the Class Z Notes, and on the basis that all of the Class Z Notes will be held by the Retention Holder, which has provided confirmation to the Issuer that it is subject to tax in a Relevant Territory, these changes should not affect the taxation of the Issuer.

2. Interest paid by a qualifying company to certain non-residents

If, for any reason, the quoted Eurobond exemption referred to above ceases to apply, interest payments may still be made free of withholding tax provided that:

- (a) the Issuer remains a "qualifying company" as defined in Section 110 of the Taxes Consolidation Act 1997 (TCA) and the Noteholder is a person which is resident in a Relevant Territory, and, where the recipient is a body corporate, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency. The test of residence is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident. The Issuer must be satisfied that the terms of the exemption are satisfied; and
- (b) one of the following conditions is satisfied:
 - (i) the Noteholder is a pension fund, government body or other person (which is not a Specified Person as such term is defined in section 110 TCA), which is resident in a Relevant Territory and which, under the laws of that territory, is exempted from tax that corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains in that territory; or
 - (ii) the interest is subject, without any reduction computed by reference to the amount of such interest, to a tax in a Relevant Territory which corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

Stamp duty

No stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes provided the Issuer is a qualifying company for the purposes of Section 110 of the 1997 Act and the proceeds of the Notes are used in the course of the Issuer’s business (on the basis of an exemption provided for in Section 85(2)(c) of the Irish Stamp Duties Consolidation Act 1999).

Encashment Tax

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of

any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

SUBSCRIPTION AND SALE

The Lead Manager and the Retention Holder have, pursuant to a subscription agreement dated on or about 11 March 2020 between Toro Finance, S.L.U., Gedesco Factoring, S.L.U., Pagaralia S.L.U. and Gedesco Services Spain S.A.U. (each as a Seller), the Lead Manager and the Issuer (the "**Subscription Agreement**"), agreed with the Issuer (subject to certain conditions) to subscribe and pay for:

- (a) in the case of the Lead Manager:
 - (i) €225,000,000 of the Class A Notes at the issue price of 99.71 per cent.;
 - (ii) €15,000,000 of the Class B Notes at the issue price of 99.39 per cent.;
 - (iii) €15,000,000 of the Class C Notes at the issue price of 97.90 per cent.;
 - (iv) €7,500,000 of the Class D Notes at the issue price of 97.36 per cent.;
 - (v) €7,500,000 of the Class E Notes at the issue price of 100 per cent.;
 - (vi) €15,000,000 of the Class F Notes at the issue price of 100 per cent.; and
- (b) in the case of the Retention Holder:
 - (i) €15,000,000 of the Class Z Notes.

Gedesco Factoring, S.L.U., as originator under paragraph (a) of the definition of "Originator" set out in Article 2(3) of the Securitisation Regulation, will retain a material net economic interest of not less than 5% in the securitisation as required by Article 6(1) of the Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures), the method of compliance being sub-paragraph (d) of article 6(3) of the Securitisation Regulation. As at the Issue Date and while any of the Notes remain Outstanding, such interest will be comprised of an interest in the Class Z Note in accordance with Article 6(3)(d) of the Securitisation Regulation. Any change to the manner in which such interest is held will be notified to Noteholders.

The Issuer has agreed to indemnify the Lead Manager against certain liabilities and to pay certain costs and expenses in connection with the issue of the Notes.

Other than admission of the Rated Notes to the Official List of the Euronext Dublin and to trading on its regulated market, no action has been taken by the Issuer or the Lead Manager which would or has been intended to permit a public offering of the Notes, or possession or distribution of this Prospectus or other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

On the Issue Date, the Notes may only be purchased by persons that (a) are not Risk Retention U.S. Persons or (b) have obtained a U.S. Risk Retention Waiver from the Retention Holder. Each holder of a Note or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Seller, the Retention Holder, the Arranger and the Lead Manager that it (1) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Retention Holder and (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note or a beneficial interest therein and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S.

Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

The Sellers, the Issuer, the Arranger and the Lead Manager have agreed that the determination of the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in the U.S. Risk Retention Rules is solely the responsibility of the Sellers, and none of the Lead Manager or any person who controls such person or any director, officer, employee, agent or Affiliate of such person shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in the U.S. Risk Retention Rules, and none of the Lead Manager or any person who controls it or any director, officer, employee, agent or Affiliate of such person accepts any liability or responsibility whatsoever for any such determination or characterisation. Prospective investors should consult their own advisors as to the U.S. Risk Retention Rules.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S.

The Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes as part of its distribution at any time or otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each affiliate or other dealer (if any) to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of U.S. persons. See "*Transfer Restrictions*", below.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by

U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, and Treasury regulations promulgated thereunder.

United Kingdom

The Lead Manager has represented to and agreed with the Issuer that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in any activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Lead Manager has acknowledged that, save for having obtained the approval of the Prospectus as a prospectus in accordance with Part VI of the FSMA, and having applied for the admission of the Rated Notes to the Official List of Euronext Dublin and to trading on its regulated market, no further action has been or will be taken in any jurisdiction by the Lead Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering material in relation to the Notes, in any country or jurisdiction where such further action for that purpose is required.

Spain

The Lead Manager has represented and agreed with the Issuer that the Notes may not be offered or sold in Spain other than by institutions authorised under the consolidated text of the Securities Market Law approved by legislative Royal Decree 4/2015 of 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the **Securities Market Law**) and related legislation, and Royal Decree 217/2008 of 15 February on the Legal Regime Applicable to Investment Services Companies (*Real Decreto 217/2008, de 15 de febrero, sobre el Régimen Jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*), to provide investment services in Spain. The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws.

Neither the Notes nor this Prospectus have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

Ireland

The Lead Manager has represented, warranted and agreed that it will not offer, place or do anything with respect to the Notes:

- (a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2017 (as amended) (the “**MiFID Regulations**”) including, without limitation, Regulation 5 (*Requirement for authorisation (and certain provisions concerning MTFs and OTFs)*) thereof, any codes of conduct made under the MiFID Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) otherwise than in conformity with the provisions of the Central Banks Acts 1942 to 2019 of Ireland and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 of Ireland (as amended);
- (c) otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules made by the Central Bank of Ireland pursuant thereto and any rules issued under Section 1370 of the Companies Act by the Central Bank of Ireland;
- (d) otherwise than in conformity with the provisions Regulation (EU) 2017/1129 and any rules issued under Section 1363 of the Companies Act by the Central Bank of Ireland; and
- (e) otherwise than in compliance with the provisions of the Companies Act.

Public Offer Selling Restriction under the Prospectus Regulation

In relation to each Member State of the European Economic Area (each, a “**Relevant Member State**”), the Lead Manager has represented, warranted and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as to the public in that Relevant Member State except that it may make an offer of such Notes to the public in that Relevant Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Lead Manager; or

- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Notes referred to in (b) to (c) above shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, the expression "**Prospectus Regulation**" means Regulation 2017/1129.

Prohibition of Sales to EEA Retail Investors

The Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of 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.

General

The Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations, and all offers and sales of Notes by it will be made on the same terms.

TRANSFER RESTRICTIONS

Offers and Sales by the Lead Manager

The Notes (including interests therein represented by a Global Note or a Book-Entry Interest or a Definitive Note) have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or any other relevant jurisdiction of the United States and therefore may not be offered, sold, resold or otherwise transferred, directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined under Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

Investor Representations and Restrictions on Resale

By its purchase of the Notes, each purchaser of the Notes (each initial purchaser, together with each subsequent transferee are referred to herein as the "**Purchaser**", which term for the purposes of this section will be deemed to include any interests in the Notes, including Book-Entry Interests) will be deemed to have represented and agreed to the following (undefined terms used in this section that are defined in Regulation S are used herein as defined therein):

- (a) the relevant Purchaser is located outside the United States and is not a U.S. person (as defined under Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate and is acquiring such Notes for its own account or as a fiduciary or agent for other non-U.S. persons in an offshore transaction (as defined under Regulation S) pursuant to an exemption from registration provided by Regulation S;
- (b) the Notes have not been and will not be registered under the Securities Act and such Notes are being offered only in a transaction that does not require registration under the Securities Act and, if such Purchaser decides to resell or otherwise transfer such Notes, then it agrees that it will offer, resell, pledge or transfer such Notes only (i) to a purchaser who is not a U.S. person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes for the account or benefit of a U.S. person (as defined in Regulation S) and who is acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S; or (ii) pursuant to an effective registration statement under the Securities Act; or (iii) pursuant to another exemption from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States; **provided that** the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser's property shall at all times be and remain within its control;
- (c) if the Purchaser purchased the Notes during the initial syndication of the Notes, it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained the prior written consent of the Sellers (a "**U.S. Risk Retention Waiver**"), (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note or a beneficial interest therein and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules;
- (d) unless the relevant legend set out below has been removed from the Notes, such purchaser shall notify each transferee of Notes (as applicable) from it that (i) such Notes have not been registered under the Securities Act; (ii) the holder of such Notes is subject to the restrictions on the resale or other transfer thereof described in paragraph (a), (b) and (c) above, (iii) such transferee shall be deemed to have represented that such transferee is a non-U.S. Person (as defined in Regulation S) and acquiring the Notes in an offshore transaction and that such transfer is made pursuant to an exemption from

registration in accordance with Rule 903 or Rule 904 of Regulation S (iv) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

- (e) the Notes and related documentation may be amended or supplemented from time to time to modify the restrictions on and procedures for resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or in practices relating to the resales or transfer of securities such as the Notes generally, and that it will be deemed, by its acceptance of such Notes, to have agreed to any such amendment or supplement;
- (f) the Issuer may receive a list of participants holding positions in its securities from one or more book entry depositaries, and that those participants may further disclose to the Issuer the names and positions of holders of its securities;
- (g) it will promptly: (i) inform the Issuer if, during any time it holds a Note, there shall be any change in the acknowledgements, representations and agreements contained above or if they shall become false for any reason; and (ii) deliver to the Issuer such other representations and agreements as to such matters as the Issuer may, in the future, request in order to comply with applicable law and the availability of any exemption therefrom; and
- (h) the Issuer, the Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Each Purchaser understands that: (i) the sale of the Notes (including interests therein represented by a Global Note, a Definitive Note or a Book-Entry Interest) to it is being made in reliance on Regulation S; and (ii) the Notes (including interests therein represented by a Global Note, a Definitive Note or a Book-Entry Interest) may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR ANY OTHER RELEVANT JURISDICTION AND IS SUBJECT TO UNITED STATES TAX LAW REQUIREMENTS, AND, AS A MATTER OF U.S. LAW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) OTHERWISE PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND OTHERWISE IN ACCORDANCE WITH UNITED STATES TAX LAW REQUIREMENTS.

THE NOTES OFFERED AND SOLD BY THE ISSUER ARE NOT DESIGNED TO INVOLVE THE RETENTION BY A SPONSOR OF AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE SECURITISED ASSETS FOR PURPOSES OF COMPLIANCE WITH THE U.S. RISK RETENTION RULES (AS DEFINED BELOW) REGARDING NON-U.S. TRANSACTIONS OTHER THAN THE EXEMPTION UNDER SECTION 20 OF THE U.S. RISK RETENTION RULES (AS DEFINED BELOW), AND NO OTHER STEPS WILL BE TAKEN BY THE ISSUER, THE TRANSFEROR, THE ARRANGER, THE LEAD MANAGER OR ANY OF THEIR AFFILIATES OR ANY OTHER PARTY TO ACCOMPLISH SUCH COMPLIANCE.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLERS (A "**U.S. RISK RETENTION WAIVER**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE

ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES** "), ANY NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**").

PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS DIFFERENT FROM THE DEFINITION OF "U.S. PERSON" IN REGULATION S, AND PERSONS WHO ARE NOT "U.S. PERSONS" UNDER REGULATION S MAY BE U.S. PERSONS UNDER THE U.S. RISK RETENTION RULES. ANY PURCHASER OF THE NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES, BY ITS ACQUISITION OF THE NOTES OR BENEFICIAL INTEREST THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES REQUIRED, TO MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) IT HAS OBTAINED A U.S. RISK RETENTION WAIVER (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE OR A BENEFICIAL INTEREST THEREIN, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTES OR A BENEFICIAL INTEREST THEREIN THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). CERTAIN INVESTORS MAY BE REQUIRED TO EXECUTE A WRITTEN CERTIFICATION OF REPRESENTATION LETTER BY THE RETENTION HOLDER IN RESPECT OF THEIR STATUS UNDER THE U.S. RISK RETENTION RULES.

SOLELY FOR THE PURPOSES OF THE 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 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 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 TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTORS IN THE 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 MIFID II; (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, 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.

THE PURCHASER OF THIS NOTE OR ANY INTEREST IN THIS NOTE SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT: (I) IT IS NOT, AND FOR SO LONG AS IT

HOLDS THIS NOTE OR ANY INTEREST IN THIS NOTE WILL NOT BE, A BENEFIT PLAN INVESTOR AS DEFINED IN SECTION 3(42) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"); AND (II) IF IT IS OR MAY BECOME A GOVERNMENTAL OR OTHER EMPLOYEE BENEFIT PLAN WHICH IS NOT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, (THE "**CODE**"), ITS PURCHASE AND HOLDING OF THIS NOTE OR ANY INTEREST IN THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY U.S. FEDERAL, STATE OR LOCAL LAW OR ANY NON U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE. "**BENEFIT PLAN INVESTOR**," AS DEFINED IN SECTION 3(42) OF ERISA, INCLUDES (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE CODE, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY.

THE PURCHASER IS HEREBY NOTIFIED THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITARIES, AND THAT THOSE PARTICIPANTS MAY FURTHER DISCLOSE TO THE ISSUER THE NAMES AND POSITIONS OF HOLDERS OF ITS SECURITIES.

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

GENERAL INFORMATION

1. Application has been made to Euronext Dublin for the Rated Notes to be admitted to the Official List of Euronext Dublin and to trading on its regulated market, subject only to the issue of the Global Notes. The issue of the Rated Notes will be cancelled, if the related Global Notes, as applicable, are not issued. The estimated aggregate cost of the foregoing applications for admission to the Official List of Euronext Dublin and admission to trading on its regulated market is approximately EUR10,900. The Class Z Notes will not be listed.
2. Arthur Cox Listing Services Limited is acting solely in its capacity as Irish Listing Agent for the Issuer in connection with the Rated Notes and is not itself seeking admission of the Rated Notes to the Official List of Euronext Dublin or to trading on its regulated market for the purposes of the Prospectus Regulation.
3. Any website referred to in this document does not form part of the Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.
4. The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had during the 12 months preceding the date of this Prospectus, significant effects upon the financial position or profitability of the Issuer.
5. The auditors of the Issuer are Grant Thornton who are a chartered accountants and statutory audit firm and registered auditors qualified to practise in Ireland.
6. The issue of the Notes was authorised pursuant to a resolution of the Board of Directors of the Issuer passed on or about 9 March 2020.
7. The Rated Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISIN and Common Code:

Notes	Common Code	ISIN
Class A Notes	208567365	XS2085673650
Class B Notes	208567411	XS2085674112
Class C Notes	208567420	XS2085674203
Class D Notes	208567454	XS2085674542
Class E Notes	208567705	XS2085677057
Class F Notes	208567721	XS2085677214

8. The Class Z Notes will be issued in dematerialised registered form and will not be listed or cleared.
9. The Issuer's Legal Entity Identifier (LEI) is 635400YVBGIJDE3ZNE59.
10. From the date of this Prospectus and including for so long as the Rated Notes are admitted to the Official List of Euronext Dublin and to trading on its regulated market, copies of the following documents may be inspected in physical form or in electronic form at the registered office of the Issuer during usual business hours, on any weekday (public holidays excepted): the Trust Deed, the Agency

Agreement, the Servicing Agreement, the Cash Management Agreement, the Issuer Account Bank Agreement, the Security Deed, the Irish Deed of Charge, the Master Definitions Schedule, the Receivables Sale Agreement, the Subordinated Loan Agreement, the Corporate Services Agreement and the Memorandum and Articles of Association of the Issuer. The Memorandum and Articles of Association of the Issuer and the Trust Deed will be available for download on the website of European Data Warehouse (<https://editor.eurodw.eu/>).

11. Reporting under the EU Securitisation Regulation

Pursuant to Article 22(5) of the Securitisation Regulation, each Seller is responsible for compliance with Article 7 of the Securitisation Regulation.

The Issuer, acting as Reporting Entity pursuant to Article 7 of the Securitisation Regulation, will procure that the information and reports as more fully set out in the section entitled "*Regulatory Requirements*" are published with the frequency and in the manner set out in such section.

The Reporting Entity will procure the simultaneous publication of certain loan-by-loan and other information in relation to the Receivables Portfolio to the extent required by and in accordance with Article 7(1)(a) and 7(1)(e) of the Securitisation Regulation, in each case (to the extent required under Article 7(1) of the Securitisation Regulation) on the website of the European Data Warehouse, being a website which conforms to the requirements set out in Article 7(2) of the Securitisation Regulation, or any other website from time to time provided that such replacement or additional website conforms to the requirements set out in Article 7(2) of the Securitisation Regulation. For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus.

The Reporting Entity has confirmed that:

- (a) the information required to be provided under Article 7(1)(d) of the Securitisation Regulation has been made available to potential investors (in draft form, if applicable) prior to the pricing of the Notes (and will procure that such information shall be made available in final form within 15 days following the Issue Date);
- (b) copies of the documents required pursuant to Article 7(1)(b) of the Securitisation Regulation (including the Transaction Documents, this Prospectus and any supplements thereto) have been made available (in draft form, if applicable) prior to the pricing of the Notes (and will procure that such copies will be made available in final form within 15 days following the Issue Date); and
- (c) that the information required to be provided under Article 7(1)(a) of the Securitisation Regulation has been made available, upon request, to potential investors prior to the pricing of the Notes.

The Reporting Entity shall also procure that the publication of any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the Securitisation Regulation is made without delay.

The Reporting Entity has confirmed and has undertaken that in each case publication of information and reports required by Article 7 of the Securitisation Regulation has been made or shall be made on the website of the European Data Warehouse or other securitisation repository (as defined in the Securitisation Regulation) or such other method as the Reporting Entity deems appropriate from time to time in accordance with the Securitisation Regulation.

The Reporting Entity will make the information referred to above available to the holders of any of the Notes, relevant competent authorities and, upon request, to potential investors in the Notes subject, in

each case, to the extent required by and in accordance with Article 7(1) of the Securitisation Regulation and to any relevant guidelines issued by EBA.

For the purposes of Article 7 of the Securitisation Regulation, the Reporting Entity will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf by the Reporting Agent.

12. STS Requirements

Within 15 Business Days of the Issue Date, the Sellers, as originators, shall submit an STS Notification to ESMA and the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*), in accordance with Article 27 of the Securitisation Regulation, that the STS criteria have been satisfied with respect to the Notes. It is expected that the STS notification will be available on the website of ESMA (<https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-andstandardised-sts-securitisation>).

For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus.

The Sellers have used the services of Prime Collateralised Securities (PCS) EU SAS (registered office 4 Place de L'Opera, Paris, 75002, France) ("**PCS**") as a third party authorised under Article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Transaction with the STS requirements and PCS has prepared an STS Verification and STS Additional Assessments. PCS has no material interest in the Issuer.

The STS Verification and the STS Additional Assessments are not a recommendation to buy, sell or hold securities, is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and are not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended). PCS is not an "expert" as defined in the Securities Act.

PCS is not a law firm and nothing in the STS Verification and the STS Additional Assessments constitute legal advice in any jurisdiction. PCS is authorised by the *Autorité des Marchés Financiers* (AMF) in France, pursuant to Article 28 of the Securitisation Regulation, to act as a third party verifying STS compliance. This authorisation covers STS Verifications in the European Union.

By providing the STS Verification and the STS Additional Assessments in respect of any securities PCS does not express any views about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes. Investors should conduct their own research regarding the nature of the STS Verification and the STS Additional Assessments and must read the information set out in <http://pcsmarket.org>. In the provision of the STS Verification and the STS Additional Assessments, PCS has based its decision on information provided directly and indirectly by the Sellers. PCS does not undertake its own direct verification of the underlying facts stated in the Prospectus, deal sheet, documentation or certificates for the Notes and the completion of the STS Verification and the STS Additional Assessments are not a confirmation or implication that the information provided by or on behalf of the Sellers as part of the STS Verification and the STS Additional Assessments are accurate or complete.

In completing an STS Verification, PCS bases its analysis on the STS criteria appearing in Articles 20 to 26 of the Securitisation Regulation together with, if relevant, the appropriate provisions of Article 43. Unless specifically mentioned in the STS Verification, PCS relies on the English version of the Securitisation Regulation. In addition, Article 19(2) of the Securitisation Regulation requires the European Banking Authorities, from time to time, to issue guidelines and recommendations interpreting the STS criteria. The European Banking Authority ("**EBA**") has issued the EBA STS Guidelines for Non-ABCP Securitisations. The task of interpreting individual STS criteria rests with

national competent authorities ("NCAs"). Any NCA may publish or otherwise publicly disseminate from time to time interpretations of specific criteria ("**NCA Interpretations**"). The STS criteria, as drafted in the Securitisation Regulation, are subject to a potentially wide variety of interpretations. In compiling an STS Verification, PCS uses its discretion to interpret the STS criteria based on (a) the text of the Securitisation Regulation, (b) any relevant guidelines issued by EBA and (c) any relevant NCA Interpretation. There can be no guarantees that any regulatory authority or any court of law interpreting the STS criteria will agree with the interpretation of PCS. There can be no guarantees that any future guidelines issued by the EBA or NCA Interpretations may not differ in their approach from those used by PCS in interpreting any STS criterion prior to the issuance of such new guideline or interpretation. In particular, guidelines issued by EBA are not binding on any NCA. There can be no guarantees that any interpretation by any NCA will be the same as that set out in the EBA guidelines and therefore used, prior to the publication of such NCA Interpretation, by PCS in completing an STS Verification. Although PCS will use all reasonable endeavours to ascertain the position of any relevant NCA as to STS criteria interpretation, PCS cannot guarantee that it will have been made aware of any NCA Interpretation in cases where such interpretation has not been officially published by the relevant NCA. Accordingly, the provision of an STS Verification is only an opinion by PCS and not a statement of fact. It is not a guarantee or warranty that any national competent authority, court, investor or any other person will accept the STS status of the relevant securitisation.

All PCS services speak only as of the date on which they are issued. PCS has no obligation to monitor (nor any intention to monitor) any securitisation the subject of any STS Verification and STS Additional Assessments. PCS has no obligation and does not undertake to update any STS Verification and the STS Additional Assessments to account for (a) any change of law or regulatory interpretation or (b) any act or failure to act by any person relating to those STS criteria that speak to actions taking place following the close of any transaction such as, without limitation, the obligation to continue to provide certain mandated information.

It is expected that the STS Verification and the STS Additional Assessments prepared by PCS, together with detailed explanations of its scope, will be available on the website of such agent (<https://www.pcsmarket.org/sts-verificationtransactions/>).

For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus.

13. For the purposes of the Securitisation Regulation, the securitisation transaction unique identifier number is 635400YVBGIJDE3ZNE59N202001.
14. The Issuer confirms that the Receivables and Ancillary Rights (including Claims) backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. However, investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes. Consequently investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.
15. Since its date of incorporation, the Issuer has not commenced operations.
16. The following legend will appear on all Notes and on all receipts and interest coupons relating to such Notes: "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."

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

GLOSSARY OF TERMS

These and other terms used in this document are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

"1 month EURIBOR" means EURIBOR for one-month deposits in euro;

"360-day Loss Rate" means the rate calculated as the product of the Balance Outstanding at Default Date times (1 minus 360-day Recovery Rate);

"360-day Recovery Rate" means the rate calculated as 1 minus the ratio of the Outstanding Balance 360 days after the Default Date and the Balance Outstanding at Default Date;

"60-day Loss Rate" means the rate calculated as the product of the Balance Outstanding at Default Date times (1 minus 60-day Recovery Rate);

"60-day Recovery Rate" means the rate calculated as 1 minus the ratio of the Outstanding Balance 60 days after the Default Date and the Balance Outstanding at Default Date;

"Additional Group Portfolio" means, in respect of any Receivables Sub-Portfolio purchased by the Issuer on a Purchase Date, all of the outstanding Receivables comprised in such Receivables Sub-Portfolio owed by the same Direct Debtor attributed with the same Debtor ID (*Librado*) on the systems and records of the relevant Seller;

"Additional Industry Portfolio" means, in respect of any Receivables Sub-Portfolio purchased by the Issuer on any Purchase Date, all of the outstanding Receivables in such Receivables Sub-Portfolio owed by Direct Debtors belonging to the same Industry Class as set out on the systems and records of the relevant Seller;

"Additional Interest" shall have the meaning given to it in Condition 15 (*Subordination by Deferral of Interest*);

"Additional Purchase Date" means each Business Day falling in the Revolving Period;

"Additional Receivables Sub-Portfolio" means, in respect of any Additional Purchase Date and any Seller, all Receivables purchased by the Issuer from such Seller on such Additional Purchase Date;

"Additional Receivables Portfolio" means, in respect of any Additional Purchase Date and the Sellers, all Receivables in the Additional Receivables Sub-Portfolios purchased by the Issuer from the Sellers on such Additional Purchase Date;

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

"Advanced Balance" means, in respect of any Receivable, the net amount (after deducting applicable haircuts, fees, commissions and/or other similar amounts) of finance provided by the Seller in respect of such Receivable pursuant to the Funding Document under which such Receivable arose or was acquired as specified by the Offer Agent in the relevant Offer;

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

"Affiliate" means, with respect to a specified person, any other person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the specified person, and the term "control" (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise;

"Agency Agreement" means the agency agreement dated on or about the Issue Date between the Issuer, the Paying Agents, the Agent Bank, the Class Z Note Registrar, the Security Trustee and the Note Trustee;

"Agent Bank" means the person duly appointed as agent bank from time to time under the Agency Agreement who, as at the Issue Date, is Elavon Financial Services D.A.C.;

"Agents" means the Agent Bank, the Paying Agent and the Class Z Notes Registrar and **"Agent"** means any one of them;

"Alternative Base Rate" has the meaning given to it in Condition 11.6;

"Amortisation Period" means the period commencing on the Business Day following the end of the Revolving Period and ending on the earlier of (i) service of an Enforcement Notice in respect of the Notes and (ii) the Final Maturity Date;

"Amortisation Trigger Event" means any of the following events:

- (a) the occurrence of a Servicer Termination Event;
- (b) the validity of the sale and transfer of the Receivables between any Seller and the Issuer or the enforceability of the same against any third party, including the relevant Debtors, is challenged by any person or entity (including without limitation any Seller, the Issuer or any Debtor) provided that any such challenge is in respect of Receivables with an aggregate Outstanding Balance at least equal to Euro 10,000,000 and such challenge is not frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement;
- (c) it is or becomes unlawful for any Seller to perform any of its material obligations under any Transaction Document or if such Transaction Document ceases to be effective;
- (d) the occurrence of a Material Adverse Change which would likely affect or impede the ability of any Seller to perform its material obligations pursuant to any Transaction Documents;
- (e) the Cross-Default of any Seller;
- (f) any expropriation, attachment, Sequestration, distress or execution affecting any asset or assets of any Seller for an amount in excess of EUR10,000,000;
- (g) if on any Calculation Date and with reference to the immediately preceding Calculation Period, the Three Months Rolling Average Default Ratio has been higher than 10 per cent. for three consecutive Calculation Dates;
- (h) if there has been an outstanding debit on the Class F Principal Deficiency Sub-Ledger for more than two Interest Payment Dates (after applying Available Revenue Receipts in accordance with the Pre-enforcement Revenue priority of Payments on such Interest Payment Dates);
- (i) the occurrence of an Event of Default;
- (j) the Principal Amount Outstanding of the Rated Notes is greater than the Total Assets;

- (k) no transfer of Additional Receivables Portfolio is made to the Issuer during a period longer than 3 months;
- (l) a breach in the Portfolio Requirements occurs and continues unremedied for 30 Business Days; and
- (m) the Sample Verifier determines in a Revised Semi-annual Report that more than five (5) of the Receivables reviewed for the purposes of such Revised Semi-annual Report are Ineligible Receivables;

"Amortisation Trigger Event Date" means the date on which an Amortisation Trigger Event happens;

"Ancillary Rights" means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including without limitation any security interests, guarantees or indemnities in respect of such Right including any Guarantee provided by a Guarantor or a Representative including late payment fees and upfront fees;

"Applicable Law" means all applicable statutes, statutory instruments, orders, rules, regulations, common law or law of equity, court orders, judgments or decrees, codes of practice, regulatory policies and guidelines (whether or not having the force of law) in force from time to time;

"Arranger" means Morgan Stanley & Co. International plc;

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

"Available Funds" means:

- (a) in relation to each Additional Purchase Date falling between (i) any Interest Payment Date (excluded) and (ii) the following Determination Date (excluded), an amount calculated by the Cash Manager equal to the balance standing to the credit of the Principal Ledger at close of business on the Business Day immediately preceding such Additional Purchase Date; and
- (b) in relation to each Additional Purchase Date falling between (i) any Determination Date (included) and (ii) the date falling two Business Days (excluded) immediately before any Interest Payment Date immediately following such Determination Date, an amount calculated by the Cash Manager equal to the excess (if any) of:
 - (A) the balance standing to the credit of the Principal Ledger at close of business on the Business Day immediately preceding such Additional Purchase Date; over
 - (B) any Principal Addition Amount calculated by the Cash Manager on such Determination Date as being expected to be applied by the Issuer in accordance with the Pre-Enforcement Principal Priority of Payments on the following Interest Payment Date;
- (c) in relation to each Additional Purchase Date falling between (i) the date falling two Business Days (included) immediately before any Interest Payment Date and (ii) the Interest Payment Date immediately following such date (included), an amount calculated by the Cash Manager equal to the excess (if any) of:
 - (A) the balance standing to the credit of the Principal Ledger at close of business on the Business Day immediately preceding such Additional Purchase Date; over
 - (B) any Principal Addition Amount and Excess Cash calculated by the Cash Manager as being expected to be applied by the Issuer in accordance with the Pre-Enforcement Principal Priority of Payments on the following Interest Payment Date;

"Available Principal Receipts" means:

- (a) with respect to any Interest Payment Date falling during the Revolving Period while no Cash Collateral Ratio Trigger Event has occurred that is continuing, the balance standing to the credit of the Principal Ledger at close of business on the Business Day immediately preceding such Interest Payment Date up to an amount equal to any Principal Addition Amount applicable on such Interest Payment Date;
- (b) with respect to any Interest Payment Date falling during the Revolving Period while a Cash Collateral Ratio Trigger Event has occurred that is continuing, the balance standing to the credit of the Principal Ledger at close of business on the Business Day immediately preceding such Interest Payment Date up to an amount equal to the aggregate of (i) any Principal Addition Amount applicable on such Interest Payment Date and (ii) the Excess Cash; and
- (c) with respect to any Interest Payment Date falling during the Amortisation Period, the balance standing to the credit of the Principal Ledger at close of business on the immediately preceding Calculation Date;

"Available Revenue Receipts" means, on any Interest Payment Date, the balance standing to the credit of the Revenue Account and the balance standing to the credit of the Reserve Account at close of business on the immediately preceding Calculation Date;

"Back-Up Servicer" means a back-up servicer to be appointed by the Issuer under the Servicing Agreement in case of occurrence of the Back-Up Servicer Appointment Event being, at the Issue Date, Copernicus Servicing, S.L.;

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

- (a) the removal of the Servicer; or
- (b) the resignation of the Servicer;

"Back-Up Servicer Notice" means, for the purposes of the Back-Up Servicing Agreement, the notice that the Issuer shall deliver to the Back-Up Servicer upon the occurrence of a Replacement Trigger;

"Back-Up Servicing Agreement" means the back-up servicing agreement expected to be dated on or around the Issue Date between the Issuer, each Seller, the Back-Up Servicer and the Cash Manager;

"Back-Up Servicer Succession Date" means the date on which the Back-Up Service shall assume responsibility under the Transaction Documents to which it is party for the performance of the role of the Servicer;

"Balance Outstanding at Default Date" means the Outstanding Balance as at the respective Default Date;

"Base Rate Modification" has the meaning given to it in Condition 11.6;

"Base Rate Modification Certificate" has the meaning given to it in Condition 11.6;

"Basic Terms Modification" means each of the following:

- (a) a modification of the date of maturity of any Notes or any other term which would have the effect of postponing any day for payment of interest thereon (except in accordance with Condition 11.6(g) and clause 21.2(g) of the Trust Deed); or

- (b) reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes (except in accordance with Condition 11.6(g) and clause 21.2(g) of the Trust Deed); or
- (c) altering the currency of payment of such Notes; or
- (d) altering the quorum or majority required in relation to passing a Basic Terms Modification;

"Benchmark Regulation" means Regulation (EU) 2016/1011, as amended, varied or substituted from time to time;

"Benefit" means in respect of any Right held, assigned, conveyed, transferred, charged, sold or disposed of by any person:

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;
- (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made, including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;
- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights;
- (d) the benefit of all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and

all items expressed to be held on trust or, as applicable, custody for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach;

"Block Voting Instruction" means an English language document issued by a Paying Agent in which:

- (a) it is certified that on the date thereof Rated Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a Clearing System and that no such Rated Notes will cease to be so blocked until the first to occur of:
 - (i) the conclusion of the meeting specified in such Block Voting Instruction; and
 - (ii) the Rated Notes ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph (d) below of the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Rated Notes has instructed such Paying Agent that the vote(s) attributable to the Notes so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior

to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;

- (c) the aggregate principal amount of the Rated Notes so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such Block Voting Instruction is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction;

"Book-Entry Interests" means the beneficial interests in the Global Notes;

"Business Day" means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Dublin, Madrid;

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

"Calculation Date" means the last day in the calendar month immediately preceding an Interest Payment Date;

"Calculation Period" means the period from (but excluding) a Calculation Date (or in respect of the first Calculation Period, from and including the Cut-Off Date) to (and including) the next (or first) Calculation Date and, in relation to an Interest Payment Date, the "related Calculation Period" means, unless the context otherwise requires, the Calculation Period ending in the month prior to the month in which such Interest Payment Date falls;

"Cash Collateral Ratio" means, on any Calculation Date, the ratio between:

- (a) the average amount of cash standing to the credit of the Principal Ledger on each day (at close of business) during the preceding three Calculation Periods; and
- (b) the average Principal Amount Outstanding on the Notes as calculated on the previous three Calculation Dates;

"Cash Collateral Ratio Trigger Event" means, on the Calculation Date falling six (6) months after the Issue Date or on any subsequent Calculation Date, the Cash Collateral Ratio is equal to or higher than the Cash Trigger;

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

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

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

"Cash Manager Termination Event" means any of:

- (a) a default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under the Cash Management Agreement and such default (where capable of remedy) continues unremedied for a period of two Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as the case may be, requiring the same to be remedied; or
- (b) a default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Issuer (prior to the service of an Enforcement Notice) or the Security Trustee (after the service of the Enforcement Notice) is materially prejudicial to the interests of the Secured Creditors (which determination shall be conclusive and binding on all Secured Creditors) and such default continues unremedied (where capable of remedy) for a period of 10 Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or the Security Trustee, as applicable, requiring the same to be remedied; or
- (c) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement; or
- (d) a Cash Manager Insolvency Event occurs;

"Cash Trigger" means 25 per cent.;

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

"Claims" means any Factoring Claims, PN Claims and Collateral Claims;

"Class" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class Z Notes or any combination of them;

"Class A Noteholders" means the persons who are for the time being the holders of the Class A Notes;

"Class A Notes" means the €225,000,000 Class A asset backed floating rate Notes due January 2026 (whether represented by Definitive Notes or a Global Note);

"Class A Principal Deficiency Sub-Ledger" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class A Notes;

"Class B Noteholders" means the persons who are for the time being the holders of the Class B Notes;

"Class B Notes" means the €15,000,000 Class B asset backed floating rate Notes due January 2026 (whether represented by Definitive Notes or a Global Note);

"Class B Principal Deficiency Sub-Ledger" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class B Notes;

"Class C Noteholders" means the persons who are for the time being the holders of the Class C Notes;

"Class C Notes" means the €15,000,000 Class C asset backed floating rate Notes due January 2026 (whether represented by Definitive Notes or a Global Note);

"Class C Principal Deficiency Sub-Ledger" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class C Notes;

"Class D Noteholders" means the persons who are for the time being the holders of the Class D Notes;

"Class D Notes" means the €7,500,000 Class D asset backed floating rate Notes due January 2026 (whether represented by Definitive Notes or a Global Note);

"Class D Principal Deficiency Sub-Ledger" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class D Notes;

"Class E Noteholders" means the persons who are for the time being the holders of the Class E Notes;

"Class E Notes" means the €7,500,000 Class E asset backed floating rate Notes due January 2026 (whether represented by Definitive Notes or a Global Note);

"Class E Principal Deficiency Sub-Ledger" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class E Notes;

"Class F Noteholders" means the persons who are for the time being the holders of the Class F Notes;

"Class F Notes" means the €15,000,000 Class F asset backed floating rate Notes due January 2026 (whether represented by Definitive Notes or a Global Note);

"Class F Notes Interest Amount" means the Interest Amount payable in respect of the Class F Notes;

"Class F Principal Deficiency Sub-Ledger" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class F Notes;

"Class of Rated Notes" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes or any combination of them

"Class Z Noteholders" means the persons who are for the time being the holders of the Class Z Notes;

"Class Z Notes" means the €15,000,000 Class Z Notes due January 2026;

"Class Z Notes Interest Amount" means on each Interest Payment Date, an amount equal to:

- (a) with respect to any Interest Payment Date falling during the Revolving Period:
 - (i) the Available Revenue Receipts on that Interest Payment Date; less
 - (ii) all amounts payable in priority to item (xxiii) in the Pre-Enforcement Revenue Priority of Payments or, as applicable, item (u) in the Post-Enforcement Priority of Payments; and
- (b) with respect to any Interest Payment Date falling during the Amortisation Period:
 - (i) (A) the Available Principal Receipts on that Interest Payment Date; less
 - (B) all amounts payable in priority to item (a)(i)(A)X in the Pre-Enforcement Principal Priority of Payments or, as applicable, item (u) in the Post-Enforcement Priority of Payments; plus
 - (ii) on the Final Maturity Date, any amount remaining after payment of all sums due in accordance with the Pre-Enforcement Priorities of Payments;

"Class Z Principal Deficiency Sub-Ledger" means a sub-ledger on the Principal Deficiency Ledger in respect of the Class Z Notes;

"Class Z Notes Registrar" shall mean Elavon Financial Services D.A.C.;

"Class Z Notes Register" shall mean the register held by the Class Z Notes Registrar for the purposes of recording the holders of the Class Z Notes from time to time;

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

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

"Client Debtor" means in respect of any Factoring Agreement or Promissory Note Agreement, the client of the Seller under such Factoring Agreement or Promissory Note Agreement, as applicable;

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

"Collateral Claims" means:

- (a) in respect of a Promissory Notes Program, any present or future receivable owed by a Collateral Debtor to the relevant PN Debtor and which is assigned to the Seller or Gedesco Factoring by the relevant PN Debtor as collateral for repayment (*para pago*) of a PN Receivable acquired by the relevant Seller from the relevant PN Debtor under such Promissory Notes Program; and
- (b) in respect of a Loan Agreement, any present or future receivable owed by a Collateral Debtor to the relevant Loan Debtor which is assigned to the relevant Seller or Gedesco Factoring by such Loan Debtor as collateral for repayment (*para pago*) of a Loan Receivable under such Loan Agreement;

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

"Collateral Ratio Threshold" means the outstanding amount of the Collateral Claims assigned to the Issuer for repayment (*para pago*) of any Receivable in the Receivables Portfolio (and which have not been retransferred to Gedesco Factoring or any Seller in accordance with the Receivables Sale Agreement (which, for the avoidance of doubt includes existing and future credit rights, and with respect to future credit rights is determined by the relevant Seller in accordance with the Credit Policy based on the amount of such future credit rights that it expects to become existing credit rights having their due date prior to the final payment date of such Receivable) is at least 1.2x the Outstanding Amount of such Receivable.

"Collateralised Receivable" means any Receivable the payment of which is either guaranteed by means of a Guarantee or secured by means of a notarised assignment (or otherwise formalised pursuant to methods permitted under Spanish legislation as having equivalent effect to the relevant Seller of Collateral Claims by the relevant Loan Debtor under a Loan Agreement or the relevant PN Debtor under a Promissory Notes Program

"Collection Period" means, in relation to each Interest Payment Date other than the first Interest Payment Date, the calendar month preceding the month in which that Interest Payment Date falls and, in respect of the first Interest Payment Date, the period running from the Cut-Off Date until the last day of the calendar month preceding the month in which such first Interest Payment Date falls;

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

"Collections" means all payments received in respect of the Receivables and any Ancillary Rights (including the Claims) comprised in the Receivables Portfolio;

"Combined Industry Portfolio" means, in respect of any Additional Receivables Portfolio purchased on any Additional Purchase Date and with respect to each Industry Class, all of the outstanding Receivables comprised in the Combined Receivables Portfolio owed by Direct Debtors belonging to the same Industry Class as set out on the systems and records of the Sellers;

"Combined Receivables Portfolio" means, as of any Additional Purchase Date, the Receivables Portfolio as of such Additional Purchase Date (including the Additional Receivables Portfolio to be purchased by the Issuer on such Purchase Date);

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

"Companies Act" means the Companies Act 2014 of Ireland (as amended);

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

"Controlling Class" or **"Controlling Class of Notes"** means the Class A Notes so long as any Class A Notes are Outstanding, after the Class A Notes have been repaid in full, the Class B Notes then Outstanding, after the Class B Notes have been repaid in full, the Class C Notes then Outstanding, after the Class C Notes have been repaid in full, the Class D Notes then Outstanding, after the Class D Notes have been repaid in full, the Class E Notes then Outstanding, after the Class E Notes have been repaid in full, the Class F Notes then Outstanding and after the Class F Notes have been repaid in full, the Class Z Notes then Outstanding;

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

"Corporate Services Provider" means, as at the Issue Date, CSC Capital Markets (Ireland) Limited whose registered office is located at 3rd Floor Fleming Court, Fleming's Place, Dublin 4, Ireland, in its capacity as such under the Corporate Services Agreement;

"CRA Regulation" means Regulation (EU) No 1060/2009;

"Credit Policy" means the origination, credit and underwriting criteria and procedures employed by each Seller from time to time in relation to the origination or acquisition of Receivables in the form attached to the Receivables Sale Agreement and which applies to each of the entities within the Gedesco Group (including each Seller);

"Credit Quality Factor" means, in relation to any Receivables Sub-Portfolio acquired on any Purchase Date, (a) the sum for all Receivables comprised in such Receivables Sub-Portfolio, of the product of the Outstanding Balance of each such Receivable by its Credit Quality Factor Rate, divided by (b) the aggregate Outstanding Balance of all Receivables comprised in such Receivables Sub-Portfolio;

"Credit Quality Factor Rate" means:

- (a) 0.25 per cent. for Receivables with a Direct Debtor Credit Scoring of A;
- (b) 0.50 per cent. for Receivables with a Direct Debtor Credit Scoring of B;
- (c) 0.75 per cent. for Receivables with a Direct Debtor Credit Scoring of C,

in each case as determined in accordance with the Credit Policy;

"Credit Scoring" means, in respect of any Debtor, the internal credit rating assigned by the relevant Seller to such Debtor in accordance with its Credit Policy;

"Cross-Default" means:

- (a) any Financial Indebtedness of a Seller is not paid when due nor within any originally applicable grace period;
- (b) any Financial Indebtedness of a Seller is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
- (c) any commitment for any Financial Indebtedness of a Seller is cancelled or suspended by a creditor of that Seller as a result of an event of default (however described); and
- (d) any creditor of a Seller becomes entitled to declare any Financial Indebtedness of a Seller due and payable prior to its specified maturity as a result of an event of default (however described),

paragraphs (a), (b) and (c) shall not trigger a Cross-Default if the Financial Indebtedness of the relevant Seller referred to in such paragraphs is less than an amount equal to EUR10,000,000;

"CRS" means Common Reporting Standard;

"Cut-Off Date" means 31 December 2019;

"Day Count Fraction" means, in respect of an Interest Period or other relevant period, the actual number of days in such Interest Period or period divided by 360;

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

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

"Deemed Collection" means a Collection the relevant Seller is deemed to have received if, in relation to any Receivable comprised in the Receivables Portfolio, any of the following events occurs:

- (a) on any date after its Purchase Date, such Receivable is found not to have met the Eligibility Criteria as at its Purchase Date;
- (b) such Receivable fails on any date after its Purchase Date to meet the Permanent Eligibility Criteria by reference to the facts and circumstances existing on such date; or
- (c) the Direct Debtor of such Receivable becomes, after its Purchase Date, an Affiliate of any of the Sellers;

"Deemed Collection Amount" means an amount equal to the Outstanding Balance of the relevant Receivable in respect of which a Deemed Collection is payable by the relevant Seller to the Issuer;

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

"Default Date" means the date on which a Receivable is classified by the Servicer as a Defaulted Receivable;

"Default Ratio" means, on any Calculation Date and with reference to the immediately preceding Calculation Period, the ratio between:

- (a) the Outstanding Balance of Receivables that are recorded by the Servicer as Defaulted Receivables during such Calculation Period; and
- (b) the Total Balance Due in such Calculation Period;

"Defaulted Receivable" means:

- (a) a Loan Receivable or a PN Receivable, which in either case is due and unpaid for more than 7 calendar days; or
- (b) a Factoring Receivable represented by an invoice, which is due and unpaid for more than 60 calendar day;

"Deferred Interest" has the meaning given to it in Condition 15;

"Definitive Notes" means any Notes issued in definitive bearer form and serially numbered pursuant to Condition 1.4;

"Determination Date" means the 10th Business Day immediately following any Calculation Date;

"Direct Debtor" means:

- (a) in respect of a Factoring Agreement, the relevant Factoring Debtor (where the relevant Receivable is evidenced by an invoice) or the relevant PN Debtor (where the relevant Receivable is evidenced by a promissory note);
- (b) in respect of a Promissory Note Agreement, the PN Debtor;
- (c) in respect of a Promissory Notes Program, the PN Debtor;
- (d) in respect of a Loan Agreement, the Loan Debtor;

"Direct Lending Receivable" means a receivable arising from either a Promissory Notes Program or a Loan Agreement;

"Draft Technical Standards" means the Commission Delegated Regulation (EU) of 16 October 2019 supplementing the Securitisation Regulation;

"Eligible Claim" means a Claim which, as of the Cut-Off Date and the Issue Date (in respect of any Receivable comprised in an Initial Receivables Sub-Portfolio) or the Additional Purchase Date (in respect of any Receivable comprised in an Additional Receivables Sub-Portfolio) of the relevant Receivable in respect to which it is an Ancillary Right, complies with the following criteria (the **"Claims Eligibility Criteria"**):

- (a) it is an existing Claim (or in the case of Collateral Claims, an existing or future Claim), the Outstanding Balance of which specified in the relevant Offer remains a debt and has not been paid or discharged by set-off or otherwise;
- (b) it is denominated and payable in Euro;
- (c) it is fully owned by the relevant Seller or, if applicable, Gedesco Factoring, and is free and clear of any Adverse Claim other than those created by operation of law;
- (d) it has been created in compliance, and complies, with all applicable Spanish laws and regulations;
- (e) in the case of a Claim that is evidenced by a Promissory Note, it contains all relevant mentions in order for it to amount to a validly issued "*pagaré*" pursuant to Law 19/1985 (*Ley Cambiaria y del Cheque*);

- (f) subject to Legal Reservations, it constitutes the legal, valid, binding and enforceable obligation of one or more Eligible Debtors;
- (g) as far as the Seller is aware, it is not subject to any litigation (including, without limitation, any recovery or enforcement proceedings before the Spanish courts), dispute or right of set-off that may adversely affect the payment of the Claim to the Issuer and which, in the case of a right of set-off, has not been remedied by the relevant Seller within five (5) Business Days of having been notified or otherwise becoming aware, of its existence;
- (h) it is not subject to right of counterclaim, defence or any other reduction or cancellation that may adversely affect the payment of the Claim to the Issuer;
- (i) it can be segregated and identified for ownership on the relevant Seller's systems on any day;
- (j) it is capable of being subject to the Security;
- (k) with respect to which the relevant Seller has performed all material obligations required to be performed by it under the relevant Funding Document;
- (l) it does not contain any restriction on assignment or, if any, all consents to be obtained under the Funding Documents for the assignment of the Claim have been obtained;
- (m) the relevant Debtor and any person obliged to make payments thereunder has been directed to make all payments to the relevant Seller Collection Account;
- (n) the relevant Debtor or any person obliged to make payments thereunder has been notified of the Seller's ownership of the relevant Claim;
- (o) payments thereof to the relevant Seller are not subject to withholding taxes;
- (p) payments thereof to the Issuer are not subject to withholding taxes;
- (q) it is governed by the laws of Spain;
- (r) if an Endorsable Promissory Note (*pagaré a la orden*), it has been endorsed in blank (*endoso en blanco*) by the relevant Seller and delivered to, and is in the possession of, the Offer Agent as at the relevant Additional Purchase Date;
- (s) if a Non-endorsable Promissory Note (*pagaré no a la orden*), it has been delivered by the relevant Seller to, and is in the possession of, the Offer Agent as at the relevant Additional Purchase Date;
- (t) it is a Qualifying Asset within the meaning of Section 110 of the Irish TCA;
- (u) in respect of any Collateral Claim, such Collateral Claim is assigned by the relevant Seller or Gedesco Factoring;
- (v) does not relate to any "specified mortgages", within the meaning of section 110 Irish TCA, units in an IREF or shares that derive their value, or the greater part of their value, from Irish land;
- (w) the Claim does not qualify as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 pursuant to article 20(11) of the Securitisation Regulation; and
- (x) the Claim is not a derivative, pursuant to article 21(2) of the Securitisation Regulation;

"Eligibility Criteria" means the Eligibility Criteria set out in Schedule 2 of the Receivables Sale Agreement;

"Eligible Debtor" is a Debtor (i.e. Direct Debtor, Indirect Debtor and/or Collateral Debtor) who meets the following criteria as of the Cut-Off Date and the Issue Date (in respect of any Receivables comprised in an Initial Receivables Sub-Portfolio) or its Additional Purchase Date (in respect of any Receivables comprised in an Additional Receivables Sub-Portfolio):

- (a) is a corporation or a legal entity or a public administration or entity or a self-employed individual (not acting as consumer under Applicable Law) with full legal capacity under the laws of Spain;

- (b) has its billing address in Spain as set out in the relevant Funding Document or in the documentation related to the relevant Receivable;
- (c) is not insolvent or subject to insolvency proceedings;
- (d) is not in default under any other loan or financing advanced by any of the Sellers;
- (e) it is not included in RAI, Experian or ASNEF (Equifax);
- (f) it receives financing from a regulated financial institution different to the Sellers or through a public bond issuance in a regulated capital market not arranged by the Sellers;
- (g) to the knowledge of the Seller, is not a target of, or in breach of Sanctions or listed on any Sanctions List;
- (h) for the purposes of article 20(11) of the Securitisation Regulation, is not a credit-impaired Debtor, who, to the best of the Seller's knowledge
 - (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 (three) years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures; or
 - (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or
 - (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the relevant Seller which have not been assigned to the Issuer under the Transaction, and
- (i) is not part of the Sellers' Group;

"Eligible Funding Document" means a Funding Document which meets the following criteria as of the Cut-Off Date and the Issue Date (in respect of any Receivables comprised in an Initial Receivables Sub-Portfolio) or its Additional Purchase Date (in respect of any Receivables comprised in an Additional Receivables Sub-Portfolio):

- (a) it is entered into in the ordinary course of the relevant Seller's business on arms' length commercial terms and in accordance with the Credit Policy as it is applied at the time the Funding Document was entered into;
- (b) the terms of the Funding Document governing the Receivable do not contain any provisions (i) that restrict the ability of the relevant Seller to exercise and enforce its rights or (ii) prevent the disclosure of information to any of the Issuer, the Cash Manager, the Servicer or the Trustee about that Funding Document, the Receivable or any party to it;
- (c) in respect of a Loan Agreement, it has been executed by means of a Spanish public document (*escritura pública or póliza*) (or otherwise formalised pursuant to other methods permitted under Spanish law having an equivalent effect) and has been fully drawdown upon its execution;
- (d) in respect of a Factoring Agreement it has been executed by means of a Spanish public document (*escritura pública or póliza*) (or otherwise formalised pursuant to other methods permitted under Spanish law having an equivalent effect) and is drafted substantially in the form of the pro-forma Factoring Agreement attached as Schedule 15 to the Receivables Sale Agreement with no amendments,

alterations, variations or modifications which may have an impact on the effective assignment to the relevant Seller of the Factoring Receivable; and

- (e) in respect of a Promissory Note Agreement, it has been executed by means of a private document (*documento privado*) and is drafted substantially in the form of the pro-forma Promissory Note Agreement attached as Schedule 16 to the Receivables Sale Agreement with no amendments, alterations, variations or modifications which may have an impact on the effective assignment to the relevant Seller of the PN Receivable;
- (f) in respect of a Promissory Notes Program:
 - (i) which is not secured by any Collateral Claim or guarantee, it has been executed as a private document (*documento privado*); and
 - (ii) which is not secured by any Collateral Claim or guarantee, it has been executed by means of a Spanish public document (*escritura pública* or *póliza*) (or otherwise formalised pursuant to other methods permitted under Spanish law having an equivalent effect);

"Eligible Receivable" means a Receivable which, as of the Cut-Off Date and the Issue Date (in respect of any Receivables comprised in an Initial Receivables Sub-Portfolio) or its Additional Purchase Date (in respect of any Receivables comprised in an Additional Receivables Sub-Portfolio), complies with the Receivables Eligibility Criteria or, on any date after its Purchase Date, meets the Permanent Eligibility Criteria;

"Eligible Receivable Portfolio" means on any date, all Receivables comprised in the Receivables Portfolio as of such date that are not Defaulted Receivables or Ineligible Receivables;

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

"Enforcement Notice" has the meaning given to it in Condition 9.1 (*Events of Default*);

"Enforcement Re-transfer" means the repurchase by a Seller of Defaulted Receivables previously sold by such Seller in accordance with the terms of the Receivables Sale Agreement;

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

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

"Euro-zone" has the meaning given to it in Condition 4.3 (*Rate of Interest*);

"Event of Default" has the meaning given to it in Condition 9 (*Events of Default*);

"Excess Cash" means, in respect of any Interest Payment Date, the lower of:

- (a) $[C - \text{Cash Trigger} \times N] / [1 - \text{Cash Trigger}]$, calculated on the Calculation Date for such Interest Payment Date; and
- (b) cash credited to the Principal Ledger at close of business on the date falling two Business Days immediately prior to such Interest Payment Date,

where:

- (i) C = daily average amount of cash credited to the Principal Ledger during the preceding three Calculation Periods following the purchase of any Additional Receivables Portfolio on each such day (where applicable); and
- (ii) N = daily average Principal Amount Outstanding on the Notes during the preceding three Calculation Periods;

"Existing Receivables Portfolio" means, in respect of any Additional Purchase Date, the Receivables Portfolio as of such Additional Purchase Date (excluding the Additional Receivables Portfolio to be purchased by the Issuer on such Additional Purchase Date);

"Expenses" means all fees, costs, expenses, indemnities and all other amounts due by the Issuer to the Servicer, Corporate Services Provider, Paying Agent, Agent Bank, Issuer Account Bank, Cash Manager, Class Z Note Registrar and any other expenses of the Issuer, including, *inter alia*, any Tax, audit fees, legal fees, corporate expenses, anticipated winding up costs and fees and expenses associated with the liquidation of the Issuer, fees due to the Stock Exchange where the Notes are then listed, fees due to the Rating Agencies and Company Secretarial Expenses payable by the Issuer, and for the avoidance of doubt, excluding the Trustee Expenses and the Third-Party Expenses;

"Expenses Discount" means, in relation to any Purchase Date, the fraction (expressed as a percentage), the numerator of which is the aggregate of the estimated annualised Trustee Expenses, the Expenses and the Third-Party Expenses and the denominator of which is the Principal Amount Outstanding of the Notes on that Purchase Date, such fraction multiplied by the weighted average Remaining Term (in days) of the Receivable Sub-Portfolio being purchased on such Purchase Date, divided by 360;

"Extraordinary Resolution" means, in respect of the holders of any Class or Classes of Notes:

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

"Factoring Agreement" means any agreement entered into by a Seller and a Client Debtor whereby the Seller purchases from that Client Debtor certain receivables represented by invoices or Promissory Notes owing to that Client Debtor by, in respect of receivables represented by invoices, Factoring Debtors or, in case of receivables represented by promissory notes, PN Debtors;

"Factoring Claim" means, in respect of any Factoring Receivable acquired by any Seller under any Factoring Agreement, any recourse claim (and the relevant proceeds thereof) against the Client Debtor under such Factoring Agreement in respect of such Receivable;

"Factoring Debtor" means, in respect of any Factoring Receivable acquired by any Seller under any Factoring Agreement, the applicable obligor that owes such Factoring Receivable;

"Factoring Receivable" means a receivable owed by a Factoring Debtor (in the case of receivables represented by an invoice) or a PN Debtor (in the case of PN Receivables arising under a Factoring Agreement) and acquired by the relevant Seller from the Client Debtor under a Factoring Agreement;

"FATCA" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; and
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the United States Internal Revenue Service, the government of the United States of America or any governmental or taxation authority in any other jurisdiction;

"FATCA Withholding" means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code, or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto;

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

"Final Maturity Date" means the Interest Payment Date falling in January 2026;

"Financial Indebtedness" means (without double counting) any indebtedness for or in respect of:

- (a) monies borrowed;
- (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) any redeemable preference share;
- (e) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as balance sheet liability;
- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (h) any derivative transaction (other than a derivative transaction under which there is no possibility of credit exposure on the part of the Issuer) entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (i) 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) 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;

"First Optional Redemption Date" means the Interest Payment Date falling in January 2023;

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

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

"Funding Discount" means, on any Purchase Date, the Weighted Average Interest Rate of the Rated Notes on such date multiplied by the weighted average Remaining Term (in days) of the Receivables comprised in the Receivable Sub-Portfolio being purchased on such Purchase Date, divided by 360;

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

"GAAP" means, in respect of the Sellers' financial statements, generally accepted accounting principles in Spain, including IFRS;

"Gedesco Group" means Gedesco Finance SL and any of its subsidiaries and affiliates. The terms **"Gedesco"** or **"Group"** shall also refer to Gedesco Group;

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

"Governmental Authority" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or financial regulation and any public legal entity (*entidad de derecho publico*) that is not independent of any of the foregoing entities (excluding, for the avoidance of doubt, any corporate whose share capital belongs to one or more Governmental Authorities);

"Group Factor" means, in relation to any Receivables Sub-Portfolio acquired by the Issuer on any Purchase Date, (a) the sum for all Additional Group Portfolios relating to Receivables comprised in such Receivables Sub-Portfolio, of the product of the aggregate Outstanding Balance of all Receivables comprised in such Additional Group Portfolio by its Group Factor Rate, divided by (b) the aggregate Outstanding Balance of all Receivables comprised in such Receivables Sub-Portfolio;

"Group Factor Rate" means:

- (a) 0 per cent. for the Outstanding Balance of any Additional Group Portfolio where the aggregate Outstanding Balance of the Receivables comprised in the Group Portfolio represents less than or equal to 1.0 per cent. of the aggregate Outstanding Balance of the Receivables comprised in the Combined Receivables Portfolio;
- (b) 1.0 per cent. for the Outstanding Balance of any Additional Group Portfolio where the aggregate Outstanding Balance of the Receivables comprised in the Group Portfolio represents more than 1.0 per cent. but less than or equal to 2.0 per cent. of the aggregate Outstanding Balance of the Receivables comprised in the Combined Receivables Portfolio;
- (c) 2.5 per cent. for the Outstanding Balance of any Additional Group Portfolio where the aggregate Outstanding Balance of the Receivables comprised in the Group Portfolio represents more than 2.0 per cent. but less than or equal to 4.0 per cent. of the aggregate Outstanding Balance of the Receivables comprised in the Combined Receivables Portfolio;
- (d) 5.0 per cent. for the Outstanding Balance of any Additional Group Portfolio where the Group Portfolio represents more than 4.0 per cent. of the Combined Receivables Portfolio;

"Group Portfolio" means at any time all Receivables comprised in the Combined Receivables Portfolio that are owed by the same Direct Debtor attributed with the same Debtor ID (*Librado*) on the systems and records of the relevant Seller;

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

"Guarantor" means any legal entity duly incorporated and validly existing under the laws of Spain which has issued a Guarantee for the payment of the full Outstanding Balance of any Receivables;

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

"IFRS" means the international financial reporting standards within the meaning of Regulation (EC) 1606/2002, as amended, varied or substituted from time to time;

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

"Indirect Debtor" means with respect to any Factoring Agreement or any Promissory Note Agreement, the Client Debtor relevant to such Factoring Agreement or Promissory Note Agreement, as applicable;

"Industry Class" means Moody's Industry Sector Code, as set forth in Schedule 12 to the Receivables Sale Agreement;

"Industry Factor" means, in respect of any Receivables Sub-Portfolio purchased by the Issuer on any Purchase Date, (a) the sum for all Additional Industry Portfolios relating to Receivables comprised in such Receivables Sub-Portfolio, of the product of the aggregate Outstanding Balance of all Receivables comprised in such Additional Industry Portfolio by its Industry Factor Rate, divided by (b) the aggregate Outstanding Balance of all Receivables comprised in such Receivables Sub-Portfolio, in each case as of such Purchase Date;

"Industry Factor Rate" means:

- (a) 0 per cent. for the Outstanding Balance of any Additional Industry Portfolio where the relevant Combined Industry Portfolio represents less than or equal to 5 per cent. of the Combined Receivables Portfolio;
- (b) 0.5 per cent. for the Outstanding Balance of any Additional Industry Portfolio where the relevant Combined Industry Portfolio represents more than 5 per cent. but less than or equal to 10 per cent. of the Combined Receivables Portfolio;
- (c) 1.0 per cent. for the Outstanding Balance of any Additional Industry Portfolio where the relevant Combined Industry Portfolio represents more than 10 per cent. but less than or equal to 15 per cent. of the Combined Receivables Portfolio; and
- (d) 2.0 per cent. for the Outstanding Balance of any Additional Industry Portfolio where the relevant Combined Industry Portfolio represents more than 15 per cent. of the Combined Receivables Portfolio;

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

"Initial Preparations Completion Notice" means, for the purposes of the Back-Up Servicing Agreement, the notice that the Back-Up Servicer serves to the Issuer confirming that the Back-Up Servicer has performed certain services pursuant to specific instructions and has completed the obligations mandated by the Issuer and

therefore is in a position to provide the back-up services foreseen in Schedule 1 of the Back-Up Servicing Agreement;

"Initial Receivables Portfolio" means the portfolio consisting of all the Receivables in the Initial Receivables Sub-Portfolios purchased (or to be purchased) (as the context so requires) by the Issuer from the Sellers on the Issue Date;

"Initial Receivables Sub-Portfolio" means, in respect of any Seller, the portfolio of Receivables purchased (or to be purchased) (as the context so requires) by the Issuer from such Seller on the Issue Date;

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

- (a) an order is made or an effective resolution passed for the winding up of the Relevant Entity, except a winding up for the purposes of or pursuant to an amalgamation or reconstruction, the terms of which have previously been approved by the Note Trustee; or
- (b) proceedings, corporate action or other steps shall be initiated against the Relevant Entity under any applicable liquidation, insolvency, sequestration, diligence, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) and (except in the case of presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) such proceedings are not, in the reasonable opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official shall be appointed in relation to the Relevant Entity or in relation to the whole or any substantial part of the undertaking or assets of the Relevant Entity, or an encumbrancer (other than the Issuer or the Security Trustee) shall take possession of the whole or any substantial part of the undertaking or assets of the Relevant Entity, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Relevant Entity and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within thirty days of its commencement, or the Relevant Entity (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; and
- (c) any event occurs which, under Irish law, Spanish law or any applicable law, has an analogous effect to any of the events referred to in paragraphs (a), (b) or (c) above;

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

"Insurance Distribution Directive" means the Directive (EU) 2016/97, as amended, varied or substituted from time to time;

"Interest Amount" means, in respect of any date, the amount of interest due and payable in respect of the Notes or any applicable Class of Notes (as the case may be) on such date;

"Interest Determination Date" means the date falling two Business Days before each Interest Payment Date or, in the case of the first Interest Period, the Issue Date;

"Interest Payment Date" means the date falling on the 24th day of each month commencing in April 2020 subject to adjustment in accordance with the Business Day Convention but without adjustment to the amount due;

"Interest Period" means each period from (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date provided that the first Interest Period shall be the period from (and including) the Issue Date and ending on (but excluding) the Interest Payment Date falling in April 2020 and the final Interest Period shall be the period from (and including) the Interest Payment Date falling immediately prior to the Final Maturity Date and ending on (but including) the Final Maturity Date;

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

"Irish Issuer Account" means the bank account of the Issuer holding the Issuer Profit Amount;

"Irish Listing Agent" means Arthur Cox Listing Services Limited;

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

"Issue Date" means 11 March 2020 or such later date as may be agreed between the Issuer, the Sellers and the Lead Manager;

"Issuer" means Gedesco Trade Receivables 2020-1 Designated Activity Company, whose registered office is at 3rd Floor, Fleming Court, Fleming's Place, Dublin 4, Ireland as Issuer of the Notes;

"Issuer Account Bank" means, as at the Issue Date, Elavon Financial Services D.A.C., together with any additional or replacement account banks duly appointed from time to time;

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

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

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

"Issuer Insolvency Event" means:

- (a) an order is made or an effective resolution passed for the winding up of the Issuer (except, a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Controlling Class);
- (b) the relevant entity, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (a) above, ceases or through an authorised action of its board of directors,

threatens to cease to carry on all or substantially all of its business or is deemed unable to pay its debts within the meaning of Section 509(3) and/or Section 570 of the Companies Act;

- (c) the appointment of an Insolvency Official in relation to the Issuer or in relation to the whole or any part of the undertaking or assets of the Issuer; or
- (d) proceedings shall be initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, administration, examination, court protection, reorganisation (other than a reorganisation where the Issuer is solvent) or other similar laws and such proceedings or an order appointing an examiner shall be granted or the appointment of an examiner or administrator takes effect or an examiner or administrator or other receiver, liquidator, trustee in sequestration or other similar official shall be appointed in relation to the company or in relation to the whole or any substantial part of the undertaking or assets of the Issuer;

"Issuer Jurisdiction" means Ireland (exclusive of Northern Ireland);

"Issuer Profit Amount" means an amount equal to €100 as at each Interest Payment Date (€1,200 per annum) to be credited to the Irish Issuer Account in accordance with the relevant Priority of Payments;

"Judicial Procedure" means the procedure started by the Servicer on behalf of a Seller in respect of any Debtor who fails to pay or has been declared insolvent in order to recover any unpaid amount;

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

"KBRA" means Kroll Bond Rating Agency Europe Limited;

"Lead Manager" means Morgan Stanley & Co. International plc;

"Legal Reservations" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganization and other laws generally affecting the rights of creditors;
- (b) the time barring of claims and defences of set-off or counterclaims; and
- (c) any other matters of law of general application;

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

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

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

"Loan Receivable" means, in respect of any Loan Agreement, any receivable representing an obligation to make payments owed by the Loan Debtor under such Loan Agreement and represented by Promissory Notes;

"London Business Day" means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"Losses" means, in respect of a Defaulted Receivable, 100% of the Outstanding Purchase Price of that Receivable;

"Loss Absorption Amount" means, in relation to any Receivables Sub-Portfolio, an amount equal to the product of the Loss Absorption Percentage relevant to such Receivables Sub-Portfolio and the aggregate Outstanding Balance of the Receivables in such Receivables Sub-Portfolio;

"Loss Absorption Percentage" means, on any Purchase Date in respect of the Eligible Receivables in the Receivables Sub-Portfolio to be purchased by the Issuer on such Purchase Date, the sum of:

- (a) the Industry Factor;
- (b) the Product Factor;
- (c) the Credit Quality Factor;
- (d) the Group Factor; and
- (e) the Three Month Default Rate Factor,

in each case in respect of such Receivables Sub-Portfolio as of such Purchase Date;

"Madrid/Valencia Business Day" means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Madrid and Valencia;

"Markets in Financial Instruments Directive" means Directive 2014/65/EU, as amended from time to time;

"Master Definitions Schedule" means the master definitions schedule dated the Issue Date between, among others, the Issuer, the Lead Manager, each Seller, the Servicer, the Note Trustee, the Security Trustee, the Paying Agents, the Agent Bank, the Issuer Account Bank and the Cash Manager;

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

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

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

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

"Minimum Discount" means, in relation to any Purchase Date, the percentage being the aggregate of the following percentages:

- (a) the Expenses Discount; and
- (b) the Funding Discount,

in each case, as of such Purchase Date;

"Minimum Required Interest" means the material net economic interest of at least five per cent. in the securitisation required to be retained by the Retention Holder on an ongoing basis in accordance with Article 6(3)(d) of the Securitisation Regulation;

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

"Monthly Cash Manager Report Date" means the day falling no later than on the third Business Day following each Interest Payment Date;

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

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

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

"Non-Provisioned Receivable" means a Receivable which is not a Provisioned Receivable;

"Noteholders" means (i) with respect to each Class of Rated Notes, each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding of each relevant Class of Rated Notes (in which regard any certificate or other document issued by the relevant Clearing System as to the Principal Amount Outstanding of the Rated Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) and such person shall be treated by the Issuer, the Note Trustee and all other persons as the holder of such Principal Amount Outstanding of such relevant Class of Rated Notes for all purposes, other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, any Paying Agent, the Note Trustee, the Security Trustee and all other persons, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and for which purpose Noteholders means the bearer of the relevant Global Note; and related expressions shall be construed accordingly and (ii) with respect to the Class Z Notes, each person who is recorded on the register for the Class Z Notes held by the Class Z Note Registrar;

"Notes" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes or, where the context requires, any of them and includes the Definitive Notes and the Global Notes;

"Note Trustee" means as at the Issue Date, U.S. Bank Trustees Limited and any additional or replacement note trustee appointed from time to time in accordance with the Trust Deed;

"Notification Event" means:

- (a) pursuant to any applicable laws or regulations in place from time to time (whether at national or regional level) requiring notice of the transfer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;
- (b) the making of an order of a court or regulatory authority requiring notice of the transfer to the Issuer of the title of the relevant Receivables and Ancillary Rights (including the Claims) to be served to the relevant Debtors;
- (c) the priority of the Transaction Security granted by the Issuer or any Seller has changed or has been otherwise affected in a manner which is prejudicial to the interests of the Noteholders but only to the extent that giving notice to the relevant Debtors that the Receivables have been transferred to the Issuer is necessary or advisable to protect the Transaction Security;
- (d) the occurrence of a Servicer Termination Event;
- (e) the occurrence of a Seller Insolvency Event;
- (f) the occurrence of an Amortisation Trigger Event;
- (g) on any Purchase Date, the aggregate Outstanding Balance of all Defaulted Receivables comprised in the Receivables Portfolio is equal to or higher than 20% of the Principal Amount Outstanding of the Notes as at the Issue Date; or
- (h) the occurrence of a Material Adverse Change in relation to the business, operations, assets or condition (financial or otherwise) of any Seller;

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

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

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

"Offer Document" means the email and the Receivables Daily File sent by the Offer Agent to the Cash Manager on each Additional Purchase Date on which a Seller offers the Issuer Receivables for purchase;

"Official List" means the official list maintained by Euronext Dublin, to which the Notes are admitted, and which is regulated by the listing rules established by Euronext Dublin;

"Ordinary Resolution" means a resolution passed at a Meeting of the relevant Class or Classes of Notes duly convened and held in accordance with the Trust Deed by more than half of the eligible persons voting thereat on a show of hands or, if a poll is duly demanded, by a simple majority of the votes cast on such poll;

"Outstanding" means in relation to the Notes all the Notes issued other than:

- (a) those Notes which have been redeemed in full pursuant to the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Note

Trustee or to the Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes;

- (c) those Notes which have been purchased and cancelled in accordance with the Conditions;
- (d) those Notes which have become void under Condition 8 (*Prescription*);
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 13 (*Replacement of Global Notes*);
- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 13 (*Replacement of Global Notes*); and
- (g) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes or for the Notes in definitive form pursuant to its provisions;

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders, an Extraordinary Resolution in writing or an Ordinary Resolution in writing and any direction or request by the holders of Notes;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Conditions 9 (*Events of Default*) and 10 (*Enforcement*);
- (iii) any right, discretion, power or authority (whether contained in the Conditions, any other Transaction Document or vested by operation of law) which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders; and
- (iv) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

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

"Outstanding Balance of Factoring Receivable" means with respect to any Receivables that is a Factoring Receivable, as at any date of determination the outstanding balance which is scheduled to become due on such Factoring Receivable;

"Outstanding Balance of Loan Receivable" means with respect to any Receivables that is a Loan Receivable, as at any date of determination the outstanding balance which is scheduled to become due on such Loan Receivable;

"Outstanding Balance of Promissory Notes" means with respect to any Receivable that is a PN Receivable (either arising under a Factoring Agreement, a Promissory Note Agreement or a Promissory Notes Program), as at any date of determination the outstanding balance which is scheduled to become due;

"Outstanding Balance of the Total Portfolio" means the aggregate Outstanding Balance of all Receivables in the Receivables Portfolio at any date of determination;

"Outstanding Purchase Price" means, for each Receivable, an amount equal to the Receivable Purchase Price of such Receivable less any Receivable Principal Receipts received in respect of such Receivable;

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

"PDL Condition" means, on any Interest Payment Date, that the debit entry on:

- (a) for so long as the Class B Notes are not the Controlling Class of Notes, the Class B Principal Deficiency Sub-Ledger;
- (b) for so long as the Class C Notes are not the Controlling Class of Notes, the Class C Principal Deficiency Sub-Ledger;
- (c) for so long as the Class D Notes are not the Controlling Class of Notes, the Class D Principal Deficiency Sub-Ledger;
- (d) for so long as the Class E Notes are not the Controlling Class of Notes, the Class E Principal Deficiency Sub-Ledger; and
- (e) so long as the Class F Notes are not the Controlling Class of Notes, the Class F Principal Deficiency Sub-Ledger,

does not exceed 10% of the Principal Amount Outstanding of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes (respectively), in each case as calculated following the application of Available Revenue Receipts on such Interest Payment Date (excluding for these purposes amounts applied at item (vi) of the Pre-Enforcement Revenue Priority of Payments and prior to the application of Available Principal Receipts on the relevant Interest Payment Date, and **"relevant PDL Condition"** means, in respect of any Class of Notes, the condition related to that Class;

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

"Permanent Eligibility Criteria" means the criteria set forth in paragraphs (b), (e), (g), (h) (other than any litigation related to recovery, enforcement or other insolvency or bankruptcy related proceedings before the Spanish courts), (i) (other than any right of counterclaim, defence or any other reduction or cancellation as a consequence of the insolvency of the Debtor), (j), (q), (r), (t), (u), (y), (hh) and (ii) of the Receivables Eligibility Criteria.;

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

"PN Claim" means, in respect of any PN Receivable arising from a Promissory Note Agreement, any recourse claim against the Client Debtor in respect of such PN Receivable;

"PN Debtor" means:

- (a) with respect to any Factoring Agreement, any third party owing to the relevant Client Debtor receivables represented by Promissory Notes that have been sold to the relevant Seller pursuant to such Factoring Agreement;

- (b) with respect to any Promissory Note Agreement, any third party owing to the relevant Client Debtor receivables represented by Promissory Notes that have been sold to the relevant Seller pursuant to such Promissory Note Agreement;
- (c) with respect to any Promissory Notes Program, the client of the Seller in respect to which the Seller has entered into such Promissory Notes Program;

"PN Receivable" means:

- (i) with respect to any Factoring Agreement, any receivable represented by a Promissory Notes owing by a PN Debtor and sold to the relevant Seller pursuant to such Factoring Agreement;
- (ii) with respect to any Promissory Note Agreement, any receivable represented by a Promissory Note owing by a PN Debtor and sold to the relevant Seller pursuant to such Promissory Note Agreement; and
- (iii) with respect to any Promissory Notes Program, any receivable represented by Promissory Notes owing by the PN Debtor under such Promissory Notes Program;

"Portfolio Option Holder" means Gedesco Factoring (acting in the name and on behalf of the Sellers as Class Z Notes holders);

"Portfolio Repurchase Date" shall have the meaning given to it in Condition 6.7(b);

"Portfolio Repurchase Option" means the option of the Portfolio Option Holder, on any Interest Payment Date during the Amortisation Period, after advising the Issuer of its intention at least five (5) Business Days prior to the contemplated redemption date, to repurchase the Receivables Portfolio from the Issuer at a repurchase price at least equal to the Principal Amount Outstanding of the Rated Notes together with accrued but unpaid interest (including, without limitation, any Deferred Interest and Additional Interest on the Principal Amount Outstanding up to (but excluding) such date);

"Portfolio Repurchase Option Notice" means the option by the Portfolio Option Holder, on any Interest Payment Date during the Amortisation Period to repurchase the Receivables Portfolio from the Issuer at a repurchase price at least equal to the principal balance of the Rated Notes plus accrued interest;

"Portfolio Requirements" means, on any Additional Purchase Date, each of the following requirements:

- (a) the aggregate Outstanding Balance of any Combined Industry Portfolio does not exceed 20% of the Total Assets;
- (b) the aggregate Outstanding Balance of all Receivables owed by a single Direct Debtor or an Indirect Debtor:
 - (i) in any Unrated Group Portfolio, does not exceed 3% of the Total Assets;
 - (ii) in any Rated Group Portfolio, does not exceed 5% of the Total Assets;
- (c) the aggregate Risk Weighted Outstanding Balance attributable to:
 - (A) (i) the top five (5) Direct Debtors or (ii) the top five (5) Indirect Debtors (in each case, by Outstanding Balance of the Receivables in the Combined Receivables Portfolio owed by such Direct Debtors or Indirect Debtors), does not exceed 13.3% of the Total Assets;

- (B) (i) the top ten (10) Direct Debtors or (ii) the top ten (10) Indirect Direct Debtors (in each case, by Outstanding Balance of the Receivables in the Combined Receivables Portfolio owed by such Direct Debtors or Indirect Debtors), does not exceed 18.7% of the Total Assets;
- (C) (i) the top twenty (20) Direct Debtors or (ii) the top twenty (20) Indirect Debtors (in each case, by Outstanding Balance of Receivables in the Combined Receivables Portfolio owed by such Direct Debtors or Indirect Debtors), does not exceed 26.7% of the Total Assets; and
- (D) (i) the top fifty (50) Direct Debtors or (ii) the top fifty (50) Indirect Debtors (in each case by Outstanding Balance of Receivables in the Combined Receivables Portfolio owed by such Direct Debtors or Indirect Debtors), does not exceed 40% of the Total Assets;
- (d) the Outstanding Balance of Receivables in the Combined Receivables Portfolio owed by Direct Debtors with a Credit Scoring of "A" as a proportion of the Total Assets shall not be lower than 60%;
- (e) the Outstanding Balance of Receivables in the Combined Receivables Portfolio owed by Direct Debtors with a Credit Scoring of "B" as a proportion of the Total Assets shall not be greater than 40%;
- (f) the Outstanding Balance of Receivables in the Combined Receivables Portfolio owed by Direct Debtors with a Credit Scoring of "C" as a proportion of the Total Assets shall not be greater than 35%;
- (g) the Outstanding Balance of Direct Lending Receivables comprised in the Combined Receivables Portfolio as a proportion of the Total Assets shall not be greater than 75%;
- (h) the Outstanding Balance of PN Receivables originated under Promissory Note Agreements comprised in the Combined Receivables Portfolio as a proportion of the Total Assets shall not be greater than 75%;
- (i) the Outstanding Balance of Factoring Receivables comprised in the Combined Receivables Portfolio as a proportion of the Total Assets shall not be greater than 40%;
- (j) the Outstanding Balance of Factoring Receivables comprised in the Combined Receivables Portfolio where the Direct Debtor is a municipality as a proportion of the Total Assets shall not be greater than 10%;
- (k) the Outstanding Balance of Receivables comprised in the Combined Receivables Portfolio with Remaining Term greater than 180 days as a proportion of the Total Assets shall not be greater than 40%;
- (l) the Outstanding Balance of Receivables comprised in the Combined Receivables Portfolio with Remaining Term greater than 90 days and less than or equal to 180 days as a proportion of the Total Assets shall not be greater than 50%;
- (m) the Outstanding Balance of Receivables comprised in the Combined Receivables Portfolio with Remaining Term less than or equal to 90 days as a proportion of the Total Assets shall not be lower than 25%;
- (n) the Unlevered Annual Return of the Combined Receivables Portfolio should not become less than 10%,

in each case as of such Additional Purchase Date;

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

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

"Pre-Enforcement Principal Priority of Payments" means the provisions relating to the order of priority of payments set out in the section entitled "*Credit Structure and Cashflow*" and in the section entitled "*Cash Management*";

"Pre-Enforcement Priorities of Payments" means the Pre-Enforcement Principal Priority of Payments and the Pre-Enforcement Revenue Priority of Payments;

"Pre-Enforcement Revenue Priority of Payments" means the provisions relating to the order of priority of payments set out in the section entitled "*Credit Structure and Cashflow*" and in the section entitled "*Cash Management*";

"Presentation Date" has the meaning given to it in Condition 5.4 (*Payment only on a Presentation Date*);

"Principal Addition Amount " has the meaning given to it in the section entitled "*Credit Structure and Cashflow*" and in the section entitled "*Cash Management*";

"Principal Amount Outstanding" has the meaning given to it in Condition 6.8 (*Principal Amount Outstanding*);

"Principal Deficiency Excess" means any credit balance on the Principal Deficiency Ledger resulting from the incorrect application of Available Revenue Receipts ;

"Principal Deficiency Excess Revenue Amount" means an amount equal to the Principal Deficiency Excess to be applied as Available Revenue Receipts on the next Interest Payment Date;

"Principal Deficiency Ledger" means a ledger to be established by the Cash Manager to record any defaults affecting the Receivables in the Receivables Portfolio and any Principal Addition Amounts;

"Principal Ledger" means a ledger of the Issuer Collection Account to be established by the Cash Manager to record, on each Business Day, certain amounts standing to the credit of the Issuer Collection Account. Such amounts being:

- (a) Receivables Principal Receipts received by the Issuer;
- (b) the amounts (if any) to be credited to each Principal Deficiency Ledger pursuant to the Pre-Enforcement Revenue Priority of Payments if such Business Day is an Interest Payment Date;
- (c) if any, amounts representing the purchase price received by the Issuer upon sale of the Receivables Portfolio further to the exercise of the Portfolio Repurchase Option;
- (d) amounts representing any purchase price received by the Issuer upon sale of any Defaulted Receivable to any Seller up to the Receivable Purchase Price of such Defaulted Receivable, provided such Defaulted Receivable is not a Provisioned Receivable; and
- (e) after the end of the Revolving Period, all remaining Available Revenue Receipts after paying item (xix) of the Pre-Enforcement Revenue Priority of Payments;

"Principal Paying Agent" means, as at the Issue Date, Elavon Financial Services D.A.C., UK Branch and any additional or replacement paying agents appointed from time to time;

"Priority of Payments" means the Pre-Enforcement Priorities of Payments and the Post-Enforcement Priority of Payments, or any of them;

"Product Factor" means, in relation to any Receivables Sub-Portfolio purchased by the Issuer on any Purchase Date, (a) the sum for all Receivables comprised in such Receivables Sub-Portfolio, of the product of the Outstanding Balance of each such Receivable by its Product Factor Rate, divided by (b) the aggregate Outstanding Balance of all Receivables comprised in such Receivables Sub-Portfolio;

"Product Factor Rate" means:

- (a) 0.5 per cent. for the Outstanding Balance of PN Receivables arising under a Promissory Note Agreement;
- (b) 1.0 per cent. for the Outstanding Balance of Direct Lending Receivables (including PN Receivables arising under Promissory Notes Programs);
- (c) 0.5 per cent. for the Outstanding Balance of Factoring Receivables (excluding PN Receivables arising under Factoring Agreements) where the Direct Debtor is not a municipality; and
- (d) 2.0 per cent. for the Outstanding Balance of Factoring Receivables (including PN Receivables arising under Factoring Agreements) and PN Receivables arising under Promissory Note Agreements where the Direct Debtor is a municipality;

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

"Promissory Note Agreement" means any agreement entered into by a Seller and a Client Debtor whereby such Seller purchases from that Client Debtor certain receivables represented by Promissory Notes owing to that Client Debtor by PN Debtors;

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

"Prospectus Regulation" means Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

"Provisional Initial Receivables Portfolio" means the provisional pool of Eligible Receivables identified by the Sellers as at 31 July 2019;

"Provisioned Receivable" means any Defaulted Receivable comprised in the Receivables Portfolio where an amount equal to the Outstanding Purchase Price of that Defaulted Receivable has been recorded as a Loss;

"Purchase Date" means the Issue Date or an Additional Purchase Date, as applicable;

"Purchase Price" means the aggregate Receivables Purchase Price for the Receivables comprised in the Initial Receivables Portfolio or any Additional Receivables Portfolio, as the case may be;

"Purchase Price Payment Date" means, in respect of any Additional Purchase Date, the London Business Day immediately following such Additional Purchase Date;

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

"Qualifying Company" means a qualifying company within the meaning of section 110 of the Taxes Act;

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

"Rated Group Portfolio" means a Debtor's Group whose assigned Long-term Issuer Rating is investment grade by Moody's;

"Rated Notes" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes;

"Rated Note Interest Rate" has the meaning given to it in Condition 4.3 (*Rate of Interest*);

"Rating Agencies" means KBRA and Moody's;

"Receivable" means a Factoring Receivable, a PN Receivable and/or a Loan Receivable, as applicable;

"Receivable Principal Receipts" means, in respect of each Non-Provisioned Receivable, all Collections received up to an amount equal to the Receivables Purchase Price for such Receivable;

"Receivable Purchase Price" means, on any determination date, with respect to each Receivable comprised in the Initial Receivables Portfolio or the relevant Additional Receivables Portfolio, as applicable, an amount equal to the lowest of:

- (a) the net amount (after deducting applicable haircuts, fees, commissions and/or other similar amounts) of finance provided by the relevant Seller in respect of the relevant Receivable pursuant to the relevant Funding Documents under which the relevant Receivable arose or was acquired as specified by the Offer Agent in the relevant Offer; and
- (b) an amount equal to the Outstanding Balance of the relevant Receivable on its Purchase Date (or the Cut-Off Date in respect of each Receivable comprised in an Initial Receivables Sub-Portfolio), multiplied by a percentage equal to 100 per cent. minus the Minimum Discount (calculated on the Purchase Date of such Receivable), less an amount equal to the product of the Loss Absorption Percentage (calculated on the Purchase Date of such Receivable) and the Outstanding Balance of the Receivable on its Purchase Date;

"Receivables Daily File" means the file identifying the Receivables offered for sale to the Issuer on each Additional Purchase Date and following the form set out in the Receivables Sale Agreement;

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

"Receivables Portfolio" means any Receivables included in the Initial Receivables Portfolio and each Additional Receivables Portfolio less any Receivables which have been transferred by the Issuer to a Seller or otherwise in respect of which a Deemed Collection has been collected by the Issuer from the relevant Seller;

"Receivables Revenue Receipts" means in respect of each Non-Provisioned Receivable, all Collections received in excess of the Receivables Purchase Price for such Receivable;

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

"Receivables Sub-Portfolio" means each Initial Receivables Sub-Portfolio together with each Additional Receivables Sub-Portfolio sold by a Seller;

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

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

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

"Reference Banks" has the meaning given to it in Condition 4.3 (*Rate of Interest*);

"Regulation S" means Regulation S under the Securities Act;

"Relevant" means:

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

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

"Relevant Condition" has the meaning given to it in Condition 4.3 (*Rate of Interest*);

"Relevant Date" has the meaning given in Condition 8 (*Prescription*);

"Relevant Receivable" means the relevant Eligible Receivable in the Receivables Portfolio in respect of which the relevant Collateral Claim has been assigned as security;

"Relevant Territory" means:

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

"Relevant Time" has the meaning given to it in Condition 4.3 (*Rate of Interest*);

"Remaining Term" means, in respect of any Receivable comprised in any Receivable Sub-Portfolio, on any date, the number of days left from such date (excluded) to such Receivable's Maturity Date (included);

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

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

"Replacement Servicing Agreement" means the servicing agreement establishing the terms pursuant to which the Back-Up Servicer shall assume responsibility for the performance of the servicing Services following a Replacement Trigger;

"Replacement Trigger" means, for the purposes of the Back-Up Servicing Agreement, the occurrence of a Back-Up Servicer Appointment Event;

"Reporting Agent" means Intermoney Titulización S.G.F.T., S.A.;

"Representative" means any individual which is not acting as a consumer for Spanish law purposes representing a Debtor under a Funding Document which has issued or otherwise granted a Guarantee for the payment of the full Outstanding Balance of any Receivables under the relevant Funding Document;

"Representative Amount" has the meaning given to it in Condition 4.3 (*Rate of Interest*);

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

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

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

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

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

"Reserve Fund" means the fund established on the Issue Date to form part of Available Revenue Receipts on each Interest Payment Date in an amount equal to the Reserve Fund Required Amount;

"Reserve Fund Required Amount" means, on any Interest Payment Date, the product of:

- (a) the Outstanding balance of the Class A Notes at the beginning of the relevant Calculation Period; multiplied by;
- (b) 1.0 per cent.;

"Retention Holder" means Gedesco Factoring, S.L.U.;

"Retention Requirements" means Article 6 of the Securitisation Regulation and any regulatory technical standards, implementing technical standards, guidance and related documents published by the European Commission, the European Securities Markets Authority, the European Banking Authority, the European Central Bank or any other European supervisory authority (disregarding, however, any implementation rules in any relevant jurisdiction and as interpreted and applied on the date hereof);

"Re-transfer Amount" means the repurchase price due and payable to the Issuer by the relevant Seller for each Defaulted Receivable re-transferred pursuant to an Enforcement Re-transfer, which shall be equal and limited to the Outstanding Balance of each such Defaulted Receivable;

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

"Revenue Commissioners" means the Revenue Commissioners of Ireland;

"Reviewed Datatype Fields" means the list of datatype fields set forth in the Receivables Sale Agreement;

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

"Revised Semi-annual Report" means each new Semi-annual Report prepared by the Sample Verifier on a further sample of twenty (20) other Receivables randomly selected by the Sample Verifier;

"Revolving Period" means the period commencing on (and including) the Issue Date and ending on (but excluding) the earliest of:

- (a) the Revolving Period End Date; and
- (b) the Amortisation Trigger Event Date;

"Revolving Period End Date" means the Interest Payment Date falling in December 2022;

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

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

"Risk Retention Letter" means the agreement dated on or about the Issue Date between the Issuer, the Arranger, the Lead Manager, the Retention Holder, the Sellers and the Security Trustee;

"Risk Retention Regulatory Change Event" means any change in or the adoption of any new law, rule, direction, guidance or regulation which requires the manner in which the Minimum Required Interest is held by the Retention Holder to be restructured after the Issue Date or which would otherwise result in the manner in which the Minimum Required Interest is held by the Retention Holder to become non-compliant with respect to any risk retention requirements under the Securitisation Regulation or other applicable law, rule, direction, guidance or regulation;

"Risk Retention Regulatory Change Repurchase Amount" has the meaning given to it in Condition 6.5 (*Mandatory redemption in whole following a Risk Retention Regulatory Change Event*);

"Risk Weighted Outstanding Balance" means, in respect of any Receivable, the Outstanding Balance of such Receivable multiplied by the attributable Risk Weight, where the **Risk Weight** is defined as follows:

- (a) In relation to Loan Receivables, 100%;
- (b) In relation to any other Receivables:
 - (i) For Receivables with Direct Debtor Credit Scoring of A, 75%;
 - (ii) For Receivables with Direct Debtor Credit Scoring of B, 100%;
 - (iii) For Receivables with Direct Debtor Credit Scoring of C, 100%;

"Sales" refers to the figures stated in the second column of each of the charts in the section *"Historical Default and Loss Performance"*;

"Sample Verifier" means an internationally recognised accountancy firm appointed by the Issuer to prepare the Semi-Annual Reports;

"Sanctions" means any economic or financial sanctions or trade embargoes implemented, administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Departments of State or Commerce or any other US government authority, or by the United Nations Security Council, the European Union, Her Majesty's Treasury, the Department for Business, Innovation and Skills, any other United Kingdom government authority, or any other government authority or official institutions or agencies in a relevant jurisdiction;

"Sanctions List" means the Specifically Designated Nationals and Blocked Persons List maintained by U.S. Department of the Treasury's Office of Foreign Assets Control, the Consolidated List of Financial Sanctions Target and Investment Ban List maintained by Her Majesty's Treasury, or any similar list maintained by, or public announcement of a Sanctions designation made by, a sanctions authority as described in the definition of Sanctions, each as amended, supplemented or substituted from time to time;

"Screen Rate" has the meaning given to it in Condition 4.3 (*Rate of Interest*);

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

"Section 198" means Section 198 of the Taxes Act;

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

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

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

"Secured Receivable" means any Receivable under a Loan Agreement or a Promissory Notes Program which is secured by Collateral Claims or guarantees;

"Securities Act" means the United States Securities Act of 1933;

"Securitisation Regulation" means Regulation (EU) 2017/2402, as amended, varied or substituted from time to time;

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

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

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

"Security Trustee" means as at the Issue Date, U.S. Bank Trustees Limited and any additional or replacement trustee appointed from time to time in accordance with the Security Deed;

"Seller" means each of Toro Finance, S.L.U., Gedesco Factoring, S.L.U., Pagaralia, S.L.U. and Gedesco Services Spain S.A.U. each in its capacity as seller of Receivables and Ancillary Rights to the Issuer under the Receivables Sale Agreement;

"Seller Collection Account" means each of the accounts opened in the name of the Sellers in the books of the Seller Collection Account Bank, being as at the Issue Date:

- (a) with respect to Toro Finance, S.L.U., the account opened in the Seller Collection Account Bank with IBAN ES47 2100 8622 6802 0012 7640;
- (b) with respect to Gedesco Factoring, S.L.U., the account opened in the Seller Collection Account Bank with IBAN ES80-2100-8622-6902-0012-7288;
- (c) with respect to Pagaralia, S.L.U., the account opened in the Seller Collection Account Bank with IBAN ES46-2100-8622-6402-0012-7175; and
- (d) with respect to Gedesco Services Spain, S.A.U., the account opened in the Seller Collection Account Bank with IBAN ES82-2100-8622-6102-0012-7062;

"Seller Collection Account Bank" means, as at the Issue Date, CaixaBank, S.A. together any additional or replacement account banks appointed from time to time;

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

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

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

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

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

"Semi-annual Report" means a report in relation to the Receivables Portfolio prepared by an internationally recognised accountancy firm on a semi-annual basis (on each of the months of May and November, starting from May 2020);

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

"Servicer Termination Event" means:

- (a) the Servicer does not pay on the due date any amount payable pursuant to a Transaction Document in the manner and in the place and in the currency in which it is expressed to be payable, unless payment is made with 5 Business Days of its due date;
- (b) the Servicer fails to observe or perform in any material respect any of its covenants and obligations under or pursuant to the Servicing Agreement or any other Transaction Document to which it is a party and such failure results in a Material Adverse Effect on the Issuer's ability to make payments in respect of the Notes and continues unremedied for a period of 60 days following written notice of such failure being received by the Servicer or the Servicer otherwise becoming aware of such failure; or
- (c) the Servicer fails to maintain any regulatory licence or approval required to comply with its obligations under the Transaction Documents and such failure continues unremedied for a period of 60 days; and
- (d) a Servicer Insolvency Event occurs;

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

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

"Servicing Fees" means the fees payable by the Issuer to the Servicer in accordance with the Servicing Agreement;

"Share Trustee" means, as at the Issue Date, CSC Share Trustee Services (Ireland) Limited;

"Solvency Trigger" occurs, in respect of a Debtor that owes any Relevant Receivable, on the date when the Servicer records a downgrade in the credit rating of such Debtor in accordance with the Credit Policy;

"Spanish Insolvency Law" means Law 22/2003, of 9 July, on Insolvency (*Ley 22/2003, de 9 de julio, Ley Concursal*);

"Spanish Bank Mandates" means the bank mandates in relation to the Seller Collection Accounts Pledge Agreement;

"Specified Agreement" means any agreement, arrangement or understanding that

- (a) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof; and

- (b) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred;

"Specified Office" means, with respect to the Agents, the offices listed at the end of the Conditions or such other offices as may from time to time be duly notified pursuant to Condition 14 (*Notice To Noteholders*);

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

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

"Subordinated Loan Provider" means, as at the Issue Date, Gedesco Factoring, S.L.U.;

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

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

"TARGET2 System" 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;

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

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

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

"Tax Deduction" means any withholding or deduction for or on account of any Tax that is required by Applicable Law (including FATCA);

"Tax Event" means a change in tax law (or the application or official interpretation thereof), in any jurisdiction, becoming effective on or after the Issue Date, leading, on the next Interest Payment Date, to the Issuer, or the Paying Agents on its behalf, being required to deduct or withhold from any payment of principal, interest or other amount in respect of the Notes (other than because the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes) any amount 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 the relevant jurisdiction (or any political sub-division thereof or any authority thereof or therein);

"Tax Regulatory Change Option" means if by reason of a Tax Event and:

- (a) the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant Tax Event;

- (b) the Issuer has or will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date (including, without limitation, any Deferred Interest and Additional Interest on the Principal Amount Outstanding) and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date; and
- (c) the Issuer has delivered to the Note Trustee a certificate signed by two directors of the Issuer stating that (i) a Tax Event is continuing and (ii) that the circumstances in (a) and (b) above are subsisting (and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the matters set out above and it shall be conclusive and binding on the Noteholders),

then the Issuer may, on any Interest Payment Date thereafter and having given not less than five Business Days prior written notice to the Noteholders and to the Note Trustee (copied to the Rating Agencies, if applicable), redeem all, but not some only, of the Notes at their Principal Amount Outstanding together with accrued but unpaid interest on the Principal Amount Outstanding up to (but excluding) such date;

"Temporary Global Note" has the meaning given to such term in Condition 1.1;

"Third-Party Expenses" means any amounts due and payable by the Issuer to third parties (not being Secured Creditors and excluding, for the avoidance of doubt, amounts paid as Expenses) including any Liabilities payable in connection with:

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

"Three Month Default Rate Factor" means, in relation to any Receivables Sub-Portfolio purchased by the Issuer on any Purchase Date:

- (a) 0 per cent. if the Three Month Rolling Average Default Ratio of the Existing Receivables Portfolio is less than or equal to 4.0 per cent. on such Purchase Date;
- (b) 4 per cent. if the Three Month Rolling Average Default Ratio of the Existing Receivables Portfolio is more than 4.0 per cent. but less than or equal to 5.5 per cent. on such Purchase Date;
- (c) 8 per cent. if the Three Month Rolling Average Default Ratio of the Existing Receivables Portfolio is more than 5.5 per cent. but less than or equal to 7.0 per cent. on such Purchase Date; and
- (d) 15.0 per cent. if the Three Month Rolling Average Default Ratio of the Existing Receivables Portfolio is more than 7.0 per cent. on such Purchase Date;

"Three Month Rolling Average Default Ratio" means, in respect of any Purchase Date, the average of the monthly Default Ratios calculated over the three Calculation Periods prior to such Purchase Date, provided that

such ratio shall be equal to zero if such Purchase Date falls prior to the third Calculation Period falling after the Issue Date;

"Total Assets" means at any date the sum of the aggregate Outstanding Balance of all Receivables comprised in the Eligible Receivable Portfolio and the amount standing to the credit of the Principal Ledger, the Issuer Collection Account and the Reserve Account;

"Total Balance Due" means the aggregate of the Collections due in respect of all Receivables comprised in the Receivables Portfolio which are due during the relevant Calculation Period;

"Transaction" means the securitisation transaction described in this Prospectus;

"Transaction Documents" means the Trust Deed, the Notes (when issued), the Agency Agreement, the Servicing Agreement, the Cash Management Agreement, the Issuer Account Bank Agreement, the Security Deed, the Irish Deed of Charge, the Security Powers of Attorney, the Receivables Sale Agreement, the Seller Collection Account Pledge Agreements, the Master Definitions Schedule, the Corporate Services Agreement, the Back-Up Servicing Agreement, the Subscription Agreement, the Risk Retention Letter, the Subordinated Loan Agreement and any other document entered into by one or more Transaction Parties which is designated as a Transaction Document with the consent of the Note Trustee, the Issuer and the Sellers;

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

"Transaction Security" means the security granted by the Issuer under the Security Deed, the Irish Deed of Charge and/or the security granted by each Seller under each Seller Collection Account Pledge Agreement;

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

"Trustee Expenses" means all amounts due and payable by the Issuer in relation to the fees, costs, expenses, liabilities, indemnity payments and all other amounts due to the Note Trustee and the Security Trustee, including for the avoidance of doubt the Trustee Fees;

"Trustee Fees" means the fees payable by the Issuer to the Note Trustee in accordance with the Trust Deed and the fees payable by the Issuer to the Security Trustee in accordance with the Security Deed and the Irish Deed of Charge;

"Unlevered Annual Return" means, for any Receivable, the ratio (expressed as a percentage), the numerator of which is the sum of applicable haircuts, fees, commissions and/or other similar amounts applied by the relevant Seller in respect of such Receivable and the denominator of which is the Advanced Balance of such Receivable, such ratio multiplied by 360 divided by the Remaining Term as of its respective origination date;

"Unrated Group Portfolio" means a debtor group which is not a Rated Group Portfolio;

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

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

"VATA" means the Value Added Tax Act 1994;

"Voting Certificate" means:

- (a) in respect of any Rated Notes, an English language certificate issued by a Paying Agent in which it is stated:

- (i) that on the date thereof Rated Notes (not being Rated Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:
 - (A) the conclusion of the meeting specified in such Voting Certificate; and
 - (B) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
 - (ii) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes represented by such Voting Certificate;
- (b) in respect of any Class Z Notes, an English language certificate issued by the Class Z Note Registrar in which it is stated:
- (i) that on the date thereof the holder is registered in the Class Z Note Register as holder of the Class Z Notes and has certified to the Class Z Note Registrar that no transfers of such Class Z Notes will take place until the first to occur of:
 - (A) the conclusion of the meeting specified in such Voting Certificate;
 - (B) the surrender of the Voting Certificate to the Class Z Note Registrar; and
 - (ii) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes represented by such Voting Certificate;

"Weighted Average Interest Rate of the Rated Notes" means on any date, the average of the Rated Note Interest Rates weighted by the Principal Amount Outstanding of the Rated Notes on such date;

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

"Written Resolution" means a resolution in writing signed by or on behalf of the Noteholders of not less than 75% in aggregate Principal Amount Outstanding of the Notes which resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

INDEX OF DEFINED TERMS

€	xiii, 235	Cash Management Fees	126, 226
1 month EURIBOR	221	Cash Manager	226
15-Day Notification	96	Cash Manager Insolvency Event	257
360-day Loss Rate	221	Cash Manager Termination Event	125, 226
360-day Recovery Rate	221	Cash Trigger	227
60-day Loss Rate	221	Charged Property	227
60-day Recovery Rate	221	Claim	48, 154
Additional Group Portfolio	221	Claims	227
Additional Industry Portfolio	221	Claims Eligibility Criteria	56, 158, 232
Additional Interest	68, 199, 221	Class	227
Additional Purchase Date	221	Class A Noteholders	176, 227
Additional Receivables Portfolio	iii, 50, 99, 221	Class A Notes	66, 173, 227
Additional Receivables Portfolio Identification File	221	Class A Principal Deficiency Sub-Ledger	85, 227
Additional Receivables Sub-Portfolio	221	Class B Noteholders	176, 227
Advanced Balance	221	Class B Notes	66, 173, 227
Adverse Claim	221	Class B Principal Deficiency Sub-Ledger	85, 227
Affiliate	222	Class C Noteholders	176, 227
Agency Agreement	123, 173, 222	Class C Notes	66, 173, 227
Agent	222	Class C Principal Deficiency Sub-Ledger	85, 227
Agent Bank	173, 222	Class D Noteholders	176, 228
Agents	222	Class D Notes	66, 173, 228
Alternative Base Rate	195, 222	Class D Principal Deficiency Sub-Ledger	85, 228
Amortisation Period	222	Class E Noteholders	176, 228
Amortisation Trigger Event	79, 222	Class E Notes	66, 173, 228
Amortisation Trigger Event Date	223	Class E Principal Deficiency Sub-Ledger	85, 228
Ancillary Rights	50, 223	Class F Noteholders	176, 228
Applicable Law	223	Class F Notes	66, 173, 228
Arranger	223	Class F Notes Interest Amount	228
Assignment Agreement	223	Class F Principal Deficiency Sub-Ledger	85, 228
ATAD	40	Class of Rated Notes	228
ATAD 1	40	Class Z Note Registrar	173
Available Funds	223	Class Z Noteholders	176, 228
Available Principal Receipts	78, 224	Class Z Notes	66, 173, 228
Available Revenue Receipts	78, 224	Class Z Notes Interest Amount	228
Back-Up Servicer	224	Class Z Notes Register	229
Back-Up Servicer Appointment Event	62, 117, 224	Class Z Notes Registrar	229
Back-Up Servicer Notice	224	Class Z Principal Deficiency Sub-Ledger	85, 229
Back-Up Servicer Succession Date	224	Clearing Systems	22, 229
Back-Up Servicing Agreement	224	Clearstream, Luxembourg	229
Balance Outstanding at Default Date	224	Client Debtor	48, 154, 229
Base Rate Modification	195, 224	Code	184, 229
Base Rate Modification Certificate	195, 224	CODE	216
Basel III	35	Collateral Claim	48, 154
Basic Terms Modification	191, 224	Collateral Claims	229
Benchmark Regulation	xiii, 225	Collateral Debtor	48, 154, 229
Benefit	225	Collateral Debtors	48, 154
BENEFIT PLAN INVESTOR	216	Collateral Ratio Threshold	118, 229
Block Voting Instruction	225	Collateralised Receivable	229
Book-Entry Interests	x, 226	Collection Period	229
Business Day	226	Collection Policy	229
Business Day Convention	226	Collections	76, 229
Calculation Date	226	Combined Industry Portfolio	230
Calculation Period	226	Combined Receivables Portfolio	230
Cash Collateral Ratio	226	Common Safekeeper	230
Cash Collateral Ratio Trigger Event	226	Companies Act	43, 230
Cash Management Agreement	226	Conditions	173, 230
		Controlling Class	70, 230

Corporate Services Agreement	149, 230	Factoring Debtors.....	48, 154
Corporate Services Provider	149, 230	Factoring Receivable	48, 154, 236
CRA Regulation	195, 230	FATCA	237
Credit Policy	230	FATCA Withholding	237
Credit Quality Factor	230	Final Discharge Date.....	237
Credit Quality Factor Rate.....	230	Final Maturity Date.....	v, 237
Credit Scoring.....	231	Financial Indebtedness.....	237
Cross-Default.....	231	First Optional Redemption Date	238
CRS	231	Fitch	238
Cut-Off Date	231	FPO	ii
Day Count Fraction	183, 231	FSMA	238
Debtor	231	Funding Discount.....	238
Debtor's Group	231	Funding Documents	238
Declaration of Trust.....	149	GAAP	238
Deemed Collection	60, 104, 231	Gedesco.....	166, 238
Deemed Collection Amount	60, 104, 231	Gedesco Group	238
Deemed Collection Date.....	60, 104, 231	Global Note.....	174
Default Date.....	231	Global Notes	174, 238
Default Ratio	231	Governmental Authority	238
Defaulted Receivable.....	232	Group	231, 238
Deferred Interest.....	68, 199, 232	Group Factor	238
Definitive Notes.....	174, 232	Group Factor Rate.....	238
Direct Debtor	232	Group Portfolio	239
Direct Debtors	48, 154	Guarantee	239
Direct Lending Receivable	232	Guarantor	239
Draft Technical Standards	232	holder	239
Due Diligence Report	104, 258	holders.....	239
EBA	219	IFRS	239
EEA	xiii	Independence Indicator	239
Eligibility Criteria.....	233	Indirect Debtor.....	48, 154, 239
Eligible Claim.....	56, 158, 232	Industry Class	239
Eligible Debtor	233	Industry Factor	239
Eligible Funding Document.....	234	Industry Factor Rate.....	239
Eligible Receivable.....	235	Ineligible Receivable	60, 104, 239
Eligible Receivable Portfolio.....	235	Initial Preparations Completion Notice.....	239
EMMI	xiii	Initial Receivables Portfolio.....	iii, 50, 240
Endorsable Promissory Note	235	Initial Receivables Sub-Portfolio	50, 240
Enforcement Notice	189, 235	Insolvency Event.....	240
Enforcement Re-transfer.....	58, 108, 235	Insolvency Official.....	240
ERISA	216	Insurance Distribution Directive	xiii, 240
ESMA	xiii	Interest Amount	183, 241
ESMA STS Register website.....	vii	Interest Determination Date	182, 241
EUR	xiii, 235	Interest Payment Date	241
EURIBOR.....	34	Interest Period	241
Euro	xiii, 235	Investor Report	241
Euroclear.....	235	Irish Deed of Charge	173
Euronext Dublin	vi	Irish Issuer Account	241
Eurosystem eligible collateral.....	47	Irish Listing Agent	241
Euro-zone	182, 235	Irish Securitisation Regulations	96
Event of Default.....	189, 235	Irish VATA	241
Excess Cash.....	235	Issue Date.....	173, 241
Existing Receivables Portfolio	236	Issuer.....	iii, 173, 241
Expenses	236	Issuer Account Bank	241
Expenses Discount.....	236	Issuer Account Bank Agreement	241
Extraordinary Resolution.....	198, 236	Issuer Accounts	123, 241
Factoring Agreement	236	Issuer Collection Account.....	241
Factoring Agreements.....	48	Issuer Insolvency Event	241
Factoring Claim	48, 154, 236	Issuer Jurisdiction	242
Factoring Claims.....	247	Issuer Profit Amount.....	242
Factoring Debtor.....	236	Judicial Procedure.....	242

Judicial Records.....	242	Person	247
KBRA	242	PN Claim.....	48, 154
Lead Manager	242	PN Debtor	48, 154, 247
Legal Reservations	242	PN Debtors.....	48, 154
Liabilities	242	PN Receivable.....	48, 154, 248
Loan Agreement	242	PN Receivables	48, 154
Loan Agreements.....	48, 154	Portfolio Option Holder	248
Loan Debtor.....	48, 242	Portfolio Repurchase Date	187, 248
Loan Receivable	48, 154, 242	Portfolio Repurchase Option.....	58, 187, 248
London Business Day	242	Portfolio Repurchase Option Notice	187, 248
Loss Absorption Amount.....	243	Portfolio Repurchase Price.....	58
Loss Absorption Percentage	243	Portfolio Requirements	248
Losses	243	Post-Enforcement Priority of Payments.....	146, 249
Madrid/Valencia Business Day	243	Potential Event of Default.....	250
Markets in Financial Instruments Directive.....	243	PPT	41
Master Definitions Schedule.....	243	Pre-Enforcement Principal Priority of Payments	146, 250
Material Adverse Change	243	Pre-Enforcement Priorities of Payments	250
Material Adverse Effect.....	243	Pre-Enforcement Revenue Priority of Payments	145, 250
Meeting	243	Presentation Date	250
Member State.....	244	PRIIPs Regulation.....	xiii
MiFID II	xiii	PRIIPS REGULATION	215
MiFID Regulations	211	Principal Addition Amount.....	146, 250
Minimum Discount.....	244	Principal Addition Amount.....	82
Minimum Required Interest.....	244	Principal Amount Outstanding.....	188, 250
MLI.....	41	Principal Deficiency Excess.....	85, 250
Monthly Cash Manager Report	244	Principal Deficiency Excess Revenue Amount... 85,	250
Monthly Cash Manager Report Date	244	Principal Deficiency Ledger	250
Monthly Datatape	244	Principal Ledger.....	250
Moody's	244	Priority of Payments	251
NCA Interpretations	220	Product Factor.....	251
NCAs	220	Product Factor Rate.....	251
Non-endorsable Promissory Note.....	244	Promissory Note	251
Non-Provisioned Receivable	244	Promissory Note Agreement.....	251
Non-Responsive Rating Agency.....	33, 201	Promissory Note Agreements	48, 154
Note Trustee	173, 244	Promissory Notes	48, 154
Noteholders.....	176, 244	Promissory Notes Program	251
Notes.....	176, 244	Promissory Notes Programs.....	48, 154
Notes Interest Rate.....	181, 252	Proposed Amendment	29, 196
Notification Event.....	59, 102, 245	Prospectus	i, vi
Notification Event Notice	102, 245	Prospectus Regulation.....	xiii, 212, 251
Offer	245	Provisioned Receivable.....	251
Offer Agent.....	245	Purchase Date	251
Offer Conditions	99	Purchase Price.....	52, 251
Offer Documents	245	Purchase Price Payment Date	52, 251
offer of Notes to the public.....	212	Purchaser.....	213
Official List	vi, 245	Qualifying Asset	251
Ordinary Resolution	198, 245	Qualifying Company.....	251
outstanding	245	Quoted Eurobond	251
Outstanding Balance	246	Rated Group Portfolio.....	252
Outstanding Balance of Factoring	246	Rated Notes.....	v, 252
Outstanding Balance of Loans.....	246	Rating Agencies	252
Outstanding Balance of Promissory Notes	246	Ratings Confirmation.....	33, 201
Outstanding Balance of the Total Portfolio	246	Realisation	200
Outstanding Purchase Price	247	Receivable.....	48, 154
Paying Agent	173, 250	Receivable Principal Receipts.....	252
Paying Agents.....	173, 247	Receivable Purchase Price	52, 252
PCS	vii, 219	Receivables	252
PDL Condition.....	247		
Permanent Eligibility Criteria.....	54, 247		
Permanent Global Note	174, 247		

Receivables Daily File.....	252
Receivables Eligibility Criteria.....	54, 156, 252
Receivables Portfolio.....	iii, 50, 99, 252
Receivables Principal Receipts.....	76
Receivables Revenue Receipts	76, 252
Receivables Sale Agreement	252
Receivables Sub-Portfolio	50, 99, 252
Receiver.....	252
Reconciliation Date	253
Records.....	115, 253
Reference Banks.....	182, 253
Regulated Market	vi
Regulation S	253
Relevant.....	253
Relevant Condition.....	182, 253
Relevant Date	188, 253
Relevant Entity	240
Relevant Member State	211
relevant PDL Condition.....	247
Relevant Receivable	107, 117, 253
Relevant Territory.....	253
Relevant Time	253
Remaining Term.....	253
Replacement Cash Management Agreement	125, 253
Replacement Cash Manager	125, 253
Replacement Servicing Agreement	254
Replacement Trigger	254
Reporting Entity	95
Representative	254
Representative Amount	183, 254
Repurchase Agreement.....	254
Requirement of Law	254
Reserve Account.....	254
Reserve Fund.....	254
Reserve Fund Required Amount	254
Retained Interest.....	94
Retention Holder.....	254
Retention Requirements	254
Re-transfer Amount.....	108, 254
Revenue Account.....	255
Revenue Commissioners	255
Reviewed Datatape Fields	105, 255
Reviewed Eligibility Criteria.....	105, 255
Revised Semi-annual Report	105, 255
Revocation Event.....	107
Revolving Period	255
Revolving Period End Date	255
Right	255
Risk Department.....	255
Risk Factors	x
Risk Retention Letter.....	255
Risk Retention Regulatory Change Event	255
Risk Retention Regulatory Change Repurchase Amount.....	186, 255
RISK RETENTION U.S. PERSON	ii
Risk Retention U.S. Persons	38
RISK RETENTION U.S. PERSONS	215
Risk Weighted Outstanding Balance	255
Royal Decree Law 5/2005	45
Sales.....	255
Sample Verifier.....	104, 256
Sanctions.....	256
Sanctions List.....	256
Screen	183
Screen Rate	183, 256
Section 110	256
Section 198	256
Section 246	256
Secured Creditors	256
Secured Liabilities	256
Secured Receivable.....	256
Securities Act.....	256
SECURITIES ACT.....	214
Securities Market Law	211
Securitisation Regulation	256
Security	256
Security Deed.....	173, 256
Security Powers of Attorney	256
Security Trustee	173, 256
Seller	iii, 257
Seller Collection Account	257
Seller Collection Account Bank.....	257
Seller Collection Account Bank Ratings.....	87
Seller Collection Account Pledge Agreement....	257
Seller Insolvency Event	257
Seller Security Power of Attorney	258
Servicer	166, 258
Servicer Insolvency Event	257
Servicer Termination Event	61, 90, 115, 258
Services.....	109, 258
Servicing Agreement	258
Servicing Fee	119
Servicing Fees.....	258
Share	149
Share Trustee	149, 258
Solvency Trigger.....	118, 258
Spanish Bank Mandates	258
Spanish Insolvency Law	44, 258
Specified Agreement.....	258
Specified Office	259
SSPE	96
STS Notification	vii
STS Requirements	vii
STS Verification	vii
STS Verification Agent.....	vii
Subordinated Loan	259
Subordinated Loan Agreement	259
Subordinated Loan Provider	259
Subscription Agreement.....	209, 259
Successor Servicer	116, 259
TARGET2 System	259
Tax	259
Tax Authority.....	259
Tax Deduction.....	259
Tax Event.....	259
Tax Regulatory Change Option	259
taxable.....	259
taxation.....	259
Taxes.....	188, 259

Taxes Act.....	259	U.S. RISK RETENTION RULES	215
Temporary Global Note.....	174, 260	U.S. Risk Retention Waiver	39, 213
Third-Party Expenses	260	U.S. RISK RETENTION WAIVER	214
Three Month Default Rate Factor.....	260	Unlevered Annual Return	261
Three Month Rolling Average Default Ratio	260	Unrated Group Portfolio	261
Total Assets	261	Unsecured Receivable.....	261
Total Balance Due	261	VAT	261
Transaction	261	VATA	261
Transaction Documents	261	Volcker Rule	viii
Transaction Party.....	261	Voting Certificate.....	261
Transaction Security	68, 261	Weighted Average Interest Rate of the Rated Notes	
Trust Deed	173, 261	262
Trustee Expenses	261	Wholesale Debt Instrument.....	262
Trustee Fees.....	261	Written Resolution	262

REGISTERED OFFICE OF THE ISSUER

**3rd Floor, Fleming Court
Fleming's Place
Dublin 4, Ireland**

SELLERS

Toro Finance, S.L.U.
Paseo de la Castellana, 47,
bajo, 28046 Madrid, Spain

Gedesco Factoring, S.L.U.
Avenida de Aragón,
número 2-bis, entresuelo,
46021 Valencia, Spain

Pagaralia, S.L.U.
Avenida de Aragón,
número 2-bis, entresuelo,
46021 Valencia, Spain

Gedesco Services Spain, S.A.U.
Avenida de Aragón,
número 2-bis, entresuelo,
46021 Valencia, Spain

LEAD MANAGER

Morgan Stanley
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

NOTE TRUSTEE

U.S. Bank Trustees Limited
125 Old Broad Street, London,
Fifth Floor
London
EC2N 1AR
United Kingdom

SECURITY TRUSTEE

U.S. Bank Trustees Limited
125 Old Broad Street, London,
Fifth Floor
London
EC2N 1AR
United Kingdom

ISSUER ACCOUNT BANK

Elavon Financial Services DAC

Block 8 Cherrywood
Business Park
Loughlinstown
Dublin
Ireland

SELLER COLLECTION ACCOUNT BANK

CaixaBank, S.A.

Calle Barcas, 2
46002 Valencia
Spain

PAYING AGENT AND AGENT BANK

Elavon Financial Services DAC

Block 8 Cherrywood
Business Park
Loughlinstown
Dublin
Ireland

CLASS Z NOTE REGISTRAR

Elavon Financial Services DAC

Block 8 Cherrywood
Business Park
Loughlinstown
Dublin
Ireland

CASH MANAGER

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

Príncipe de Vergara 131
28002 Madrid
Spain

LEGAL ADVISERS TO THE ARRANGER

as to English law

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

as to Spanish law

Allen & Overy
Serrano 73
28006 Madrid
Spain

as to Irish law

Arthur Cox
10 Earlsfort Terrace
Dublin 2
D02 T380
Ireland

LISTING AGENT

Arthur Cox Listing Services Limited

10 Earlsfort Terrace

Dublin 2

D02 T380

Ireland

LEGAL ADVISERS TO THE SELLERS AND THE SERVICER

as to English law and Spanish law

Simmons & Simmons LLP

CityPoint

Ropemaker Street

London EC2Y 9SS

United Kingdom

Simmons & Simmons LLP

Calle Miguel Angel 11

5th Floor

2806 Madrid

Spain

LEGAL ADVISERS TO THE NOTE TRUSTEE AND SECURITY TRUSTEE

as to English law

Allen & Overy LLP

One Bishops Square

London E1 6AD

United Kingdom

AUDITORS TO THE ISSUER

Grant Thornton

13-18 City Quay

Dublin 2

D02 ED70

Ireland