

IMPORTANT NOTICE

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

IMPORTANT: You must read the following before continuing. The following applies to the 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 NOTES OF THE ISSUER FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES 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 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). 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.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF PEPPER FINANCE CORPORATION, S.L.U. AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), 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 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 SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, 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) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF PEPPER FINANCE CORPORATION, S.L.U.), (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (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).

THIS PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THIS 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 THIS PROSPECTUS TO ANY OTHER PERSON. IN ORDER TO BE ELIGIBLE TO VIEW THIS PROSPECTUS OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES, INVESTORS MUST NOT BE U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT). THIS PROSPECTUS IS BEING SENT AT YOUR REQUEST AND BY ACCESSING IT, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED TO US THAT (I) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET OUT HEREIN, (II) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (III) 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 (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT), 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 (IV) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON

WHO (A) HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WITHIN ARTICLE 19 OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005 (THE "**FPO**") OR (B) IS A HIGH NET WORTH ENTITY FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FPO.

THIS 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, THE ARRANGER, THE LEAD MANAGER, 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 THE LEAD MANAGER.

PEPPER IBERIA UNSECURED 2019 DAC

(incorporated in Ireland with limited liability under registered number 654680)

Notes	Initial Principal Amount	Issue Price	Reference Rate	Margin/ Fixed Rate	Pre-Call Option Date / Post-Call Option Date Redemption Profile	Final Maturity Date	Ratings (S&P/DBRS)
Class A	EUR 166,900,000	100%	1 month EURIBOR	0.51% per annum	Pass through amortisation	2028	AAA/AAA(sf)
Class B	EUR 10,900,000	100%	1 month EURIBOR	1.00% per annum	Pass through amortisation	2028	AA/AA(sf)
Class C	EUR 9,800,000	100%	1 month EURIBOR	1.30% per annum	Pass through amortisation	2028	A/A(high)(sf)
Class D	EUR 21,800,000	100%	1 month EURIBOR	1.80% per annum	Pass through amortisation	2028	BBB/BBB(sf)
Class J	EUR 14,000,000	100%	Fixed Rate	7.00% per annum	Pass through amortisation	2028	Not Rated

Closing Date	The Issuer expects to issue the Notes in the classes set out above on 10 October 2019 (the " Closing Date ").
Underlying Assets	<p>The Issuer will make payments on the Notes from, <i>inter alia</i>, Collections made in respect of a portfolio comprising unsecured consumer loans originated by Pepper Finance Corporation, S.L.U. ("Pepper Finance") in Spain and which will be purchased by the Issuer on the Closing Date and on any Transfer Date.</p> <p>Please refer to the Section entitled "<i>The Securitised Portfolio</i>" for further information.</p>
Stand-alone/ programme issuance	Stand-alone issuance.
Credit Enhancement	<p>Credit Enhancement Features for the Class A Notes, Class B Notes, Class C Notes and Class D Notes</p> <ul style="list-style-type: none"> Subordination of the junior ranking notes: the Class B Notes, the Class C Notes, the Class D Notes and the Class J Notes. In respect of each Class of Notes, Interest Available Funds in excess of amounts used to fund items ranking more senior in the Interest Priority of Payments than the crediting of the Principal Deficiency Ledger for that Class of Notes ("Excess Spread"). <p>See the section entitled "<i>Key Structural Features</i>" for more information on which credit enhancement features are available for each class of Notes.</p>
Liquidity Support	<p>Liquidity Support Features for the Class A Notes, Class B Notes, Class C Notes and Class D Notes</p> <ul style="list-style-type: none"> Cash Reserve Fund applied to make up Revenue Shortfall. Principal Available Funds to make up a Remaining Revenue Shortfall <p>See the section entitled "<i>Key Structural Features</i>" for more information.</p>
Redemption Provisions	Information on any optional or mandatory redemption of the Notes is summarised on page 42 (<i>Overview of the Terms and Conditions of the Notes</i>) and set out in full in Condition 9 (<i>Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation</i>).
Credit Rating Agencies	<p>In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No. 1060/2009, as amended, of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "CRA Regulation").</p> <p>Each of DBRS and S&P is established in the EU and is registered under the CRA Regulation.</p>
Credit Ratings	<p>Ratings are expected to be assigned to the Class A Notes, Class B Notes, Class C Notes and Class D Notes as set out above on or before the Closing Date.</p> <p>The ratings assigned by S&P address, <i>inter alia</i>:</p> <ul style="list-style-type: none"> the likelihood of full and timely payment to the holders of the Most Senior Class of all payments of interest on each Payment Date; and the likelihood of full and ultimate payment to the Noteholders of principal in relation to the Rated Notes on or prior to the Final Maturity Date. <p>The ratings assigned by DBRS address, <i>inter alia</i>:</p> <ul style="list-style-type: none"> the likelihood of full and timely payment to the holders of the Most Senior Class of all payments of interest on each Payment Date; and full payment of principal due to the holders of the Rated Notes by a date that is not later than the Final Maturity Date for the Rated Notes.

	The assignment of ratings to the Class A Notes, Class B Notes, Class C Notes and Class D Notes is not a recommendation to invest in the Notes. Any credit rating assigned to the Class A Notes, Class B Notes, Class C Notes and Class D Notes may be revised or withdrawn at any time.
Listing	This Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation. The Central Bank of Ireland has only approved 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 Issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. " Prospectus Regulation " means Regulation (EU) 2017/1129. The Notes are to be admitted to trading on a regulated market for the purposes of MiFID II and/or are to be offered to the public in any Member State of the EEA. The Central Bank of Ireland only approves this prospectus as meeting the requirements imposed under Irish and European Union ("EU") law pursuant to the Prospectus Regulation. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (" Euronext Dublin ") for the Notes to be admitted to the Official List (the " Official List "). This Prospectus constitutes a prospectus for the purposes of the Prospectus Regulation and the European Union (Prospectus) Regulations 2019. Reference in this prospectus to being "listed" (and all date references) shall mean that the Notes have been admitted to trading on Euronext Dublin. Euronext Dublin is a regulated market for the purposes of MiFID II.
Benchmarks	Interest payable under the Notes may be calculated by reference to EURIBOR, provided by the European Money Markets Institute (" EMMI "). At the date of this Prospectus, EMMI appears on the public register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (" ESMA ") in accordance with Article 36 of the Regulation (EU) 2016/1011 (the " Benchmarks Regulation ").
Eurosystem eligibility	The Notes are intended to be held in a manner which would allow Eurosystem eligibility, that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and potential investors in the Notes should reach their own conclusions and seek their own advice with respect to whether or not the Notes constitute Eurosystem eligible collateral.
Obligations	The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. The Notes will not be obligations of any Transaction party other than the Issuer.
Definitions	Please refer to the section entitled " <i>Glossary of Defined Terms</i> " for definitions of defined terms.
Retention Undertaking	<p>The Transferor will retain a material net economic interest of at least 5% in the securitisation in accordance with the text of Article 6(3)(d) of Regulation (EU) 2017/2402 (the "EU Securitisation Regulation"). As at the Closing Date, such interest will be comprised of an interest in the first loss tranche in accordance with Article 6(3)(d) of the EU Securitisation Regulation. Any change to the manner in which such interest is held will be notified to investors. In addition to the information set out herein and forming part of the Prospectus, the Transferor has undertaken to make available the information as set out in the section entitled "<i>Certain Regulatory Disclosures – Securitisation Regulation – EU Securitisation Regulation Requirements – EU Risk Retention Requirements</i>".</p> <p>Please refer to the section entitled "<i>Certain Regulatory Disclosures – Securitisation Regulation – EU Securitisation Regulation Requirements – EU Risk Retention Requirements</i>" for further information.</p>
Simple, transparent and standardised securitisation	The securitisation transaction described in this Prospectus is intended to qualify as an STS securitisation within the meaning of article 18 of the EU Securitisation Regulation. The Transferor, as originator, has given a notification to ESMA that the securitisation transaction described in this Prospectus meets, on the date of this Prospectus, the requirements of articles 19 to 22 of the EU Securitisation Regulation, such notification to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation. The Transferor, as originator and the Issuer have used the service of PCS, a third party authorised pursuant to article 28 of the EU Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with articles 19 to 22 of the EU Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS (the " STS Verification ") on the Closing Date. No assurance can be provided that the securitisation transaction described in this Prospectus does qualify or will continue to qualify at any point in time in the future under the EU Securitisation Regulation as an STS securitisation. None of the Issuer, Arranger, Lead Manager, Note Trustee, the Security Trustee, Servicer, Transferor or any of the other transaction parties makes any representation that the securitisation transaction described in this Prospectus does qualify or will qualify under the EU Securitisation Regulation at any point in time in the future as an STS securitisation or accepts any liability in respect of the securitisation transaction described in this Prospectus not qualifying as an STS securitisation.
U.S. Risk Retention	The transaction described in this Prospectus is not intended to involve the retention by a sponsor of at least 5 per cent. of the credit risk of the securitized assets for purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the " U.S. Risk Retention Rules "), but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. See the section entitled " <i>Certain Legal and Regulatory Matters Affecting the Receivables and the Notes – Legal and Regulatory Matters Affecting the Notes – U.S. Risk Retention</i> " for more detail.
Volcker Rule	The Issuer is of the view that it is not now, and immediately following the issuance of the Notes and the application of the proceeds thereof it will not be, a "covered fund" as defined in the regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (such statutory provision together with such implementing regulations, the " Volcker Rule "). In reaching this conclusion, although other exclusions from the definition of "covered fund" may be available to the Issuer, the intends to qualify for the "loan

	securitization" exclusion provided for in the Volcker Rule and, accordingly, it is excluded from the definition of a "covered fund" under the Volcker Rule. However, there can be no assurance that the Issuer will so qualify for such exclusion, and 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.
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THE "RISK FACTORS" SECTION 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
Citigroup Global Markets Limited

LEAD MANAGER
Citigroup Global Markets Limited

The date of this Prospectus is 8 October 2019

This Prospectus is valid for a period of twelve months from the date of approval. The obligation to prepare a supplement to this Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when the Prospectus is no longer valid. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus after the closing of the offer period or the time when trading of such securities on a regulated market begins, whichever occurs later.

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) OR THE ARRANGER OR THE LEAD MANAGER. NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES SHALL BE ACCEPTED BY THE ARRANGER, THE LEAD MANAGER OR ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER), OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS THE ARRANGER, THE LEAD MANAGER OR ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER).

YOU SHOULD REVIEW AND CONSIDER THE DISCUSSION UNDER "*RISK FACTORS*" BEGINNING ON PAGE 1 IN THIS PROSPECTUS BEFORE YOU PURCHASE ANY 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 THE ARRANGER, THE LEAD MANAGER OR 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, 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 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 ANY OTHER RELEVANT JURISDICTION. 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 ("**REGULATION S**") ("**U.S. PERSON**") EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN UNDER "*DESCRIPTION OF THE NOTES IN GLOBAL FORM*" AND "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*".

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 BUT RATHER ARE INTENDED TO RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS, 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 PEPPER FINANCE AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE U.S. RISK RETENTION RULES, 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 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. ANY 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 AND IN CERTAIN CIRCUMSTANCES REQUIRED, TO MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF PEPPER FINANCE), (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (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).

THE NOTES WILL BE SUBJECT TO RESTRICTIONS ON TRANSFER AS DESCRIBED HEREIN. EACH INITIAL PURCHASER AND SUBSEQUENT TRANSFEREE OF THE NOTES WILL BE DEEMED, BY ITS ACQUISITION OR HOLDING OF SUCH NOTES, TO HAVE MADE THE REPRESENTATIONS SET FORTH IN THE PROSPECTUS (IN THE SECTION ENTITLED "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*"). 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. THE NOTES WILL ALSO BEAR RESTRICTIVE LEGENDS.

NONE OF THE ISSUER, THE ARRANGER OR THE LEAD MANAGER 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 INVESTMENT OR SIMILAR LAWS OR REGULATIONS.

THE ISSUER ACCEPTS RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS AND DECLARES THAT 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. ANY INFORMATION SOURCED FROM THIRD PARTIES CONTAINED IN THIS PROSPECTUS HAS BEEN ACCURATELY REPRODUCED (AND IS CLEARLY SOURCED WHERE IT APPEARS IN THIS PROSPECTUS) AND, AS FAR AS THE ISSUER IS AWARE AND IS ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

CITIBANK EUROPE PLC ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE NOTE TRUSTEE / SECURITY TRUSTEE / PRINCIPAL PAYING AGENT / ACCOUNT BANK / AGENT BANK*". TO THE BEST OF THE KNOWLEDGE AND BELIEF OF CITIBANK EUROPE PLC (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY CITIBANK EUROPE PLC AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED TO ABOVE) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

CITIBANK, N.A., LONDON BRANCH ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE ACCOUNT AGENT*". TO THE BEST OF THE KNOWLEDGE AND BELIEF OF CITIBANK, N.A., LONDON BRANCH (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND

DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY CITIBANK, N.A., LONDON BRANCH AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED TO ABOVE) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

PEPPER ASSETS SERVICES, S.L.U. ("**PEPPER ASSETS SERVICES**") ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTIONS HEADED "*THE SERVICER/CASH MANAGER*" AND "*SERVICING AND CASH MANAGEMENT*" (OTHER THAN THE SECTIONS ENTITLED "*BACK-UP SERVICER*" AND "*AGENT BANK AND TERMINATION OF APPOINTMENT OF AGENT BANK*"). TO THE BEST OF THE KNOWLEDGE AND BELIEF OF PEPPER ASSETS SERVICES (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THE SECTIONS REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY PEPPER ASSETS SERVICES AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTIONS REFERRED TO ABOVE) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

PEPPER FINANCE CORPORATION, S.L.U. ("**PEPPER FINANCE**") ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTIONS HEADED "*THE TRANSFEROR*" AND "*ORIGINATION AND SERVICING PROCESS*". TO THE BEST OF THE KNOWLEDGE AND BELIEF OF PEPPER FINANCE (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THE SECTIONS REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY PEPPER FINANCE AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTIONS REFERRED TO ABOVE) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

LINK FINANCIAL OUTSOURCING LIMITED ACCEPTS RESPONSIBILITY FOR THE RELEVANT INFORMATION SET OUT IN THE SECTION HEADED "*THE BACK-UP SERVICER AND DELEGATE*". TO THE BEST OF THE KNOWLEDGE AND BELIEF OF LINK FINANCIAL OUTSOURCING LIMITED. HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE RELEVANT INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY LINK FINANCIAL OUTSOURCING LIMITED AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED TO ABOVE) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

LINK FINANZAS S.L. ACCEPTS RESPONSIBILITY FOR THE RELEVANT INFORMATION SET OUT IN THE SECTION HEADED "*THE BACK-UP SERVICER AND DELEGATE*". TO THE BEST OF THE KNOWLEDGE AND BELIEF OF LINK FINANCIAL OUTSOURCING LIMITED. HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE RELEVANT INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY LINK FINANCIAL OUTSOURCING LIMITED AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED TO ABOVE) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

J.P. MORGAN AG ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE CAP COUNTERPARTY*". TO THE BEST OF THE KNOWLEDGE AND BELIEF OF J.P. MORGAN AG HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY J.P. MORGAN AG AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED TO ABOVE) 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 OR THE TRANSFEROR 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 ARRANGER, THE LEAD MANAGER, THE NOTE TRUSTEE OR THE SECURITY TRUSTEE AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. NONE OF THE ARRANGER, THE LEAD MANAGER, THE NOTE TRUSTEE OR THE SECURITY TRUSTEE HAS SEPARATELY VERIFIED THE INFORMATION CONTAINED HEREIN. ACCORDINGLY, NONE OF THE ARRANGER, THE LEAD MANAGER, THE NOTE TRUSTEE OR THE SECURITY TRUSTEE 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 OR ANY PART THEREOF, OR ANY OTHER INFORMATION PROVIDED BY THE ISSUER IN CONNECTION WITH THE NOTES OR ANY DOCUMENT OR AGREEMENT RELATING TO THE NOTES. NONE OF THE ARRANGER, THE LEAD MANAGER, THE NOTE TRUSTEE OR THE SECURITY TRUSTEE SHALL BE RESPONSIBLE FOR THE EXECUTION, LEGALITY, EFFECTIVENESS, ADEQUACY, GENUINENESS, VALIDITY, ENFORCEABILITY OR ADMISSIBILITY IN EVIDENCE OF ANY DOCUMENT OR AGREEMENT RELATING TO THE NOTES. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NONE OF THE ARRANGER, THE LEAD MANAGER, THE NOTE TRUSTEE OR THE SECURITY TRUSTEE UNDERTAKES OR SHALL UNDERTAKE TO REVIEW THE FINANCIAL CONDITION OR AFFAIRS OF THE ISSUER OR TO ADVISE ANY INVESTOR OR POTENTIAL INVESTOR IN THE NOTES OF ANY INFORMATION COMING TO THE ATTENTION OF THE ARRANGER, THE LEAD MANAGER, THE NOTE TRUSTEE OR THE SECURITY TRUSTEE. 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.

NEITHER THE ARRANGER NOR THE LEAD MANAGER SHALL BE RESPONSIBLE FOR ANY MATTER WHICH IS THE SUBJECT OF ANY STATEMENT, REPRESENTATION, WARRANTY OR COVENANT OF THE ISSUER CONTAINED IN THE NOTES OR ANY TRANSACTION DOCUMENTS, OR ANY OTHER AGREEMENT OR DOCUMENT RELATING TO THE NOTES OR ANY TRANSACTION DOCUMENT, OR FOR THE EXECUTION, LEGALITY, EFFECTIVENESS, ADEQUACY, GENUINENESS, VALIDITY, ENFORCEABILITY OR ADMISSIBILITY IN EVIDENCE THEREOF. EACH PERSON RECEIVING THIS PROSPECTUS ACKNOWLEDGES THAT SUCH PERSON HAS NOT RELIED ON THE ARRANGER OR THE LEAD MANAGER OR ON ANY PERSON AFFILIATED WITH ANY OF THEM IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION.

IN CONNECTION WITH THE ISSUE OF THE NOTES AS DESCRIBED IN THIS PROSPECTUS (THE "**TRANSACTION**"), THE ARRANGER AND THE LEAD MANAGER ARE ACTING EXCLUSIVELY FOR THE ISSUER AND NO ONE ELSE. ACCORDINGLY, IN CONNECTION WITH THE TRANSACTION, THE ARRANGER AND THE LEAD MANAGER WILL NOT BE RESPONSIBLE TO ANYONE OTHER THAN THE ISSUER FOR PROVIDING THE PROTECTIONS AFFORDED TO ITS CLIENTS OR FOR THE GIVING OF ADVICE IN RELATION TO THE TRANSACTION. THE ARRANGER AND THE LEAD MANAGER WILL BE PAID A FEE BY THE ISSUER IN RESPECT OF THE PLACEMENT OF 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, THE TRANSFEROR, THE ARRANGER, THE LEAD MANAGER 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 ARRANGER OR THE LEAD MANAGER AND DOES NOT CONSTITUTE AN OFFER TO ANY OTHER PERSON TO PURCHASE ANY NOTES.

PROSPECTIVE PURCHASERS OF THE NOTES MUST BE ABLE TO HOLD THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. ANY INVESTMENT IN THE NOTES IS ONLY SUITABLE FOR INVESTORS EXPERIENCED IN FINANCIAL MATTERS WHO ARE IN A POSITION TO FULLY ASSESS RISKS RELATING TO SUCH INVESTMENT AND HAVE SUFFICIENT FINANCIAL MEANS TO SUFFER ANY POTENTIAL LOSS STEMMING THEREFROM.

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 ADVISORS. PROSPECTIVE PURCHASERS WHOSE INVESTMENT AUTHORITY IS SUBJECT TO LEGAL RESTRICTIONS SHOULD CONSULT THEIR LEGAL ADVISORS TO DETERMINE WHETHER AND TO WHAT EXTENT THE NOTES CONSTITUTE LEGAL INVESTMENTS FOR THEM.

The Notes will be represented by Global Notes which are expected to be deposited with a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking *société anonyme* ("**Clearstream, Luxembourg**" and, together with Euroclear, the "**ICSDs**") and registered in the name of a nominee of the Common Safekeeper on the Closing Date.

The Global Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Global Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

In this Prospectus all references to "**Member State**" are references to a Member State of the EEA and references to "**Euros**", "**€**", and "**EUR**" are references to the lawful currency for the time being of the European Union.

Forward-Looking Statements

Some of the statements contained in this Prospectus consist of forward-looking statements relating to future economic performance or projections and other financial items. These statements can be identified by the

use of forward-looking terminology, such as the words "believes", "expects", "may", "intends", "should" or "anticipates" or the negative or other variations of those terms. These statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results and performance of the Notes, Pepper Finance or the Spanish consumer loan industry to differ materially from any future results or performance expressed or implied in the forward-looking statements. These risks, uncertainties and other factors include, among others general economic and business conditions in Spain, currency exchange rate and interest rate fluctuations, government, statutory, regulatory or administrative initiatives affecting Pepper Finance or the business carried out by it, changes in business strategy, lending practices or customer relationships and other factors that may be referred to in this Prospectus. Some of the most significant of these risks, uncertainties and other factors are discussed in this Prospectus under the section entitled "*Risk Factors*", and you are encouraged to carefully consider those factors prior to making an investment decision in relation to the Notes.

Disclosure of Interests

Each of the Arranger, the Lead Manager, the other Transaction Parties (other than the Issuer) and their respective related entities, associates, officers or employees are acting in a number of capacities in connection with the transaction described herein. Those entities and any of their respective Affiliates acting in such capacities will have only the duties and responsibilities expressly agreed by each such entity in the relevant capacity and will not, by reason of it or any of its Affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each such capacity. In no event shall such parties or any of their respective Affiliates be deemed to have any fiduciary obligations to any person by reason of their respective Affiliates acting in any capacity.

In addition to the interests described in this Prospectus, prospective investors should be aware that each of the Arranger, the Lead Manager and their respective related entities, associates, officers or employees (each a "**Relevant Entity**") (a) may from time to time be a Noteholder or have other interests with respect to the Notes and they may also have interests relating to other arrangements with respect to a Noteholder or a Note; (b) may receive (and will not have to account to any person for) fees, brokerage and commission or other benefits and act as principal with respect to any dealing with respect to any Notes; (c) may purchase all or some of the Notes and resell them in individually negotiated transactions with varying terms; and (d) may be or have been involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Issuer or any Transaction Party, both on its own account and for the account of other persons. As such, each Relevant Entity may have various potential and actual conflicts of interest arising in the ordinary course of its business. For example, a Relevant Entity's dealings with respect to the Notes, the Issuer or a Transaction Party may affect the value of the Notes as the interests of this Relevant Entity may conflict with the interests of a Noteholder, and that Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, no Relevant Entity is restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents or the interests described above and may continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders. Each Relevant Entity may in so doing act in its own commercial interests without notice to, and without regard to, the interests of the Noteholders or any other person. To the maximum extent permitted by applicable law, the duties of each Relevant Entity in respect of the Notes are limited to the relevant contractual obligations set out in the Transaction Documents (if any) and, in particular, no advisory or fiduciary duty is owed to any person. No Relevant Entity shall have any obligation to account to the Issuer, any other Transaction Party or any Noteholder for any profit as a result of any other business that it may conduct with either the Issuer or any other Transaction Party.

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland (the "**Central Bank**"). The Issuer is not regulated by the Central Bank by virtue of the issue of the Notes.

MIFID II

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 Directive 2014/65/EU (as amended, "**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.

PRIIPS REGULATION

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 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; or (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 the PRIIPs Regulation (a "**KID**") 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. Persons purchasing such Notes will be deemed to represent, warrant and undertake that they have not offered and sold, and that they will not offer or sell, any such Notes to retail investors in the EEA and that they have complied and will comply with the PRIIPs Regulation in relation to such Notes. The Issuer, the Arranger and the Lead Manager expressly disclaim any responsibility, and shall have no liability towards the persons purchasing such Notes or any retail investors, for offers and sales of Notes to retail investors in circumstances where such Notes are sold to retail investors in the EEA and that no KID has been prepared.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

These factors are limited to risks which are specific to (a) the Issuer and/or (b) to the Notes and which the Issuer believes may be material for the purpose of taking an informed investment decision with respect to the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive.

In each category of factors set out below, the Issuer believes that each factor included in each category of factors is material, with the most material in each category (based on the Issuer's assessment of the probability of its occurrence and the expected magnitude of its negative impact) being described first in each category.

Noting the points set out above by the Issuer with respect to its assessment of the level, order of materiality and potential of occurrence of the risks set out below, prospective investors should nevertheless also carefully read the information set out below and read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

STRUCTURAL CONSIDERATIONS

Obligations of the Issuer Only

The Notes are contractual obligations solely of the Issuer. The Notes are not obligations or responsibilities of, or guaranteed by, the Transferor, the Servicer, the Back-Up Servicer, the Cash Manager, the Account Bank, the Note Trustee, the Security Trustee, the Agent Bank, the Principal Paying Agent, the Corporate Services Provider, the Arranger, the Lead Manager or any other party to the Transaction Documents and no person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

Limited Recourse Obligations of the Issuer and Non-Petition

All payment obligations of the Issuer under or in respect of the Notes constitute limited recourse obligations. Therefore, the Noteholders will have a claim under the Notes against the Issuer only to the extent that amounts are available to meet such claim in accordance with the applicable Priorities of Payments including following enforcement of the Security granted pursuant to the Security Trust Deed and Cash Management Agreement, 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 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. See further Condition 10 (*Limited Recourse*).

No recourse under any obligation, covenant, or agreement of the Issuer contained in the Transaction Documents, shall be exercised against any shareholder, officer or shareholder of the Issuer.

None of the Noteholders, 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 Issuer's Assets and Ability to Meet its Obligations under the Notes

The Issuer is a special purpose company with no business or operations other than the issue of the Notes, the acquisition of its interest in the Securitised Portfolio, the Issuer Accounts and certain other arrangements as contemplated by the Transaction Documents. 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 funds principally from the Securitised Portfolio, which in turn will be dependent upon;
 - (i) the receipt by the Transferor, the Servicer or its agents of Collections from Obligor in respect of the Securitised Portfolio and the transfer to the Issuer of those amounts by the Servicer and the Transferor 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 the Transferor as a result of the repurchase of a Receivable or the payment of a Deemed Collection by the Transferor in accordance with the terms of the Receivables Sale Agreement;
- (b) any interest paid by the Account Bank in respect of amounts deposited in the Transaction Account (if any);
- (c) receipt by the Issuer of payments (if any) under the other Transaction Documents (including without limitation, from the Cap Counterparty) in accordance with the terms thereof; and
- (d) 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.

As the Securitised Portfolio is the primary component of the Charged Property, and the ability of the Issuer to make payments on the Notes is based on the performance of the Securitised Portfolio. The Issuer is ultimately subject to the risk that the amount of Defaulted Receivables or late payments in the Securitised Portfolio rises above certain levels, resulting in the Servicer being unable to realise, collect or recover sufficient funds and ultimately resulting in the Issuer being unable to discharge its obligations in respect of payments of interest and of principal on the Notes.

The Issuer's ability to make full and timely payments of interest and principal on the Notes will be dependent on the Servicer performing its obligations under the Servicing Agreement to collect amounts due and payable by Obligor into the Collection Accounts and transfer amounts so collected to the Transaction Account (see further "*Counterparty risks*" below).

The various risks existing in respect of payments of interest and principal due on the Notes are, to some extent, mitigated by: (i) the availability of support provided by the availability of the Cash Reserve Fund to make up a Revenue Shortfall; and (ii) the availability of Principal Available Funds to make up a Remaining Revenue Shortfall. However, if the levels of delayed payment or non-payment in respect of the Securitised 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 the Transferor to repurchase Receivables or make payments in respect of the Deemed Collections in accordance with the terms of the Receivables Sale Agreement), 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 Payment Date or at maturity of the Notes.

Upon enforcement of the Security, the Security Trustee will have recourse to the Charged Property (including the Securitised Portfolio) only. The Issuer and the Security Trustee will have no recourse against the Transferor and the Servicer other than, among other things, (a) the Issuer's right to receive a Deemed Collection from the Transferor in respect of any breach of warranty and to claim for breach of other obligations by the Transferor and (b) as provided in relation the Servicing Agreement for breach of the Servicer's obligations thereunder. Therefore, after enforcement the Issuer may have insufficient funds to pay in full principal and interest in respect of the Notes and any amounts ranking in priority or *pari passu* with the Notes.

Subordination

The Notes are ranked in right of payment of interest and principal such that the A Notes will rank in priority to the B Notes, which will rank in priority to the C Notes, which will rank in priority to the D Notes, which will rank in priority to the J Notes, as described in more detail in "*Cashflows and Cash Management*".

In addition to the above, payments on the Notes are subordinate to payments of certain fees, costs and expenses payable to the other Secured Creditors and certain third parties.

To the extent that the Issuer does not have sufficient funds to satisfy its obligations to all its creditors, the holders of the lower ranking Notes will be the first to see their claims against the Issuer unfulfilled.

However, there is no assurance that these subordination provisions will protect the holders of the more senior classes of Notes (including the Most Senior Class of Notes) from all or any risk of loss. See also the risk factor below – "*Interest Deferral*".

Counterparty risks

As a special purpose entity the Issuer is subject to a number of risks with respect the counterparties engaged by it in connection with the transaction contemplated herein.

(a) *Reliance on Third Parties:*

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.

For example, the Securitised Portfolio is serviced by the Servicer, either directly or through a sub-delegate. Consequently, the net cash flows from the Securitised Portfolio may be affected by decisions made, actions taken and the collection procedures adopted by, the Servicer. However, the Servicer has undertaken in the Servicing Agreement not to make any amendments to the Guidelines unless, amongst other things, such a change (i) is made in accordance with the Servicer Standard of Care; and (ii) will not have a Material Adverse Effect on the interests of the Issuer or the Most Senior Class (see further "*Servicing and Cash Management – Amendments to Guidelines*"). 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.

Upon the occurrence of any Servicer Default, the Issuer will have the right to remove the Servicer as Servicer. If the appointment of the Servicer is terminated, the Issuer will appoint the Back-Up Servicer as a Successor Servicer. To the extent that the Issuer is unable to appoint the Back-Up Servicer as Successor Servicer, the Issuer shall appoint a Successor Servicer which shall at the time of its appointment as Successor Servicer is an Eligible Servicer.

There is no guarantee that a replacement Servicer can be appointed on a timely basis or at all. Any delay or failure to make such an appointment may have an adverse effect on the Issuer's ability to make payments on the Notes. No assurance can be given that a replacement Servicer will not charge fees in excess of the fees to be paid to the Servicer. The payment of fees to the Servicer and any replacement Servicer will rank in priority to amounts paid to Noteholders in accordance with the relevant Priorities of Payments and any increase in the level of fees paid to the replacement Servicer would reduce the amounts available to the Issuer to make payments in respect of the Notes.

Investors should also be aware that third parties on which the Issuer relies may be adversely impacted by the general economic climate. Global markets have in the past been negatively impacted by the then prevailing global credit market conditions as further described in "*Risks related to Economic Environment*". If such conditions were to return, 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 would improve market conditions in the future should conditions deteriorate.

(b) *Counterparty Credit Risk:*

Payments in respect of the Notes are subject to credit risk in respect of the Paying Agents, the Cash Manager, the Account Bank, the Servicer, the Transferor and the Cap Counterparty 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 Account Bank and the Cap Counterparty by the requirement under the terms of the Account Bank Agreement and the Cap Agreement respectively, that each of the Account Bank and the Cap Counterparty have certain minimum required ratings as set out in the sections entitled "*Triggers Tables – Rating Triggers Table – Account Bank*" and "*Triggers Tables – Rating Triggers Table – Cap Counterparty (or any guarantor thereof)*".

In the event that the Cap Agreement is terminated prior to its scheduled termination date, and prior to the service of an Enforcement Notice or the redemption in full of all outstanding Notes, the Servicer shall use its reasonable efforts to assist the Issuer to enter into a replacement Cap Agreement.

Cap Counterparty: On the Closing Date the Issuer will enter into an interest rate cap transaction (the "**Cap Transaction**") governed by a ISDA Master Agreement with the Cap Counterparty to hedge against any increase of 1 month EURIBOR above the Cap Rate.

Accordingly, the Issuer may in certain circumstances depend upon payments made by the Cap Counterparty in order to have sufficient funds available to make payments of interest on the Notes. If the Cap Counterparty fails to pay any amounts when due under the Cap Transaction, the Interest Available Funds may be insufficient to make the interest payments on the Notes and the Noteholders may experience delays and/or reductions in the interest payments due to be received by them.

The Cap Agreement will provide that, upon the occurrence of certain events, including a failure by the Cap Counterparty to make payment when due this will constitute a default thereunder (after giving effect to any applicable grace period) and the Cap Agreement may terminate and a termination payment by the relevant Cap Counterparty may be payable, depending on, among other things, the cost of entering into a replacement transaction at the time. Additionally, in the event of the insolvency of the Cap Counterparty, the Issuer will be treated as its general creditor. Consequently, the Issuer will be subject to the credit risk of the Cap Counterparty.

To address the risk of payment default by the Cap Counterparty, under the terms of the Cap Agreement, where the relevant ratings criteria are not met (see further "*Ratings Triggers Table – Cap Counterparty (or any guarantor thereof)*"), the Cap Counterparty is required to elect to take certain remedial measures within the applicable time frame stipulated in the Cap Agreement (at its own cost), which may include providing Cap Collateral for its obligations under the Cap Agreement, arranging for its obligations under the Cap Agreement to be transferred to an entity with the relevant required ratings, or procuring another entity with the required ratings to become co-obligor or guarantor, as applicable, in respect of its obligations under the Cap Agreement or taking such other action (which may include inaction) as would result in the Rating Agencies maintaining the then current rating of the Rated Notes. However, no assurance can be given that, at the time that such actions are required, the Cap Counterparty will be able to provide Cap Collateral or that another entity with the required ratings will be available to become a replacement Cap Counterparty, co-obligor or guarantor or that the Cap Counterparty will be able to take the requisite other action.

Furthermore, there is a risk that the value of any Cap Collateral provided by the Cap Counterparty declines between the date on which the Cap Collateral has been transferred and the date on which the Cap Collateral is liquidated, following an early termination of the Cap Transaction. This may result in the liquidation proceeds of the Cap Collateral being less than the amount due to the Issuer as a consequence of the early termination of the Cap Transaction and therefore the risk that the Issuer will not receive such amount in full from the Cap Counterparty. This may result in the Issuer not having sufficient funds available to purchase a replacement cap, leaving the Notes unhedged against the risk of 1 month EURIBOR exceeding the Cap Rate. In addition, under the BRRD, if resolution action is taken in respect of the Cap Counterparty, any termination amount payable by

the Cap Counterparty under the Cap Agreement (after the application of any Cap Collateral previously provided by the Cap Counterparty) may be reduced by the application of the bail-in tool therein. Either event may result in the Issuer not having sufficient funds available to purchase a replacement cap, leaving the Notes unhedged against the risk of 1 month EURIBOR exceeding the Cap Rate.

No assurance can be given as to the ability of the Issuer to enter into one or more replacement transactions, or if one or more replacement transactions are entered into, as to the credit rating or creditworthiness of the Cap Counterparty for the replacement transactions.

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

Interest rate risk

The Issuer is subject to the (i) risk of a mismatch between the fixed rates of interest payable on the Receivables and the variable interest rate payable in respect of the Notes which is mitigated (but not eliminated) by the Cap Agreement (see above for further information on the Cap Agreement); and (ii) the risk that any cash held by or on behalf of the Issuer may earn a rate of return below the rate of interest payable on the Notes. See above on the Cap Agreement under "*Counterparty Credit Risk*".

The notional amount of the Cap Transaction for the purposes of each Calculation Period (as defined in the Cap Agreement) thereunder will reduce in accordance with a fixed amortisation schedule. The fixed amortisation schedule was constructed on the basis of several assumptions with regard to the reduction of the Principal Amount Outstanding of the Notes over time, including (a) a stable notional for the Revolving Period with no occurrence of any Portfolio Performance Trigger Events; (b) fixed estimations with regards to prepayment and default; and (c) the non-occurrence of any optional redemption of the Notes pursuant to Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation*) of the Notes (see further the amortisation schedule in the Cap Confirmation). As a result, it is unlikely that the notional amount of the Cap Transaction will match exactly the Principal Amount Outstanding of the Notes and the notional amount of the Cap Transaction may therefore, at various times, be higher or lower than the Principal Amount Outstanding of the Notes. The Cap Transaction may be terminated by one party for various fault and non-fault based reasons. In the event that the Cap Transaction is terminated (for any reason), the Issuer may not be able to enter into a replacement for the Cap Transaction with a replacement cap counterparty immediately or at all. If a replacement cap counterparty cannot be found and 1 month EURIBOR is in excess of the Cap Rate, or to the extent that the notional amount of any Cap Transaction in place is less than the Principal Amount Outstanding of the Notes, the funds available to the Issuer may not be sufficient to pay interest on the Notes. In these circumstances, the Noteholders may experience delays and/or reductions in the interest payments to be received by them, and the Rated Notes may also be downgraded. Please also see below – "*Risks relating to the discontinuation of EURIBOR*".

Any additional amounts required to be paid by the Issuer following termination of the Cap Agreement (including any extra costs incurred in entering into replacement cap transactions) will also rank prior to payments in respect of the Notes. This may affect amounts available to pay amounts owing on the Notes.

Risks Relating to the Discontinuation of Euribor

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 Benchmarks Regulation.

In March 2017, the EMMI (formerly Euribor-EBF) published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction based methodology for EURIBOR and to align the relevant methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not

be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path". It is the current intention of the EMMI to develop a hybrid methodology for EURIBOR.

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. Generally, any such modification or potential consequence of the discontinuation of EURIBOR could have a material adverse effect on the value of and return on any of the Notes. See further "*Risks relating to the replacement of the Screen Rate*" below.

RISKS RELATED TO THE RECEIVABLES

Receivable Default Risk

The holders of the Notes shall bear the risk of default on the Receivables. The transfer of title to the Receivables will be complete and unconditional throughout the remaining repayment period until maturity of each Receivable and the Transferor shall accept no liability whatsoever for the Obligors' default of principal, interest or any other amount they may owe under the Receivables. Under Article 348 of the Commercial Code and Article 1529 of the Civil Code, the Transferor shall be liable to the Issuer exclusively for the existence and lawfulness of the Receivables, and for the legal personality with which the assignment is made. It will have no responsibility to warrant the successful outcome of the transaction and will not issue guarantees or security, nor undertake to repurchase the Receivables, other than as set out in and in accordance with the provisions of the Receivables Sale Agreement.

Interruption of Services

For the purposes of this risk factor, "**Commercial Dispute**" means a commercial dispute between an Obligor and the retailer or merchant (the "**Service Provider**") of the services which have been financed by the consumer loan sold to the Issuer, which results or could result in a total or partial cancellation of the debt, a modification of the amount or terms of payment of the debt, or the refund of any amount previously paid by the Obligor, including but not limited to the following cases:

- (a) if the Obligor exercises any rights it may have in relation to the Service Provider or the Transferor, provided the following requirements are met:
 - (i) that all or part of the services which are the subject of the contract have not been delivered or are not in accordance with the provisions of the contract; and
 - (ii) that the Obligor has filed a claim against the Service Provider, either in-court or out-of-court, and has not obtained the satisfaction to which it is entitled;
- (b) if an Obligor exercises any rights it may have against the Transferor, the Service Provider and/or the Issuer, as a result of a possible breach of contract by the Service Provider, provided the effective exercise of such rights is sufficiently proven; or
- (c) if the Transferor brings a claim against the Service Provider in relation to any incident with respect to the Receivables;

Pursuant to article 29.3 of the Spanish consumer credit law (Ley 16/2011 de 24 de junio, de Contratos de Crédito al Consumo), if a dispute arises between an Obligor and a Service Provider, the Obligor is able to exercise those same rights against the lender of the consumer loan **provided that** the following two conditions are met:

- (a) that all or part of the services which are the subject of the contract have not been delivered or are not in accordance with the provisions of the contract; and
- (b) that the Obligor has filed a claim against the Service Provider, either in-court or out-of-court, and has not obtained the satisfaction to which it is entitled.

If a Commercial Dispute arises in relation to a Receivable which causes a reduction in the amount payable by the relevant Obligor, the Transferor is required, pursuant to the Receivables Sale Agreement to pay into

the Special Collection Account the amount equal to the amount of the reduction. However, in the event that the Transferor does not pay for any such reduction, the Issuer may have insufficient funds to pay in full principal and interest in respect of the Notes.

Market for Receivables

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 of the Securitised Portfolio remains outstanding, may depend on whether the Securitised Portfolio can be sold, otherwise realised or refinanced so as to obtain a sufficient amount available for the distribution to 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 Securitised 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 Securitised Portfolio following an Event of Default (on acceptable terms or at all) could have an adverse effect on the Issuer's ability to make redeem the Notes in full.

Credit Consumer Protection Law

The Spanish Supreme Court has ruled (Judgment 628/2015 of 25 November) that contractual interest rates which are twice the "normal interest rates" are "usurious" and would, therefore, be null and void (nulos) (unless the relevant lender is able to evidence that the specific circumstances of the particular case justify such deviation on a case-by-case basis). In such circumstances, the obligor must only repay the creditor an amount equal to that borrowed from it and the obligor is entitled to request the creditor to pay back any amounts paid in the past by it in excess of such principal amount, including any interest paid. In respect of the particular case of Judgement 628/2015, the Spanish Supreme Court assumed that, in the absence of any other evidence to the contrary, the "normal interest rate" of money during the years of origination of the financing which is subject to this analysis, and as claimed by the plaintiff, was the interest rate statistics published by the Bank of Spain, in accordance with Regulation (EU) No 1072/2013 of the European Central Bank of 24 September 2013 and Bank of Spain Circular 1/2010 of 27 January). However, this was a factual determination in relation to the particular financing. In respect of any future claim that a rate is usurious the Court would be required to determine what the "normal interest rates" might be in respect of the financing in question considering the circumstances of the case and the freedom of prices existing in this field, based on the plaintiff's argument and any evidence offered by the relevant lender to the contrary.

At present, none of the initial Receivables (calculated over the total initial Securitised Portfolio), are subject to claims regarding the interest rates and the interest charged on such Receivables is in line with what the Transferor considers to be the market standard. However, there can be no assurance that a Court would not take a different view in respect of a Receivable, were a claim to be brought by the relevant Obligor. If a breach of a Transferor Asset Warranty occurs as a result of a judgment of usury, the Transferor is not required to repurchase the relevant Receivable unless, as a result of such judgment, paragraph (a) of the Portfolio Concentration Levels (in relation to the Weighted Average Yield of the Eligible Receivables Pool) would no longer be satisfied. Investors should note, if there were to be a material number of successful claims in respect of usury, then this could negatively impact the weighted average yield of the Securitised Portfolio, and in those circumstances the Transferor would not have to repurchase the impacted Receivables unless the above condition applies.

Securitised Portfolio Information

The statistical, financial and other information set out in the section headed "*The Securitised Portfolio*", including information in respect of collection rates, represents the characteristics of the Securitised Portfolio owned by the Issuer as at the Initial Cut-Off Date. There can be no assurance that the Securitised 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 Securitised Portfolio as at such date.

Limited Data and Due Diligence relating to the Securitised Portfolio

None of the Arranger, any Lead Manager, the Note Trustee, the Security Trustee the Principal Paying Agent, the Agent Bank, the 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 Securitised Portfolio or to establish the creditworthiness of any Obligor or

any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by the Transferor to the Issuer in the Receivables Sale Agreement in respect of, among other things, the Securitised Portfolio, the Obligors and the UPL Agreements.

Should any of the Securitised Portfolio not comply with the representations and warranties made by the Transferor on the Closing Date, Offer Date or any Transfer Date (as applicable), the Transferor will, if the relevant breach cannot be remedied, be required to pay a Deemed Collection Amount to the Issuer. Should the Transferor fail to comply with appropriate remedial action under the terms of the Receivables Sale Agreement this may have an adverse effect on the value of the Securitised Portfolio and on the ability of the Issuer to make payments under the Notes.

Geographical concentration risk

The largest concentration of Obligors are, as a percentage of the outstanding principal, located as follows: Andalusia 19.00%, Madrid 18.35% and Catalonia 18.11%. Any significant event (political, social, natural disaster, etc.) occurring in those three regions could adversely affect the creditworthiness of the Obligors and therefore their capacity to repay the Receivables backing the Notes.

RISKS RELATED TO THE NOTES

Yield and Prepayment Considerations

Calculation of the yield (internal rate of return) of the Notes in each Class in this Prospectus is subject, *inter alia*, to the assumed Receivable prepayment and delinquency rates which may not be fulfilled. Calculation of the average life and duration of the Notes in each Class in this Prospectus is subject to fulfilment of Receivable repayment and also, *inter alia*, to assumed Receivable prepayment rates which may not be fulfilled. Receivable repayment performance is influenced by a number of economic and social factors such as market interest rates, the Obligors' financial circumstances and the general level of economic activity, preventing their predictability. No guarantee can be given as to the level of prepayments (in part or in full) that the Receivables may experience.

Yield to maturity of a Class of Notes may also be affected if the Transferor repurchases Receivables from the Securitised Portfolio as the payment received by the Issuer pursuant to such repurchase will have the same effect as a prepayment of such Receivable. The Transferor has an obligation to repurchase Receivables if *inter alia* there has been a breach of a Transferor Asset Warranty and the Transferor also has an option to repurchase Defaulting Receivables as described further in "*Title to the Securitised Portfolio*". The Revolving Period is the period commencing on the Closing Date and ending on: (i) the Specified Revolving Period End Date; (ii) the occurrence of an Early Amortisation Event; or (iii) on the delivery of an Enforcement Notice. If an Early Amortisation Event or an Event of Default occurs, then the Revolving Period will terminate earlier than expected. Any of this will result in the Noteholders receiving payments of principal on the Notes earlier than expected.

To prevent the early redemption of the Notes during the Revolving Period, new Receivables must be generated. The generation of new Receivables is affected by the Transferor's ability to compete in the then current industry environment and by obligors changing borrowing and payment patterns. If there is a decline in the generation of new Receivables, the Noteholders may be repaid principal before the expected date and may not be able to reinvest the principal at a similar rate of return.

Interest Deferral

To the extent that funds available to the Issuer to pay Interest Amounts due and payable on the Notes of any class (other than the Most Senior Class of Notes) on a Payment Date are insufficient to pay the full amount of such Interest Amounts, payment of the shortfall in respect of such Interest Amounts ("**Deferred Interest**") will not then fall due but will instead be deferred until the first Payment Date thereafter on which funds are available to the Issuer (after allowing for the Issuer's liabilities of higher priority and subject to and in accordance with these Conditions) to fund the payment of some or all of the Deferred Interest, and will fall due on such Payment Date to the extent of such available funds.

Deferred Interest or any other amounts which are due and payable in respect of the Notes and not paid on the relevant Payment Date will accrue interest ("**Additional Interest**") at the rate of interest applicable from time to time to such Notes. Payment of Additional Interest will also be deferred until the first Payment Date after such Additional Interest is accrued on which funds are available (subject to and in accordance

with these Conditions) to the Issuer to pay some or all of such Additional Interest, to the extent of such available funds.

Interest due and payable on the Most Senior Class of Notes may not be deferred. See also risk factor – "Subordination".

Holders of Notes which are not the Most Senior Class may therefore not receive payments of interest or there may be a delay in receiving interest if there are insufficient funds available to the Issuer on a Payment Date.

Absence of an Active Trading Market for the Notes, Secondary Market and Market Value of the Notes

There is currently 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 for an indefinite period of time or 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 Securitised 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 Securitised Portfolio. If an investor holds Notes which are not denominated in the investor's home currency, she or 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.

Eurosystem Eligibility

The Notes, upon their issue, were deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**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. Neither the Issuer, the Transferor or the Arranger gives any representation, warranty, confirmation or guarantee to any investor in the Notes that the 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 Notes should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute Eurosystem eligible collateral.

Bank of England eligibility

Neither the Issuer nor any other party gives any representation, warranty, confirmation or guarantee to any investor in the Note, that the Notes, at any time prior to redemption in full, will satisfy all or any of the requirements for use as collateral for the Bank of England's and HM Treasury's Funding for Lending Scheme, Discount Window Facility or Indexed Long-Term Repo or any other part of the Bank of England's operations under the Sterling Monetary Framework and no investigation has been undertaken in relation thereto. Any potential investor in the Notes should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute eligible collateral for the Bank of England's operations under the Funding for Lending Scheme or the Sterling Monetary Framework.

Conflicts between Noteholders and Secured Creditors

In performing its duties as Note Trustee for the Noteholders, the Note Trustee will have regard to the interests of all Noteholders. In the event of a conflict of interests between holders of different classes of Notes, the Note Trustee shall have regard only to the holders of the Most Senior Class, save in respect of a Reserved Matter. Where there is a conflict between the interests of the holders of the Notes and the

Secured Creditors, the Note Trustee will be required to have regard only to the holders of the Notes outstanding and will not have regard to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds in accordance with the relevant Priorities of Payments.

As a result, holders of Notes other than the Most Senior Class may not have their interests taken into account by the Note Trustee if the Note Trustee exercises discretion in circumstances where there is a conflict of interest.

Limited Enforcement Rights

Condition 15 (*No action by Noteholders or any other Secured Creditor*) limits the ability of the Noteholders to take individual action against the Issuer or any of the Charged Property.

In addition, pursuant to Condition 14 (*Enforcement*), following the delivery of an Enforcement Notice the Note Trustee may, but is not bound, to take any steps or actions to enforce and/or to exercise its rights under the Trust Deed in respect of the Notes of each class (including the Conditions), the Security Trust Deed and Cash Management Agreement or under the other Transaction Documents (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, after the occurrence of an Event of Default, to take steps to enforce the security constituted by the Security Trust Deed and Cash Management Agreement) unless: (a) requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes; or (b) directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of outstanding Notes, and in such case, only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may become liable or which it may incur in so doing.

Pursuant to Condition 13.2 (*Delivery of Enforcement Notice*), the Security 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 by the Note Trustee, and the Note Trustee is (a) requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes or (b) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of outstanding Notes.

Meetings of Noteholders, Modifications and Waivers

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 contain provisions for a more stringent procedure for taking decisions relating to Reserved Matters. See further the section entitled "*Overview of rights of Noteholders*".

The Noteholders should note that both the matters which are to be decided by way of an Extraordinary Resolution, the existence of a significant investor may have an impact on the outcome of voting in respect of the relevant matters.

The Conditions also provide that the Note Trustee may, without the consent or sanction of the Noteholders or any other Secured Creditors, concur (or direct the Security Trustee to concur) with the Issuer and any other relevant parties in making: (a) any modification to the Conditions, the Trust Documents, the Notes or the other Transaction Documents (other than in respect of a Reserved Matter) in relation to which its consent is required which, in the opinion of the Note Trustee, will not be materially prejudicial to the interest of the holders of the Most Senior Class; and/or (b) any modification to the Conditions, the Trust Documents, the Notes or the other Transaction Documents in relation to which its consent is required, if, in the opinion of the Note Trustee, such modification: (i) is of a formal, minor or technical nature; or (ii) is made to correct a manifest error, **provided that**, the Issuer shall in relation to any proposed modification provide a certificate to the Note Trustee certifying that: (x) it has notified the Cap Counterparty of such proposed modification and (y) either the Cap Counterparty has given its prior written consent to such modification or the prior written consent of the Cap Counterparty is not required for such modification.

Further, the Note Trustee and the Security Trustee are obliged, without any consent or sanction of the Noteholders, or, save as provided in Condition 17.2 (*Additional Right of Modification*), any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to the Conditions or any other Transaction Document or enter into any new, supplemental or

additional documents that the Issuer considers necessary: (subject to certain conditions) (i) 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; (ii) in order to enable the Issuer and/or the Cap Counterparty to comply with EMIR; (iii) for the purpose of complying with any provision of the EU Securitisation Regulation; (iv) for the purposes of enabling the Notes to remain listed on the Stock Exchange; (v) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA and/or CRS (or any voluntary agreement entered into with a taxing authority in relation thereto); (vi) for the purpose of complying with any changes in the requirements of the CRA Regulation; (vii) for the purpose of changing the Screen Rate or the base rate that then applies in respect of the Notes; and (viii) for the purpose of changing the base rate that then applies in respect of the Cap Agreement to an Alternative Base Rate for the purpose of aligning the base rate of the Cap to the base rate of the Rated Notes following a Base Rate Modification.

The full requirements in relation to the modifications discussed above are set out in the Trust Deed and Condition 17 (*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.

In respect of an occurrence of an Event of Default specified in paragraph (c) of Condition 13 (*Events of Default*), prior to serving an Enforcement Notice on the Issuer, the Note Trustee must certify in writing that such default is, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of the Most Senior Class and is either: (a) in the opinion of the Note Trustee, incapable of remedy; or (b) in the opinion of the Note Trustee, capable of remedy, but remains unremedied for 30 calendar days or such longer period as the Note Trustee may agree.

The Note Trustee may also, without any consent or sanction of the Noteholders or any other Secured Creditor: (i) authorise or waive (and direct the Security Trustee to authorise or waive) any proposed breach or any breach of any of the covenants or provisions contained in the Trust Documents, the Notes or any of the other Transaction Documents; or (ii) determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Trust Documents, the Notes or any of the other Transaction Documents, but only if and in so far as in its opinion the interests of the holders of the Most Senior Class would not be materially prejudiced thereby.

Risks Relating to the Replacement of the Screen Rate

Investors should note the various circumstances in which a modification may be made to the terms and conditions or any other Transaction Documents relevant to the Issuer for the purpose of changing the Screen Rate or such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Base Rate Modification**"). These circumstances broadly relate to the disruption or discontinuation of the screen rate (EURIBOR for Euro), but also specifically include, *inter alia*, any public statements by the administrator of the applicable screen rate or certain regulatory bodies that EURIBOR will be discontinued or may no longer be used, and a Base Rate Modification may also be made if the Servicer or the Cash Manager reasonably expects any of these events to occur within six months of the proposed effective date of the Base Rate Modification, subject to certain conditions.

Investors should also be aware that:

- (a) any of these reforms or pressures described in "*Risks relating to the discontinuation of EURIBOR*" 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 the Screen Rate is discontinued or is otherwise permanently unavailable and a Base Rate Modification has not been made, then the rate of interest on the Notes will be determined for a period by the fall-back provisions provided for in the Conditions. Such provisions may not operate as intended; and
- (c) while an amendment may be made under Condition 17.2(g)(i) (*Additional right of modification*) to change the Screen Rate on the Notes to an Alternative Base Rate under certain circumstances

broadly related to EURIBOR dysfunction or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it will (i) fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Notes or (ii) be made prior to any date on which any of the risks described 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 Receivables, the Notes, and/or the Cap Agreement 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. More particularly, in respect of the Cap Agreement, it should be noted that the Cap Counterparty has the right to adjust the terms of the Cap Transaction upon the occurrence of certain events linked to the discontinuation or modification of EURIBOR. Such adjustments may cause a divergence between the base rate under the Cap Agreement and the Screen Rate in respect of the Notes and such adjustments may not match any adjustments made in respect of the Notes under a Base Rate Modification. Further, changes to EURIBOR may adversely affect the operation of the Cap Agreement and may result in its termination.

Ratings of the Rated Notes

The ratings assigned to the Rated Notes are based on the Receivables, the Security, the Securitised Portfolio and relevant structural features of the transaction, which may include, among other things, the short-term unsecured, unguaranteed and unsubordinated debt ratings and the long-term ratings of the Account Bank and the Cap Counterparty. These ratings reflect only the views of the Rating Agencies in respect of the Rated Notes.

Any Rating Agency may also lower or withdraw its rating with respect to the Cap Counterparty. Under the terms of the Cap Agreement that may be entered into in respect of the Notes, if the relevant credit rating of the Cap Counterparty is withdrawn or reduced below certain thresholds, the Cap Counterparty shall be required to:

- (a) provide collateral in support of its obligations under the Cap Agreement; and/or
- (b) procure a guarantee of its obligations under the Cap Agreement; or
- (c) procure an appropriately rated replacement Cap Counterparty; or
- (d) take such other action (which may include inaction) necessary so that the rating of the Rated Notes following such action will be rated no lower than the Rated Notes would be rated but for the downgrade.

It cannot be assured, however, that the Cap Counterparty would be able to take any of the above actions upon the occurrence of this event or that the ratings of the Rated Notes will not be lowered or withdrawn upon the occurrence of this event.

The ratings that are assigned to the Rated Notes do not represent any assessment of the yield to maturity that a holder of a Rated Note may experience.

The ratings assigned by S&P address, *inter alia*:

- (a) the likelihood of full and timely payment to the holders of the Most Senior Class of all payments of interest on each Payment Date; and
- (b) the likelihood of full and ultimate payment to the Noteholders of principal in relation to the Rated Notes on or prior to the Final Maturity Date.

For more information as to what the ratings assigned by S&P represent, please see <https://www.spglobal.com/ratings/en/about/understanding-ratings> (such website and the contents thereof do not form part of this Prospectus).

The ratings assigned by DBRS address, *inter alia*:

- (a) the likelihood of full and timely payment to the holders of the Most Senior Class of all payments of interest on each Payment Date; and
- (b) full payment of principal due to the holders of the Rated Notes by a date that is not later than the Final Maturity Date for the Rated Notes.

For more information as to what the ratings assigned by DBRS represent, please see <https://www.dbrs.com/understanding-ratings/#about-ratings> (such website and the contents thereof do not form part of this Prospectus).

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the other ratings, the market value and/or the liquidity of the Rated Notes.

Credit rating agencies other than the Rating Agencies could seek to rate the Rated Notes without having been requested to do so by the Issuer and, if such unsolicited ratings are lower than the comparable ratings assigned to the Rated Notes by the Rating Agencies those unsolicited ratings could have an adverse effect on the market value and/or liquidity of the Rated Notes. In addition, the mere possibility that a rating could be issued may affect price levels in any secondary market that may develop. In this Prospectus, all references to ratings are to ratings assigned by the relevant Rating Agencies.

A Rating Agency may lower, withdraw or qualify its rating if, in the sole judgment of the Rating Agency, the credit quality of the Rated Notes has declined or is in question. A Rating Agency may also change its criteria and/or methodology at any time and the application of its revised criteria and/or methodology may lead it to lower, withdraw or qualify its rating of the Rated Notes. If any rating assigned to the Rated Notes is downgraded or withdrawn, the market value and/or liquidity of the Rated Notes may be reduced.

Rating Confirmations may not be Forthcoming when Requested

The terms of certain of the Conditions and the Transaction Documents require the rating agencies to confirm in writing that certain actions proposed to be taken by certain transaction parties will not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes and would not result in any Rating Agency placing the Rated Notes on rating watch negative (or equivalent) (a "**Rating Confirmation**").

A Rating 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 not prejudicial to, the Noteholders. While each of the Secured Creditors of the Issuer (including the Noteholders), the Issuer or the Note Trustee (as applicable) are entitled to have regard to the fact that a Rating Agency has confirmed that the then current rating of the Rated 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 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 Note Trustee or any other person whether by way of contract or otherwise.

In relation to a Rating Confirmation given by a Rating Agency, any such Rating Confirmation may or may not be given at the sole discretion of each Rating Agency and the Rating Agencies have indicated that, in most circumstances, they will no longer provide Rating Confirmations as a matter of policy. It should be noted that, depending on the timing of delivery of the request and any information required to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating 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 Rating Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the contexts of cumulative changes to the transactions. A Rating Confirmation represents only a restatement of the current rating of the Rated Notes and cannot be construed as advice for the benefit of any parties to the transaction.

To the extent that a required Rating Confirmation cannot be obtained, where there is a requirement for a Rating Confirmation to be provided, whether or not a proposed action may take place may ultimately depend, amongst other things, on Noteholder approval

Certain Material Interests

Certain of the Transaction Parties and their respective affiliates are acting in a number of capacities in connection with the transaction described herein. Those Transaction Parties and any of their respective affiliates acting in such capacities will have only the duties and responsibilities expressly agreed to by each such entity in the relevant capacity and will not, by reason of it or any of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each such capacity. In no event shall such Transaction Parties or any of their respective affiliates be deemed to have any fiduciary obligations to any person by reason of their or any of their respective affiliates acting in any capacity.

The terms of the Transaction Documents do not prevent any of the parties to the Transaction Documents from rendering services similar to those provided for in the Transaction Documents to other persons, firms or companies or from carrying on any business similar to or in competition with the business of any of the parties to the Transaction Documents.

Accordingly, conflicts of interest may exist or may arise as a result of parties to this transaction:

- (a) having previously engaged or in the future engaging in transactions with other parties to the transaction;
- (b) having multiple roles in this transaction;
- (c) carrying out other transactions for third parties; and/or
- (d) holding a significant investment in the Notes.

In addition to the interests described in this Prospectus, each of the Arranger, any Lead Manager and any affiliate of the Arranger or any Lead Manager (each a "**Related Person**"):

- (a) may from time to time be a Noteholder or have other interests with respect to the Notes and they may also have interests relating to other arrangements with respect to a Noteholder or a Note, or any other Transaction Party;
- (b) may receive (and will not have to account to any person for) fees, brokerage and commissions or other benefits and act as principal with respect to any dealing with respect to any Notes;
- (c) may purchase all or some of the Notes and resell them in individually negotiated transactions with varying terms; and
- (d) may be or have been involved in a broad range of transactions including, without limitation, banking, lending, advisory, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Issuer or any other Transaction Party or any related entity, both on its own account and for the account of other persons.

Prospective investors should be aware that:

- (a) each Related Person in the course of its business (including in respect of interests described above) may act independently of any other Related Person or Transaction Party;
- (b) to the maximum extent permitted by applicable law, the duties of each Related Person in respect of the Notes are limited to the relevant contractual obligations set out in the Transaction Documents (if any) and, in particular, no advisory or fiduciary duty is owed to any person. No Related Person shall have any obligation to account to the Issuer, any Transaction Party or any Noteholder for any profit as a result of any other business that it may conduct with either the Issuer or any Transaction Party;

- (c) a Related Person may have or come into possession of Relevant Information;
- (d) to the maximum extent permitted by applicable law no Related Person is under any obligation to disclose any Relevant Information to any other Related Person, to any Transaction Party or to any potential investor and any subsequent conduct by a Related Person should not be construed as implying that such Related Person is not in possession of such Relevant Information; and
- (e) each Related Person may have various potential and actual conflicts of interest arising in the ordinary course of its businesses, including in respect of the interests described above. For example, a Related Person's dealings with respect to a Note, the Issuer or a Transaction Party, may affect the value of a Note.

These interests may conflict with the interests of a Noteholder, and the Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Related Person is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents, the Notes, or the interests described above and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders, and the Related Persons may in so doing so act in its own commercial interests and without notice to, and without regard to, the interests of any such person.

Financing of the Risk Retention Piece

Any financing of the Transferor's acquisition of the Class J Notes in an amount equal to satisfy the Transferor's obligation to retain a material net economic interest of at least 5% in the securitisation (the "**Risk Retention Piece**") may require a transfer of title or the grant of a security interest over the Risk Retention Piece and result in the financing counterparty having enforcement rights in case of an event of default, which may include the right to appropriate or sell the Risk Retention Piece. In carrying out such appropriations or sale, the financing counterparty would not be required to have regard for the provisions of the U.S. Risk Retention Rules or the EU Risk Retention Requirements, and any such sale could cause the Transferor to be out of compliance with such rules.

RISKS RELATED TO ECONOMIC ENVIRONMENT

Volatility

The market value of the Notes may fluctuate with changes in prevailing rates of interest, market perceptions of the risks associated with the Notes, supply and other market conditions. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of such Notes.

Risk arising from the Spanish Economic Situation

In 2018 the deficit in Spain stood at 2.6% of gross domestic product ("**GDP**") (source: Bank of Spain) and high public deficits have pushed public debt to 97.2% of GDP in 2018 (source: Bank of Spain), but despite the adverse dynamics, the level of public debt in Spain is not far from the Euro area average.

The Spanish economy could be negatively affected by several risks, both external and internal.

External risks include the possibilities of a greater slowdown in the emerging economies and another episode of financial volatility and several political and geopolitical risks. Other existing risks to the Spanish economy include a potential increase of the interest rates, the variation of the EUR-USD exchange rate or the implementation of protectionist measures in both foreign and European economic systems. In addition, while the probability of country defaults has decreased since 2012, the possibility of a European sovereign default still exists.

An internal risk to the Spanish economy arises from political fragmentation and uncertainties arising from the political situation within Spain, which may slow the pace of reform and fiscal adjustments or result in changes to laws, regulations and policies or impact economic growth in Spain. This applies not only to specific Spanish regions such as Catalonia (where considerable uncertainty exists regarding the outcome of political tensions between Spain's central government and the regional government of Catalonia that could start to weigh on business confidence and investment, and could weaken Spain's current good growth prospects) but also to central government where, after the April 2019 Spanish general election result, further

instability cannot be ruled out during the legislature. An increase in political uncertainties in Spain could have adverse economic effects. Furthermore, there is consensus that, despite the expected improvement in the labour market, the unemployment rate will remain high in the months to come in Spain.

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

Obligors may default on their obligations due under the Receivables for a variety of financial and personal reasons, including loss or reduction of earnings (and self-employed Obligors may have more volatile earnings), illness, divorce and other similar factors which may, individually or in combination, lead to an increase in delinquencies by and bankruptcies of Obligors. Certain national and international macroeconomic factors may also contribute to or hinder the economic health of an Obligor and thus the economic performance of the Receivables.

Economic conditions in the Eurozone

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) have recently intensified. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the Eurozone. If such concerns persist and/or such conditions further deteriorate (including as may be demonstrated by any relevant rating agency action, any default or restructuring of indebtedness by one or more Member States or institutions 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 Issuer, one or more of the other parties to the Transaction Documents (including the Transferor and the Servicer) and/or any Obligor in respect of the Receivables. 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 and/or the ability of the Issuer to satisfy its obligations under the Notes.

Risks in relation to the United Kingdom's vote to leave the European Union

On 23 June 2016 the United Kingdom voted to leave the European Union in a referendum (the "**Brexit Vote**") and on 29 March 2017 the United Kingdom gave formal notice (the "**Article 50 Notice**") under Article 50 of the Treaty on European Union ("**Article 50**") of its intention to leave the European Union. Under Article 50, the EU treaties automatically cease to apply to the UK two years after the Article 50 Notice, subject to any extensions agreed unanimously among the UK and the remaining EU Member States. Following such extensions, the UK will leave the EU on 31 October 2019 in the absence of a withdrawal agreement or any further extensions. The terms of the UK's exit from the EU are unclear. It is possible that the UK will leave the EU with no withdrawal agreement if no agreement can be finalised by 31 October 2019. In such circumstances, it is likely that a high degree of political, legal, economic and other uncertainty will result. The Brexit Vote and delivery of the Article 50 Notice have resulted in political (including UK constitutional), legal, regulatory, economic and market uncertainty – the effects of each of which could adversely affect the Notes (which are governed by English law) and the interests of Noteholders. Such uncertainty and consequential market disruption caused by Brexit may affect the rest of the Eurozone and the resulting adverse economic conditions could affect Obligors' willingness or ability to meet their obligations, resulting in increased defaults in the Securitised Portfolio and ultimately the ability of the Issuer to pay interest and repay principal to Noteholders.

The Brexit Vote may also have an adverse effect on counterparties on the Transaction. Depending on the terms of the exit from the EU they may become unable to perform their obligations resulting from changes in regulation, including the loss of existing regulatory rights to do cross-border business. Additionally, counterparties may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the Brexit Vote, the Article 50 Notice and the conduct and progress of the formal withdrawal negotiations. As a result, there is an increased risk of such counterparties becoming unable to fulfil their obligations which could have an adverse impact on their ability to provide services to the Issuer and, accordingly, on the ability of the Issuer to make payments of interest and repayments of principal to Noteholders. See "*Reliance on Third Parties*" above.

While the extent and impact of these issues is not possible for the Issuer to predict, Noteholders should be aware that they could have an adverse impact on the Transaction and the payment of interest and repayment of principal on the Notes.

REGULATORY AND LEGAL RISKS

Legal and set-off risks derived from the absence of notification of the assignment to the Obligors

Although the Transaction Documents contemplate notification of the Obligors 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 in section "*Certain Legal and Regulatory Matters Affecting the Receivables and the Notes – Legal and Regulatory Matters Affecting the Receivables – Formalities to be complied with regarding the Receivables' assignment, notice of assignment and set-off*".

Applicability of Spanish Insolvency Law to the Transferor

The Transferor may be declared insolvent. Insolvency of the Transferor could affect its contractual relationships with the Issuer, in accordance with the provisions of the Spanish Law 22/2003 of 9 July (the "**Spanish Insolvency Law**") (*Ley Concursal*). The Transferor has its place of registered office in Spain. Therefore, and unless proof to the contrary, it is presumed that the centre of main interests, for the Transferor is Spain in accordance with Article 3 of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast). Consequently, in case of an insolvency scenario the competent Court will be the Mercantile Court pertaining to its registered office.

Enforcement of obligations of the Transferor under the Transaction Documents is subject to all limitations arising from insolvency, liquidation, reorganisation, resolution or similar laws generally affecting the rights of creditors (including the pre-insolvency proceedings contemplated in the Fourth Additional Provision of the Spanish Insolvency Law), and in particular, to the limitations contained in or arising from: (a) Article 71 of the Spanish Insolvency Law, which provides for the setting aside (in certain circumstances and subject to time limits) of transactions; (b) Articles 1111 and 1291-1299 of the Spanish Civil Code whereby any fraudulent transaction can be set aside (in certain circumstances and subject to time limits); (c) Article 61 of the Spanish Insolvency Law, pursuant to which those contractual clauses providing for the automatic termination of an executory agreement (*contrato con obligaciones recíprocas pendientes de cumplimiento*) upon insolvency of any of the parties or for the right of the non-defaulting party to terminate such agreement upon the insolvency of the other party shall be null and void, and (d) Article 58 of the Spanish Insolvency Law, which prohibits set-off against a party declared insolvent.

(a) Article 71 of the Spanish Insolvency Law

Under Article 71.1 of the Spanish Insolvency Law, if a declaration of insolvency (*declaración de concurso*) is made in relation to a company, the court may, on the application of the insolvency administrators (or, should the insolvency administrators have not applied for it within two months following to the date of the formal request of a creditor to do so, on the application of such creditor), set aside any transaction which is found to be detrimental for the insolvency estate entered into by the company within the 2 years period preceding the declaration of insolvency.

Notwithstanding the above, pursuant to Article 71.5 of the Spanish Insolvency Law, no transaction can be avoided under Article 71.1 if entered into by the insolvent company in the ordinary course of its business in normal conditions.

(b) Articles 1111 and 1291-1299 of the Spanish Civil Code.

Under Articles 1111 and 1291 and 1297 of the Spanish Civil Code, the courts may, on the application of any creditor of a company (even if the company is not subject to an insolvency proceeding), set aside a fraudulent transaction entered into by the company within the 4 year period preceding the application.

In the event of the Transferor being decreed insolvent, in accordance with the Spanish Insolvency Law, the Issuer shall have a right of separation with respect to the Receivables, on the terms provided for in Articles 80 and 81 of the Spanish Insolvency Law. In addition, the Issuer shall be entitled to obtain from the insolvent Transferor the resulting Receivable amounts from the date on which insolvency is decreed, for those amounts will be considered to be the Issuer's property, and must therefore be transferred to the Issuer. This right of separation would not necessarily extend to the monies received and kept by the insolvent

Transferor on behalf of the Issuer before that date, for they might be earmarked as a result of the insolvency given the essential fungible nature of money.

Additionally, in the event that the Servicer, as the entity that will collect the amounts paid deriving from the Receivables, is declared under an insolvency proceeding (*concurso*), the Issuer will be entitled to receive from the Servicer the amounts derived from the Receivables from the date that it is declared insolvent, because such amounts will be construed as owned by the Issuer, and therefore must be transferred to the Issuer. However, as Collections from the Obligor are initially paid to accounts opened with the Collection Account Banks, moneys may cease to be traceable due to their fungible nature during the period in which they are held by the Servicer or the Transferor (or the Delegate once the Back-Up Servicer becomes the Servicer) at the Collection Account Banks. For this period of time, the Noteholders will be exposed to the credit quality of the Collection Account Banks.

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

The Transferor's assignment of the Receivables to the Issuer will not be notified to the Obligor except on the occurrence of a Notification Event.

Insolvency considerations and English law security

The Issuer will enter into the Security Trust Deed and Cash Management Agreement pursuant to which it will grant Security governed by English Law in respect of certain of its obligations, including its obligations under the Notes. In certain circumstances, including the occurrence of certain insolvency events in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the Security impaired. While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws.

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of section 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Security Trust Deed and Cash Management Agreement may be used to satisfy any claims of unsecured creditors. While certain of the covenants given by the Issuer in the Transaction Documents are intended to ensure it has no significant creditors other than the Secured Creditors under the Security Trust Deed and Cash Management Agreement, it will be a question of fact as to whether the Issuer has any other such creditors at any time. There can be no assurance that the Noteholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security.

The pledges granted under the Collection Account Pledge Agreements are limited by applicable laws and are subject to certain limitations on enforcement or defences.

Under Spanish law, any guarantee, pledge or mortgage generally must guarantee or secure a primary obligation.

The pledges granted under the Collection Account Pledge Agreements are subject to Spanish law. Under Spanish law, any guarantee, pledge or mortgage generally must guarantee or secure a primary obligation to which it is ancillary. This implies that the primary obligation must be clearly identified in the guarantee or security agreement and the nullity or termination of the primary obligation entails the nullity or termination of the ancillary guarantee or security interest. Consequently, if the primary obligation is deemed null and void, the ancillary guarantee or security interest will also be deemed null and void.

Enforcement of the Collection Account Pledge Agreements will be subject to the provisions of Spanish Procedural Law and the Spanish Insolvency Law and this may entail delays in the enforcement.

Under Spanish law, claims may become time-barred or may be or become subject to the defence of set-off or counterclaim.

The terms "enforceable", "enforceability", "valid", "legal", "binding" and "effective" or any combination thereof mean that all of the obligations assumed by the relevant party under the relevant documents are of a type enforced by Spanish courts; these terms do not mean that these obligations will necessarily be enforced in all circumstances in accordance with their terms. Enforcement in the courts will in any event be subject to:

- (a) the nature of the remedies available in the courts; and
- (b) the availability of defences such as, without limitation, set-off (unless validly waived), circumvention of law (*fraude de ley*), abuse in the exercise of rights (*abuso de derecho*), misrepresentation, force majeure, unforeseen circumstances, undue influence, duress, abatement and counterclaim.

Spanish law, as applied by competent authorities, may preclude any security being enforced in respect of an agreement (including the Collection Account Pledge Agreements), irrespective of its governing law, which is terminated or accelerated, (i) based on the breach of obligations, undertakings or covenants which are merely ancillary or complementary to the main payment obligations, or (ii) based on the unreasonable, inequitable or bad faith interpretation of one of its events of default.

In addition, a Spanish court may, at the time of enforcing the security, through the ordinary (non summary) enforcement proceedings refuse to carry out such enforcement if based on terms that are deemed contrary to the principles of Spanish law referred to above.

Enforcement of the Collection Account Pledge Agreements may be affected by restrictions under Spanish Insolvency Law.

The Fourth Additional Provision (*Disposición Adicional Cuarta*) of the Spanish Insolvency Law deals with the possibility of refinancing agreements (broadly similar to the English schemes of arrangement) entered into by the debtor and creditors holding at least 51 per cent. of the financial indebtedness of the debtor being approved by the Courts, when such refinancing agreements fulfil certain conditions provided therein.

Any such refinancing agreement will be binding on all of the unsecured financial creditors of the debtor and secured financial creditors (in respect of that part of their secured claim not covered by their security interest), if approved by the following majorities: (i) creditors holding 60 per cent. of financial indebtedness where the agreement contemplates a deferral for a term less than five years and conversion of debt into a participating loan during that time; and (ii) creditors holding 75 per cent. of financial indebtedness where the agreement contemplates a deferral between five and ten years, conversion of debt into a participating loan or similar instrument for an equal term, converting the debt into capital or a participating loan or assignment of assets, or write-off.

Moreover, they will also be binding on all of the secured financial creditors of the debtor if approved by: (i) creditors holding 65 per cent. of secured financial indebtedness (the amount of each claim being regarded as nine tenths of the reasonable value of the collateral up to the face amount of the claim) where the agreement contemplates a deferral for a term less than five years and conversion of debt into a participating loan during that time; or (ii) creditors holding 80 per cent. of secured financial indebtedness (the amount of each claim being regarded as nine tenths of the reasonable value of the collateral up to the face amount of the claim) where the agreement contemplates a deferral between five and ten years, conversion of debt into a participating loan or similar instrument for an equal term, converting the debt into capital or a participating loan or assignment of assets, or write-off.

Article 5bis of the Spanish Insolvency Law states that if a debtor notifies the commercial court (*Juzgado de lo Mercantil*) that it has started negotiating with its creditors in order to obtain their approval regarding: (i) a refinancing agreement as referred to under article 71.bis.1 of the Spanish Insolvency Law; (ii) a refinancing agreement as referred to under the Fourth Additional Provision of the Spanish Insolvency Law; or (iii) an advance proposal of arrangement between creditors (*propuesta anticipada de convenio*), its obligation to file an application for voluntary insolvency shall be suspended for three months. Following those three months, the debtor will have an additional period of one month to submit such application.

As from the date of such notice and during such pre-insolvency period, no court or out-of-court enforcement proceedings of securities over any assets or rights of the debtor that are necessary for the continuity of its business may be initiated, and those legal proceedings initiated prior to such notice shall be suspended. Nevertheless, public law claims shall not be subject to this enforcement limitation.

In addition, no individual financial creditor may initiate enforcement actions against the debtor (and those already initiated shall be suspended) if creditors holding at least 51 per cent. of the financial liabilities against the debtor have expressly agreed to start negotiating with the debtor in order to arrange a refinancing agreement and have also agreed not to file or continue enforcement actions against the debtor while the debtor and its creditors are still negotiating.

Despite the foregoing, secured parties will still be entitled to bring court or out-of-court enforcement proceedings against the corresponding secured assets. However, once proceedings have been initiated, they shall be immediately suspended.

Pursuant to Article 56 of the Spanish Insolvency Law, once the debtor is declared insolvent, enforcement of security over any assets of the debtor which are necessary for the continuity of its business may not be commenced (and the procedures already initiated before the declaration opening insolvency proceedings shall be suspended) until the earliest of the following occurs: (i) the approval of an arrangement between creditors, unless such agreement is binding on those secured parties, in which case the provisions under such agreement will apply; and (ii) in case the liquidation period has not been initiated, the first anniversary of the declaration of insolvency. Enforcement shall be suspended even if, at the time of the declaration of insolvency, the relevant notices of public auction have been published. The suspension may be lifted or the commencement of enforcement proceedings may be possible if a court resolution which considers that the charged asset is not necessary for the continuity of the debtor's business is obtained from the judge in charge of the debtor's insolvency proceedings. Although, for the purposes of such declaration, the Spanish Insolvency Law points out that those shares or participations in companies whose only activity is the holding of one asset and the liabilities deemed necessary for its financing shall not be deemed necessary for the continuity of the debtor's business, **provided that** the enforcement of securities over those shares or participations does not lead to a termination event or an amending event that allows the insolvent debtor to maintain development of the relevant asset, the interpretation of the corresponding Article of the Spanish Insolvency Law is controversial and there are multiple interpretations between scholars and the existing case law. Finally, the enforcement of the Security shall be subject to Spanish law and, in particular, to the Spanish Insolvency Law, when applicable, which may lead to delays in enforcement.

EU Securitisation Regulation

As discussed in detail in "*Certain Legal and Regulatory Matters Affecting the Receivables and the Notes – EU Securitisation Regulation*" the transaction contemplated herein is subject to the EU Securitisation Regulation. Although the Issuer believes that the transaction is in compliance with the requirements of the EU Securitisation Regulation, as discussed below there is at present some uncertainty in relation to some of these requirements, including in particular with regard to the transparency obligations under Article 7 of the EU Securitisation Regulation.

The Transferor is required to comply with periodic reporting requirements pursuant to Article 7 of the EU Securitisation Regulation and the Servicer will procure the publication of relevant reporting to the extent required by and in accordance with Article 7(1)(a) and Article 7(1)(e) of the EU Securitisation Regulation. There is general market uncertainty regarding the required form of disclosure and also the uncertainty as to the effect of the grandfathering provisions, if any, of the regulatory and implementing technical standards containing the standardised templates developed by ESMA which set out the form in which the relevant reporting entity is required to comply with certain of the periodic reporting requirements when they eventually begin to apply. Furthermore, it is not yet clear how the relevant competent authority intends to monitor and enforce compliance.

In addition, each potential investor is required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purposes of complying with Article 5 of the EU Securitisation Regulation and any corresponding national measures which may be relevant to investors and none of the Issuer, the Arranger, any Lead Manager or any of the other Transaction Parties makes any representation that any such information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

Please refer to the sections entitled "*Certain Legal and Regulatory Matters Affecting the Receivables and the Notes – Legal and Regulatory Matters Affecting the Notes – EU Securitisation Regulation*", "*– EU Securitisation Regulation – regulatory disclosure obligations of the Transferor and the Issuer*", "*– EU Securitisation Regulation – due diligence obligations of Affected Investors*", "*– Simple, Transparent and Standardised Securitisations*", and "*– Compliance with EU Risk Retention Requirements*" for further information on the EU Securitisation Regulation and its implications in relation to this Transaction.

Risks relating to the U.S. 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, subject to certain exclusions and exceptions. The Issuer intends to qualify for the "loan securitization" exclusion provided for in the Volcker Rule, and has been structured so as not to constitute a "covered fund" for purposes of the Volcker Rule and its implementing regulations. However, there can be no assurance that the Issuer will so qualify for such exclusion, and the general effects of the Volcker Rule remain uncertain. If the Issuer is considered a "covered fund", the liquidity of the market for the Notes may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Notes. 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.

See also "*Certain Legal and Regulatory Matters Affecting the Receivables and the Notes – Volcker Rule*" for more detail.

IRISH LEGAL RISKS

Preferred Creditors under Irish Law

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 Irish courts. See the risk factor entitled "*Examinership*" below.

The holder of a fixed security over the book debts of an Irish incorporated company (which would include the Issuer) may be required by the Irish Revenue Commissioners (the "Revenue Commissioners"), by notice in writing from the Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company. Where the holder of the security has given notice to the Revenue Commissioners of the creation of the security within 21 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 Revenue Commissioners' notice to the holder of fixed security. This right of the Revenue Commissioners could be relevant to the security over the Issuer's book debts (including the Issuer Accounts and the Receivables) created by the Security Trust Deed and Cash Management Agreement.

The Revenue Commissioners may also attach any debt due to an Irish tax resident company (or any person who is liable to pay, remit or account for tax to the Revenue Commissioners) by another person in order to discharge any liabilities of the company in respect of outstanding tax (whether Irish, EU, or pursuant to a treaty or mutual assistance agreement) whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the 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 and could be relevant in the context of the security created by the Security Trust Deed and Cash Management Agreement or in relation to any sums standing to the credit of the Issuer Accounts.

Examinership

Examinership is a court procedure available under the Companies Act to facilitate the survival of Irish companies in financial difficulties.

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 one-tenth of the voting share capital of the Issuer 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 this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, 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 the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in 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 either the Irish Circuit Court or the Irish High Court (as applicable, and each, a "relevant Irish Court") when at least one class of creditors whose interests or claims would be impaired by the implementation of the proposals has voted in favour of the proposals and the relevant Irish 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 and the proposals are not unduly prejudicial to the interests of any interested party.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Security 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 Security Trustee would be in a position to reject any proposal which was unfavourable to the Noteholders. The Security Trustee would only be obliged to reject any proposal act if (i) it were instructed to do so by the Note Trustee itself acting on the instructions of the Noteholders through an Extraordinary Resolution or if so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes) and (ii) it were indemnified and/or secured and/or prefunded to its satisfaction against any liabilities which it may incur by so acting. To the extent so instructed and indemnified, the Security Trustee may be entitled to argue, on behalf of the Secured Creditors, at any Irish Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders or the other Secured Creditors, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Noteholders or the other Secured Creditors or resulted in Noteholders or the other Secured Creditors receiving less than they would have if the Issuer was wound up. The primary risks to the holders of the Notes if an examiner were appointed to the Issuer are as follows:

- (a) the Security Trustee may not be able to enforce the Security during the period of examinership;
- (b) the potential for a scheme of arrangement being approved involving the writing down of the debt due by the Issuer to the Noteholders and the other Secured Creditors as secured pursuant to the Security Trust Deed and Cash Management Agreement;
- (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 relevant Irish Court) will take priority over the amounts secured by the charges held for the benefit of the Noteholders and the other Secured Creditors under the Security Trust Deed and Cash Management Agreement.

Centre of Main Interest

The Issuer has its registered office in Ireland. Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Recast EU Insolvency Regulation**"), the Issuer's centre of main interest ("**COMI**") is presumed to be the place of its registered office (i.e. Ireland) in the absence of proof to the contrary and **provided that** the Issuer did not move its registered office within the three months prior to a request to open insolvency proceedings.

As the Issuer's COMI is presumed to be Ireland, any main insolvency proceedings in respect of the Issuer would fall within the jurisdiction of the courts of Ireland. As to what might constitute "proof to the contrary" regarding the location of a company's COMI, the key decision is that in *Re Eurofood IFSC Ltd* ([2004] 4 IR 370 (Irish High Court); [2006] IESC 41 (Irish Supreme Court); [2006] Ch 508; ECJ Case C- 341/04 (European Court of Justice)), given in respect of the equivalent provision in the previous EU Insolvency Regulation (being Regulation (EC) No. 1346/2000). In that case, on a reference from the Irish Supreme Court, the European Court of Justice concluded that "factors which are both objective and ascertainable by third parties" would be needed to demonstrate that a company's actual situation is different from that which the location of its registered office is deemed to reflect.

Notwithstanding that the Securitised Portfolio consists of Spanish unsecured consumer loans, given that the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has retained an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut the presumption that its COMI is located in Ireland (rather than another EU jurisdiction such as Spain), although this would ultimately be a matter for the relevant court to decide based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI was found to be in another EU jurisdiction and not in Ireland, main insolvency proceedings would be opened in that jurisdiction instead.

TAX RISKS

Spanish tax risk

Investors should be aware that there is a risk that the Spanish tax authorities may take the view that interest payments under the Notes are income obtained in Spain and certain Noteholders may be, therefore, subject to taxation on that income in Spain. Should the Spanish tax authorities take this view:

- (a) it should have no impact on the current tax position of: (i) those Noteholders who are tax resident in an EU Member State other than Spain and are not acting through a permanent establishment in Spain nor through a territory considered as a tax haven for Spanish tax purposes (as interest paid to them under the Notes in such a case is exempted from Spanish taxation pursuant to the applicable Spanish tax laws currently in force), (ii) those Noteholders who are tax resident in a country with which Spain had signed a double tax treaty containing a full exemption from Spanish taxes in the case of interest payments which is applicable to such Noteholders and (iii) those Noteholders who are tax resident in Spain (as interest paid to them under the Notes is already subject to taxation in Spain pursuant to the applicable Spanish tax laws currently in force). In the event the Spanish tax authorities sought to subject payments of interest received by a Noteholder to taxation in Spain, the application of the exemption mentioned in (i) and (ii) to the applicable Noteholder would be subject to that Noteholder's compliance, at the time, with the applicable formalities required in Spain (which would include the provision of a tax residence certificate issued by the competent tax authorities of their country of residence in accordance, where applicable, with the provisions of the corresponding double tax treaty); and
- (b) interest paid to Noteholders who are tax resident in a jurisdiction outside the EU would be taxed in Spain at a rate of 19% (or such other rate set out in the applicable double tax treaty (if any) between Spain and the jurisdiction where the Noteholder is tax resident subject to compliance, at the time, with the applicable formalities required in Spain which would include the provision of a tax residence certificate issued by the competent tax authorities of their country of residence).

Prospective holders of the Notes are advised to seek their own professional advice in relation to this issue

EU Anti-Tax Avoidance Directives

As part of its anti-tax avoidance package, the European Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the European Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the "**ATAD 1**"). The ATAD 1 must be implemented by each Member State by 2019, subject to derogations for Member States which have equivalent measures in their domestic law. Amongst the measures contained in the ATAD 1 is an interest deductibility limitation rule similar to the recommendation contained in the Base Erosion and Profit Shifting ("**BEPS**") action proposals. Ireland is currently availing of a derogation in respect of having to implement the interest deductibility limitation rule contained in the ATAD 1. This derogation is potentially available until 1 January 2024. However, it has been indicated that the interest deductibility limitation rule may be implemented at an earlier date in Ireland, potentially as early as 1 January 2020.

The second Anti-Tax Avoidance Directive (the "**ATAD 2**", and, together with ATAD 1, the "**ATADs**") was adopted as Council Directive (EU) 2017/952 on May 29 2017. ATAD 2 must be implemented by all EU member states by January 1, 2020, with certain exceptions.

When implemented, it is possible that the ATADs may affect the tax treatment of the Issuer's profits and therefore the Issuer's ability to make payments on the Notes. However, in the absence of implementing legislation, the possible implications of the ATADs are to a large extent, unascertainable at this time.

Amongst the measures contained, in the ATAD 1 is an interest deductibility limitation rule similar to the recommendation contained in the BEPS Action 4 proposals. The ATAD 1 provides that interest costs in excess of the higher of (a) €3,000,000 or (b) 30% of an entity's earnings before interest, tax, depreciation and amortisation will not be deductible in the year in which they are incurred but would remain available for carry forward. However, the restriction on interest deductibility would only be in respect of the amount by which the borrowing costs exceed "interest revenues and other equivalent taxable revenues from financial assets". Accordingly, as the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under Receivables (that is such that the Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if the ATAD 1 were implemented as originally published. There is also a carve out in the ATAD 1 for financial undertakings, although as currently drafted the Issuer would not be treated as a financial undertaking.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholders, but the inability of the Obligors to pay interest, principal or other amounts on the Receivables and consequently 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 statements above regarding the risks of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus lessen some of the risks for the Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to the Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

CERTAIN LEGAL AND REGULATORY MATTERS AFFECTING THE RECEIVABLES AND THE NOTES

The following is an outline of certain aspects of law, regulation and practice in force at the date hereof which are applicable to the Receivables and the Notes. It does not purport to be a complete summary of currently applicable law, regulation or practice, and should not therefore be treated as a substitute for professional advice. Prospective Noteholders who are in any doubt as to any matter described in this Prospectus should consult their own professional advisors.

Legal and Regulatory Matters Affecting the Receivables

The following is an outline of certain aspects of law, regulation and practice in force at the date hereof which are applicable to the Receivables and the Notes. It does not purport to be a complete summary of currently applicable law, regulation or practice, and should not therefore be treated as a substitute for professional advice. Prospective Noteholders who are in any doubt as to any matter described in this Prospectus should consult their own professional advisors.

Legal and Regulatory Matters Affecting the Receivables

Formalities to be complied with regarding the Receivables' assignment, notice of assignment and set-off

Pursuant to the Spanish conflict of law rules:

- (a) the validity and enforceability between the transferor and the transferee will be governed by the law chosen by the parties to govern such transfer in accordance with, and subject to the limitations set forth in, Council Regulation (EC) N° 593/2008 of 17 June 2008 on the law applicable to contractual obligations (the "**Rome I Regulation**").

Accordingly, the competent Spanish courts (if any) shall recognise the assignment as valid and enforceable between the Transferor and the Issuer to the extent that it is so valid and enforceable under Spanish law (as the law which will contractually govern the Receivables Sale Agreement);

- (b) the validity and enforceability of the assignment against the Obligors will be governed by the law governing the Receivables in accordance with Article 14.2 of the Rome I Regulation (pursuant to which "the law governing the receivable shall determine its assignability, the relationship between the purchaser and the obligor thereof, the conditions under which the assignment can be invoked against the obligor and any question on whether the obligor's obligations have been discharged").

Accordingly, the competent Spanish courts (if any) shall recognise the assignment as valid and enforceable against the Obligors to the extent that it is so valid and enforceable under Spanish law, as the law contractually governing the Receivables; and

- (c) it is worth noting that the Rome I Regulation does not address the question of the validity and enforceability of an assignment against third parties other than the debtor (which include, in particular, the assignor's creditors and the insolvency state of the assignment). As a result, this question is at present to be determined under the applicable conflict of laws rules of the jurisdiction of the Court being asked to make such determination.

Pursuant to Spanish conflict of law rules (namely, Article 10.1 of the Spanish Civil Code), the creation and transfer of *in rem* rights (including ownership) on any assets (including contractual claims such as the claims arising under the Receivables) is governed by the law where the relevant assets are located (*lex situs* or *lex rei sitae*). From a Spanish law perspective, the question of the geographical localisation of a receivable is still debated among scholars and the case law is scarce and unclear.

However, it must be noted that the Recast EU Insolvency Regulation (which has direct legal effects in EU member states) specifies that a claim/receivable (other than cash held in accounts with a credit institution) is located in the jurisdiction of the centre of main interest (COMI) of its debtor and, although such specification is confined to the matters governed by the Regulation, it is very likely that a Spanish court will apply it to other matters, including the location of a receivable for the purposes of Article 10.1 of the Spanish Civil Code).

In this respect, pursuant to Article 1526 of the Spanish Civil Code, an assignment of credit will be effective against third parties only as from the date on which such assignment must be deemed to be effective against third parties in accordance with Article 1218 and 1227 of the Spanish Civil Code. In this respect, please note that:

- (a) according to Article 1218 of the Spanish Civil Code, any assignment which has been executed by means of a notarised deed will become effective against third parties as from the date of the execution of such notarised deed. Moreover pursuant to Article 1227 of the Spanish Civil Code, any assignment which has not been executed by means of a notarised deed will only become effective against third parties as from (i) the date of its registration with an official registry, (ii) the date of the death of any of the signatories of such document, or (iii) the date of presentation of the relevant document to the competent authorities (if any);
- (b) notwithstanding the above, consistent case-law (first judgements having been rendered in the early 80s) has ruled that notarisation is not necessary to provide certainty as to the date of any assignment of receivables, a private document being sufficient for these purposes where the parties can prove by means of other evidences (account books and records, account statements, etc.) that a true sale of the relevant receivables had taken place on the relevant purchase dates. There are no specific recommended means of evidence. Anything which parties can use to prove that a true sale of the relevant receivables had taken place on the relevant purchase dates would help: account books and records of both parties, account statements of both parties, correspondence between them, etc.

Article 1527 of the Spanish Civil Code states that payments by a debtor will have the effect of discharging the debtor's obligations to the Transferor until the debtor has knowledge or the assignment or it has been notified to him.

Pursuant to Article 1198 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 Issuer and the Security Trustee the amounts of any claims against the Transferor 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 against the Issuer all defences that would have been available to it from transactions entered into between it and the Transferor arising before the debtor had knowledge of the assignment.

Consequently, until a notice has been delivered to each Obligor, there will be the following consequences:

- (a) each Obligor is likely, and entitled, by virtue of his lack of knowledge of the sale, to continue to make payments under the relevant Receivable to the Transferor.
- (b) the Transferor must give an Obligor a good discharge for payment upon receiving the relevant monies from an Obligor;
- (c) an Obligor may set-off against the Issuer claims against the Transferor arising prior to receipt by the Obligor of a notice (*deudas anteriores*), although the giving of such notice to the Obligor will not preclude an Obligor to set-off against the Issuer a subsequent claim (*deuda posterior*) if it is closely or inseparably connected (*créditos ex eadem causa*). In this regard, an Obligor may raise a defence even if it arises after the Obligor has received notice of the assignment;
- (d) notice to an Obligor would preclude the modification of the terms of the relevant Receivable Sale Agreement without the consent of the Issuer to the extent that such modifications affect the rights of the Issuer under a Receivable; and
- (e) until delivery of a notice to each Obligor, the Issuer will have to join the Transferor as party to any action which the Issuer may wish to take against an Obligor.

Legal and Regulatory Matters Affecting the Notes

Fixed charges may take effect under English law as floating charges

Pursuant to the terms of the Security Trust Deed and Cash Management Agreement, the Issuer has purported to grant fixed charges over, amongst other things, its interests in the Receivables and their Related Security and its rights and benefits in the Issuer Accounts.

The law in England and Wales relating to the characterisation of fixed charges is not settled. The fixed charges purported to be granted by the Issuer may take effect under English law as floating charges only, if, for example, it is determined that the Security Trustee does not exert sufficient control over the charged property for the security to be said to "fix" over those assets. It should be assumed by Noteholders that the fixed charges will take effect as floating charges. If the charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets. In particular, the expenses of any administration, and the claims of any preferential creditors and the claims of unsecured creditors would rank ahead of the claims of the Security Trustee in this regard. The Enterprise Act 2002 abolished the preferential status of certain Crown debts (including the claims of the United Kingdom tax authorities). However, certain employee claims (in respect of contributions to pension schemes and wages) still have preferential status. In this regard, it should be noted that the Issuer has agreed in the Transaction Documents not to have any employees.

In addition, any administrative receiver, administrator or liquidator appointed in respect of the Issuer will be required to set aside the prescribed percentage or percentages of the floating charge realisations in respect of the floating charges contained in the Security Trust Deed and Cash Management Agreement (as described in more detail above in "*Risk Factors – Regulatory and Legal Risks – Insolvency considerations and English law security*").

EU Securitisation Regulation

The European authorities adopted the EU Securitisation Regulation on 28 December 2017. The EU Securitisation Regulation has applied from 1 January 2019 and is a cross-sectoral regulation that replaces a number of previous regulatory requirements which applied to certain categories of investors in securitisations.

The EU Securitisation Regulation provides for revised risk retention and disclosure requirements (now imposed variously on a securitisation special purpose entity, originator, sponsor and/or original lender of a securitisation) as well as new and enhanced due diligence requirements for Affected Investors (as defined below) prior to acquiring the relevant securitisation position and on an ongoing basis whilst the Affected Investor holds the securitisation position. For information on how the Transferor complies with the risk retention requirements of the EU Securitisation Regulation, see "*Compliance with EU Risk Retention Requirements*" below.

EU Securitisation Regulation – regulatory disclosure obligations of the Transferor and the Issuer

The EU Securitisation Regulation (and, in particular, Article 7 of the EU Securitisation Regulation) imposes certain enhanced disclosure requirements on securitisation special purpose entities, originators and sponsors of all securitisation transactions under which any securities are issued after 1 January 2019. Such requirements include the disclosure, on a periodic basis, of information in relation to (amongst other things) the underlying exposures. Article 7 of the EU Securitisation Regulation provides for regulatory technical standards and implementing technical standards (together, the "**Technical Standards**") which specify the information which must be provided in order to comply with certain of these periodic disclosure requirements and the standardised templates on which such information must be provided.

As of the date of this Prospectus, ESMA, which is required to draw up the Technical Standards, has prepared draft versions of these Technical Standards, but these drafts have not yet been approved by the European Commission. It is not clear when final versions will be approved and whether, and to what extent, such final versions will differ from the drafts. Pending the approval of the draft Technical Standards, the transitional provisions in the EU Securitisation Regulation provide for the satisfaction of the periodic disclosure requirements by a reporting entity making available the information referred to in the templates contained in an earlier EU regulation, Delegated Regulation (EU) 2015/3 (otherwise known as CRA3).

The draft Technical Standards contemplate that it will be permissible in some cases for a reporting entity to disclose only that it has no data in respect of certain matters. However, whether and to what extent any such disclosure is adequate under the transitional arrangements or will be adequate under the Technical Standards that are ultimately approved is not presently clear. A joint statement published on 30 November 2018 by ESMA and the other European supervisory authorities sought to provide some comfort that competent authorities should use their supervisory powers in relation to the interim requirements for reporting under Articles 7(1)(a) and (e) in a proportionate and risk-based manner. However, it is not possible to predict the manner, if any, in which competent authorities will take account of the joint statement when exercising powers under the EU Securitisation Regulation.

The Transferor is the designated entity under Article 7(2) of the EU Securitisation Regulation responsible for providing the information set out in Articles 7(1)(a)-(g), and will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf.

The Transferor has given an undertaking in the Transaction Documents in relation to its risk retention obligation under Article 6 of the EU Securitisation Regulation, and the Issuer, the Servicer and the Transferor have given certain other undertakings in the Transaction Documents (for example, in relation to disclosure of information) which may be of relevance to the Transferor's compliance with the EU Securitisation Regulation.

EU Securitisation Regulation – due diligence obligations of Affected Investors

Each Affected Investor that is required to comply with Article 5 of the EU Securitisation Regulation is required to independently assess and determine the sufficiency of the information described in this Prospectus and which may otherwise be made available to investors for the purposes of its initial and ongoing compliance with Article 5 of the EU Securitisation Regulation. Although the Servicer will produce the monthly reports and the Issuer may make announcements from time to time in accordance with applicable law or regulation or the terms of the Notes, none of the Issuer, the Transferor, the Arranger, the Lead Manager or any of the other Transaction Parties (i) makes any representation that the information described above or elsewhere in this Prospectus or which may otherwise be made available to such investors or to which such investors are entitled (if any) is sufficient for such purposes, (ii) shall have any liability to any actual or prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of Article 5 of the EU Securitisation Regulation or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation (including, but not limited to, the provision of additional information) to enable compliance by Affected Investors with the requirements of Article 5 of the EU Securitisation Regulation or any other applicable legal, regulatory or other requirements. Affected Investors should therefore be aware that should they determine at any time, whether for their initial investment or as a result of changes following the end of the transitional period for reporting under Article 7 of the EU Securitisation Regulation or otherwise, that they have insufficient information in order to comply with their own due diligence obligations under Article 5 of the EU Securitisation Regulation, there is no obligation on the Issuer, the Transferor or any other party (including, for the avoidance of doubt, the Arranger or any Lead Manager) to provide further information to meet such insufficiency.

"Affected Investor" means each of EU-regulated credit institutions, EU-regulated investment firms, certain alternative investment fund managers, EU-regulated insurers or reinsurers, certain investment companies authorised in accordance with Directive 2009/65/EC, managing companies as defined in Directive 2009/65/EC, institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 (subject to certain exceptions), and certain investment managers and authorised entities appointed by such institutions subject thereto.

Simple, Transparent and Standardised Securitisations

Although the securitisation transaction described in this Prospectus has been structured to comply with the requirements for STS securitisations, and STS compliance has been verified by PCS (see "*STS Verification*" below and the section entitled "*Listing and General Information – STS Requirements*"), no guarantee can be given that it has or will continue to have this status throughout its lifetime. STS requirements may change over time or parties on which the Issuer relies in order for the Notes to continue to meet the STS criteria fail to perform their obligations under the Transaction Documents. In addition, no assurance can be given on how competent authorities will interpret and apply the STS requirements, any international or national regulatory guidance may be subject to change following the initial STS notification, and related regulations

such as the Capital Requirements Regulation and the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing Regulation (EU) 575/2013 with regard to the Liquidity Coverage Requirement for Credit Institutions, as amended (the "**LCR Regulation**"), are subject to change, and, therefore, what is or will be required to demonstrate compliance with the STS requirements to national regulators remains unclear. Non-compliance with such status may result in higher capital requirements for investors. Furthermore, non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Transferor which may be payable or reimbursable by the Issuer or the Transferor. The Issuer does not have any funds to meet these obligations other than the sources of funds described in the section entitled "*Risk Factors – Structural Considerations– The Issuer's Assets and Ability to Meet its Obligations under the Notes*". Although the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*) has been designated as the Spanish competent authority to supervise the compliance of originators, sponsors, and SSPEs with Articles 18 to 27 of the EU Securitisation Regulation, the relevant procedure or protocol to inform them, as competent authority, of the STS notification in accordance with article 27.1 of the EU Securitisation Regulation has not been published yet. In any event, the absence of such procedure, and therefore the impossibility of making the relevant notification should not be an impediment for the transaction to be considered STS.

In addition, following any withdrawal of the UK from the EU, the EU Securitisation Regulation and other related regulations are expected to be adopted into UK law (and subject to the publication of national regulatory guidance), and, therefore, the Notes may no longer satisfy such requirements under EU law and/or UK law, as applicable. The STS status of the transaction is not static and prospective investors should verify the current status of such Notes on ESMA's website.

Failure by an investor to comply with any due diligence requirements applicable to it may result in various penalties, including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the Notes acquired by the relevant investor.

STS Verification

With respect to the STS notification, the Transferor has obtained a verification of compliance of such notes with the STS requirements, as well as with relevant provisions of Article 243 and Article 270 of the Capital Requirements Regulation and/or Article 7 and Article 13 of the LCR Regulation (an "**STS Verification**"), from Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), a third party verification agent authorised under Article 28 of the EU Securitisation Regulation (an "**Authorised Verification Agent**"). It is important to note that the involvement of an Authorised Verification Agent is not mandatory and the responsibility for compliance with the EU Securitisation Regulation remains with the relevant institutional investors, originators, sponsors, funding entities and issuers, as applicable in each case. Notwithstanding PCS's verification of compliance of a securitisation with articles 19 to 22 of the EU Securitisation Regulation, such verification by PCS does not ensure the compliance of a securitisation with the general requirements of the EU Securitisation Regulation. An STS Verification will not absolve such entities from making their own assessment and assessments with respect to the EU Securitisation Regulation, the relevant provisions of Article 243 and Article 270 of the Capital Requirements Regulation and/or Article 7 and Article 13 of the LCR Regulation, and an STS Verification cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. Furthermore, an STS Verification is not an opinion on the creditworthiness of the Notes nor on the level of risk associated with an investment in the 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 Notes. Institutional investors that are subject to the due diligence requirements of the EU Securitisation Regulation need to make their own independent assessment and may not solely rely on any STS Verification, the STS notification or other disclosed information.

Compliance with EU Risk Retention Requirements

Investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including the position of its note in the relevant priorities of payment, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not

less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes for certain categories of investor. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with the relevant EU risk retention and due diligence requirements should seek guidance from their regulator and/or independent advice on the issue. In this regard investors should be aware that although the asset exposures to be held by the Transferor are transferable, the Transferor has covenanted to maintain its retention, on an ongoing basis as an originator within the meaning of the EU Securitisation Regulation with a material net economic interest of at least 5 per cent. in the securitisation, in accordance with the EU Risk Retention Requirements. Any change to the manner in which such interest is held will be notified to investors. Should the Transferor cease to retain such a material net economic interest in accordance with the EU Risk Retention Requirements for any reason (including as a result of a disposal or the insolvency of the Transferor) then there would no longer be a retention in compliance with Article 6 of the EU Securitisation Regulation. Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Servicer, the Transferor, the Arranger nor the Lead Manager or any other party makes any representation that the information described above is sufficient in all circumstances for such purposes

The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

In the event that a regulator determines that an investor's investment in the Notes did not comply or is no longer in compliance with the EU risk retention and due diligence requirements described above, then that investor may be required by its regulator to set aside additional capital against its investment in the Notes or take other corrective action. In addition, affected investors may be less likely to purchase any of the Notes, which may have a negative impact on the ability of investors in the Notes to resell their Notes in the secondary market or on the price realised for such Notes.

U.S. Risk Retention

The U.S. Risk Retention Rules came into effect on 24 December 2016 and generally require the "sponsor" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The transaction will not involve risk retention by the Transferor for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance 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 securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under the laws of the United States or any state, is an unincorporated branch of an entity organised under the laws of the United States or any state or is a branch located in the United States of an entity organised under the laws of a jurisdiction other than the United States or any state; and (4) if the sponsor or issuer is organised under the laws of a jurisdiction other than the United States, no more than 25 per cent.

of the underlying collateral was acquired from a majority-owned affiliate of the sponsor that is organised under the laws of the United States or branch of the sponsor or issuer located in the United States.

The Notes may not be purchased by, or for the account or benefit of, Risk Retention U.S. Persons except in accordance with the exemption under Section 20 and with the prior consent of the Transferor and disclosure to the Lead Manager. 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 under Regulation S under the Securities Act and that an investor could be a Risk Retention U.S. Person but not a U.S. person under Regulation S.

The consequences of non-compliance with the U.S. Risk Retention Rules are unclear, but investors should note that the liquidity and/or value of the Notes could be adversely affected by any such non-compliance.

Volcker Rule

The Issuer is of the view that it is not now, and immediately following the issuance of the Notes and the application of the proceeds thereof it will not be, a "covered fund" as defined in the regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (such statutory provision together with such implementing regulations, the "**Volcker Rule**"). In reaching this conclusion, although other exclusions from the definition of "covered fund" may be available to the Issuer, the Issuer intends to qualify for the "loan securitization" exclusion provided for in the Volcker Rule and, accordingly, it is excluded from the definition of a "covered fund" under the Volcker Rule. However, there can be no assurance that the Issuer will so qualify for such exclusion, and 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.

CRA Regulation

Prospective investors should note the provisions of the CRA Regulation which requires, among other things, issuers or related third parties intending to solicit a credit rating of a structured finance instrument to appoint at least two credit rating agencies to provide credit ratings independently of each other.

Regulatory treatment 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 for certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Lead Manager, the Arranger or the Transferor make any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date or at any time in the future.

In particular, investors should note that the Basel Committee on Banking Supervision ("**BCBS**") has approved a series of significant changes to the Basel regulatory capital and liquidity framework (such changes being referred to by the BCBS as "**Basel III**"), including revisions to the securitisation framework which may result in increased regulatory capital requirements in respect of certain positions. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio ("**LCR**") and the "Net Stable Funding Ratio"). BCBS member countries agreed to implement the initial phase of the Basel III reforms from 1 January 2013 and the second phase from 1 January 2022, subject to transitional and phase-in arrangements for certain requirements up to January 2027, although these timelines remain unclear until such rules are translated into draft European legislation. As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset backed securities, may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

On 19 November 2018 the European Commission Delegated Regulation (EU) 2018/1620 entered into force, which amends Delegated Regulation (EU) 2015/61 implementing the LCR. The amendments will apply from 30 April 2020 and will introduce, among other revisions, simple, transparent and standardised criteria for securitisation into the LCR Delegated Regulation (see also the section entitled "*EU Securitisation Regulation*"). The effect of this will be that certain LCR eligible securitisations which would currently be eligible as high quality liquid assets for the purposes of the LCR would likely cease to be so eligible following the application date of the revised delegated regulations unless they are at such time classified as simple, transparent and standardised ("**STS**") securitisations. While the Transferor has submitted an STS Notification that the transaction meets the criteria to be an STS securitisation, there is no obligation on the Issuer, the Transferor, the Arranger, the Lead Manager or any of the other transaction parties to ensure that the securitisation is classified as STS as at the application date of the revised delegated regulations. The revised delegated regulations are anticipated to apply from approximately the middle of 2020. Neither the Issuer nor the Transferor gives any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will at any time prior to redemption in full, be LCR eligible.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the Basel framework and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

EMIR and MiFID II/MiFIR

The Cap Counterparty has agreed to enter into the Cap Agreement with the Issuer and investors should be aware that, further to EMIR, the Issuer is subject to certain regulatory requirements including, but not limited to, various compliance requirements for non-cleared "over-the-counter" derivative transactions (known as the 'risk mitigation techniques') and the requirement to report derivative transactions to a trade repository or to the ESMA which may result in future amendments by the Issuer to the Transaction Documents, in particular where Noteholder consent will not be required for such amendments. The 'risk mitigation techniques' include requirements for timely confirmation, portfolio reconciliation, and dispute resolution. EMIR Reporting Agent will provide services to the Issuer pursuant to the terms of a reporting services agreement to be entered into between the EMIR Reporting Agent and the Issuer on or about the Closing Date which are required in order for the Issuer to comply with its reporting obligations under EMIR, to the extent that they may be delegated. The Issuer considers itself to be a "non-financial counterparty" for the purposes of EMIR, that is not subject to the clearing or the margin-posting requirements ("**NFC-**"). However, there is no certainty that the Issuer's status as a non-financial counterparty will not change in the future, which could then result in margin-posting requirements (or other requirements under EMIR) applying to the Issuer. If these obligations did apply to the Issuer and if the Issuer was unable to comply with them, this could (i) lead to regulatory sanctions, (ii) adversely affect the ability of the Issuer to continue to be party to the Cap Agreement (possibly resulting in a restructuring or termination of the Cap Agreement), (iii) significantly increase the cost of such arrangements, thereby negatively affecting the ability of the Issuer to hedge certain risks; and (iv) cause an Event of Default to occur with respect to the Notes. As a result, the amounts available to the Issuer to meet its obligations in respect of the Notes may be reduced, which may in turn result in investors receiving less interest or principal than expected.

The EU regulatory framework and legal regime relating to derivatives is set not only by EMIR but also by the Markets in Financial Instruments Directive as set out in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and "**MiFID II**" and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("**MiFIR**") together with MiFID II "**MiFID II/MiFIR**", together with delegated acts and technical standards which set out further detail of the requirements under MiFID II / MiFIR.

Member States were required to adopt and publish their laws, regulations and administrative provisions transposing MiFID II into national law by 3 July 2017, and to apply those measures from 3 January 2018. As an EU Regulation, MiFIR automatically forms part of the national law of each Member State, so does not require implementing legislation. MiFIR came into effect on 3 January 2018.

Amongst other requirements, MiFIR requires certain standardised derivatives to be traded on exchanges and other electronic trading platforms (the "**Trading Obligation**"). Certain interest rate and credit derivatives transactions are subject to the Trading Obligation from 3 January 2018, and further regulatory technical standards will be developed to determine which other derivatives transactions will be subject to

the Trading Obligation. On the basis that the Issuer is an NFC- under EMIR, the Issuer will currently not be subject to the Trading Obligation.

Prospective investors should be aware that any regulatory changes arising from EMIR and MiFID II/MiFIR may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Issuer's ability to engage in transactions in OTC derivatives. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR and MiFID II/MiFIR, and any technical standards made thereunder, in making any investment decision in respect of the Notes.

The Notes may not be a Suitable Investment for all Investors

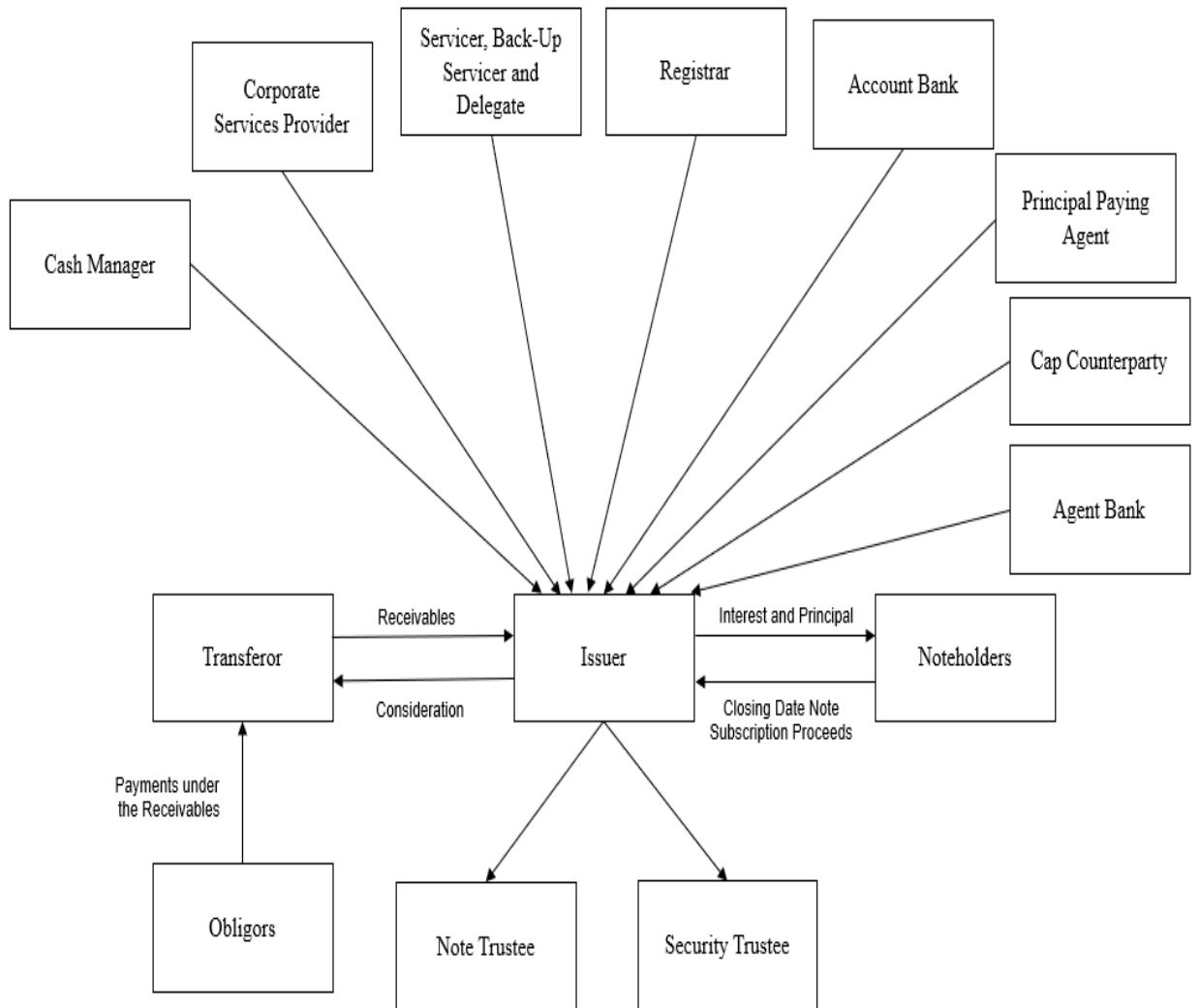
A potential investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

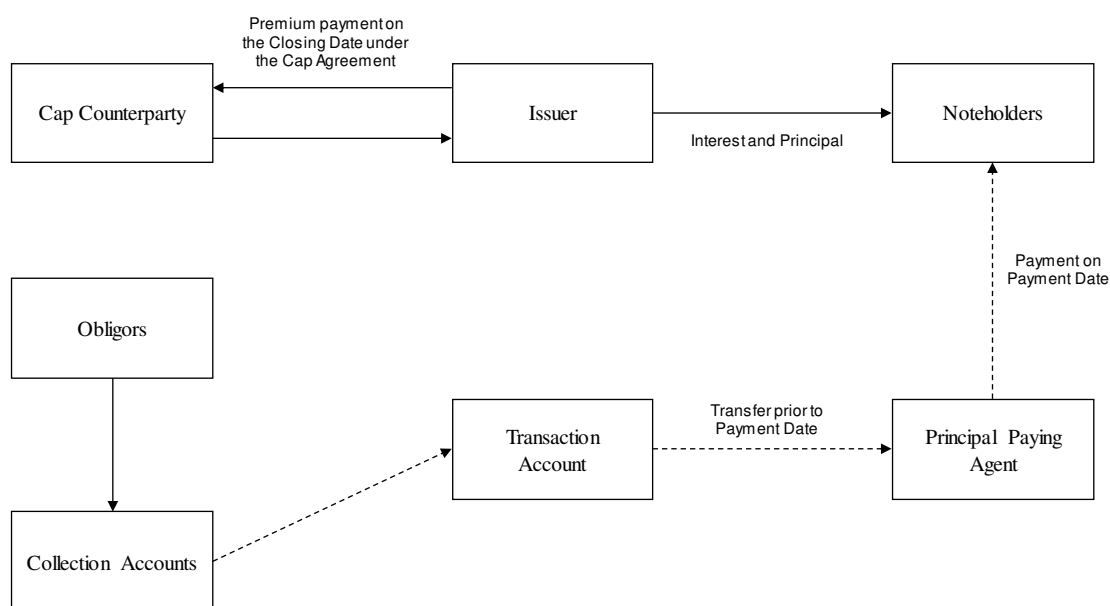
- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

See also "*Risk Factors – Regulatory and Legal Risks*".

DIAGRAMMATIC OVERVIEW OF THE TRANSACTION

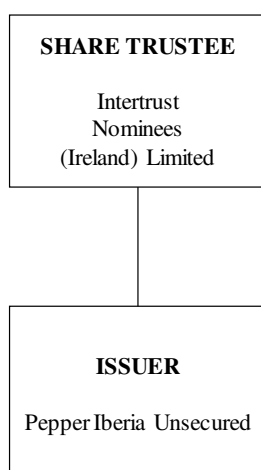


DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOWS



The Transferor (and where relevant, the Servicer and/or the Delegate) is obliged to procure the transfer of Collections to the Transaction Account within one Business Day following receipt as cleared funds into the relevant Collection Account (or, in the case of Collections received from but excluding the Initial Cut-Off Date to and excluding the Closing Date, within three Business Days of the Closing Date), (excluding (1) the Retention Amount, and (2) any amounts of Collections to be transferred to the Transferor pursuant to Clauses 7 (*Repurchase of Receivables*), 8 (*Call Option*) or 11 (*Breach of Warranty*) of the Receivables Sale Agreement) (subject to the provisions of the Security Trust Deed and Cash Management Agreement) and **provided further that**, where the Transferor (or the Servicer on its behalf) has been unable to transfer such Collections within such period as a result of operational failure, then the Transferor or Servicer shall transfer such Collections no later than the second Business Day following receipt of cleared funds into the relevant Collection Accounts.

DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP STRUCTURE



The entire issued share capital of the Issuer is legally owned by Intertrust Nominees (Ireland) Limited (the "**Share Trustee**") on discretionary trust, the benefit of which is expressed to be for charitable purposes.

TRANSACTION OVERVIEW

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

Party	Name	Address	Document under which appointed/Further information
Issuer	Pepper Iberia Unsecured 2019 DAC	1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland	See the sections entitled " <i>Diagrammatic overview of the ownership structure</i> " and " <i>Issuer</i> " for further information
Transferor	Pepper Finance Corporation, S.L.U.	Calle Juan Esplandiú 13 C1, Madrid, Spain	See the section entitled " <i>The Transferor</i> " for further information
Servicer	Pepper Assets Services, S.L.U.	Calle Juan Esplandiú 13 C1, Madrid, Spain	Servicing Agreement See the section entitled " <i>Servicing and Cash Management</i> " for further information
Cash Manager	Pepper Assets Services, S.L.U.	Calle Juan Esplandiú 13 C1, Madrid, Spain	Security Trust Deed and Cash Management Agreement See the sections entitled " <i>Servicing and Cash Management</i> " and " <i>Cashflows and Cash Management</i> " for further information
Back-Up Servicer	Link Financial Outsourcing Limited	Camelford House, 89 Albert Embankment, London SE1 7TP, England	Back-Up Servicing Agreement See the section entitled " <i>Servicing and Cash Management</i> " for further information
Delegate	Link Finanzas S.L.	Madrid, Avenida de Burgos nº 17, CP 28036	Back-Up Servicing Agreement See the section entitled " <i>Servicing and Cash Management</i> " for further information
Cap Counterparty	J.P. Morgan AG	Taunusturm, Taunustor 1, 60310 Frankfurt am Main, Germany	Cap Agreement See the sections entitled " <i>Key Structural Features – Interest Rate Cap Transaction</i> " and " <i>The Cap Counterparty</i> " for further information.
Account Bank	Citibank Europe plc	1 North Wall Quay, Dublin 1, Ireland	Account Bank Agreement See the sections entitled " <i>Key Structural Features – Transaction Account</i> " for further information.
Account Agent	Citibank N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Account Bank Agreement.

Party	Name	Address	Document under which appointed/Further information
Special Collection Account Bank	Banco Santander, S.A.	Marques de Lozoya, 24, CP 28007 Madrid	Special Collection Pledge Account
Direct Debit Collection Account Banks	Bankia	C. Marceliano Santa María nº 2, CP28036 Madrid	Direct Debit Collection Pledge Accounts
	Bankinter		
	CaixaBank	C/Miguel Faraday, 20 – of, A-203, CP 28906 Getafe, Madrid C. Doctor Esquerdo, 102, CP 28007 Madrid	
Back-Up Servicer Collection Account Operating Bank	Banco Santander, S.A.	Avenida de Burgos nº 8 28036, Madrid	Back-Up Servicer Collections Pledge Agreement
Note Trustee	Citibank Europe plc	1 North Wall Quay, Dublin 1, Ireland	Trust Deed and Security Trust Deed and Cash Management Agreement See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information
Security Trustee	Citibank Europe plc	1 North Wall Quay, Dublin 1, Ireland	Trust Deed and Security Trust Deed and Cash Management Agreement See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information
Agent Bank	Citibank Europe plc	1 North Wall Quay, Dublin 1, Ireland	See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information
Principal Paying Agent	Citibank Europe plc	1 North Wall Quay, Dublin 1, Ireland	See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information
Corporate Services Provider	Intertrust Management Ireland Limited	2 nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland	Corporate Services Agreement See the section entitled " <i>Issuer</i> " for further information
Arranger	Citigroup Global Markets Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	N/A
Lead Manager	Citigroup Global Markets Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	See the section entitled " <i>Subscription and Sale</i> " for further information.

Party	Name	Address	Document under which appointed/Further information
Share Trustee	Intertrust Nominees (Ireland) Limited	2 nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland	See the section entitled " <i>Diagrammatic Overview of the Ownership Structure</i> "
Listing Authority and Stock Exchange	Irish Stock Exchange trading as Euronext Dublin	28 Anglesea Street, Dublin 2, Ireland	N/A.
Clearing Systems	Euroclear	33 Cannon Street, London EC4M 5SB, United Kingdom	N/A.
	Clearstream, Luxembourg	42 Avenue JF Kennedy, L 1855 Luxembourg	N/A.
Rating Agencies	S&P Global Ratings Europe Limited	20 Canada Square, London E14 5LH, United Kingdom	N/A.
	DBRS	20 Fenchurch Street, 31 st Floor, London EC3M 3BY, United Kingdom	N/A

FULL CAPITAL STRUCTURE OF THE NOTES

	Class A	Class B	Class C	Class D	Class J
Currency	€	€	€	€	€
Initial Principal Amount	€166,900,000	€10,900,000	€9,800,000	€21,800,000	€14,000,000
Credit Enhancement Features	Subordination of Class B Notes, Class C Notes, Class D Notes and Class J Notes. Excess Spread.	Subordination of Class C Notes, Class D Notes and Class J Notes. Excess Spread.	Subordination of Class D Notes, Class J Notes. Excess Spread.	Subordination of Class J Notes. Excess Spread.	N/A
Liquidity Support Features	Cash Reserve Fund applied to make up Revenue Shortfall and Principal Available Funds to make up a Remaining Revenue Shortfall.	Cash Reserve Fund applied to make up Revenue Shortfall and Principal Available Funds to make up a Remaining Revenue Shortfall if Class B Notes are the Most Senior Class.	Cash Reserve Fund applied to make up Revenue Shortfall and Principal Available Funds to make up a Remaining Revenue Shortfall if Class C Notes are the Most Senior Class.	Cash Reserve Fund applied to make up Revenue Shortfall and Principal Available Funds to make up a Remaining Revenue Shortfall if Class D Notes are the Most Senior Class.	N/A
Issue Price	100%	100%	100%	100%	100%
Reference Rate	1m EURIBOR	1m EURIBOR	1m EURIBOR	1m EURIBOR	N/A
Margin	0.51%	1.00%	1.30%	1.80%	N/A
Relevant Fixed Rate	N/A	N/A	N/A	N/A	7.00%
Interest Accrual Method	Actual/360				
Payment Dates	Interest will be payable monthly in arrear on each Payment Date commencing on the First Payment Date, subject to the Business Day Convention.				
Business Day Convention	Following				
First Payment Date	The Payment Date falling in November 2019				
First Interest Period	The period from the Closing Date to the First Payment Date				

	Class A	Class B	Class C	Class D	Class J
Early Redemption in Full Events		Clean-up call, tax call and call option, as further described in Condition 9 (<i>Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation</i>).			
Pre-Enforcement Redemption Profile		Sequential pass through redemption on each Payment Date to the extent of Available Funds subject to and in accordance with the applicable Priorities of Payments. Please refer to Condition 9 (<i>Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation</i>).			
Determination Date		The fifth calendar day of each month or, if such date is not a Business Day, the preceding Business Day.			
Post-Enforcement Redemption Profile		Pass through redemption in accordance with the Post-Enforcement Priorities of Payment. Please refer to " <i>Cashflows and Cash Management</i> " below.			
Final Maturity Date.....		The Payment Date falling in April 2028			
Form of the Notes		Registered Global Notes			
Application for Listing		Euronext Dublin			
ISIN	XS2048591916	XS2048592484	XS2048592997	XS2048593375	XS2048593615
Common Code	204859191	204859248	204859299	204859337	204859361
CFI.....	DAVNFR	DAVXFR	DAVXFR	DAVXFR	DAVXFR
FISN.....	PEPPER IBERIA U/VARASST BKD 2200123	PEPPER IBERIA U/VARASST BKD 2200123	PEPPER IBERIA U/VARASST BKD 2200123	PEPPER IBERIA U/VARASST BKD 2200123	PEPPER IBERIA U/VARASST BKD 2200123
Clearance/ Settlement		Euroclear/ Clearstream, Luxembourg			
Authorised Denominations		€100,000 and integral multiples of €1,000 in excess thereof			
U.S. Regulation		Reg S			
Ratings DBRS	AAA(sf)	AA(sf)	A(high)(sf)	BBB(sf)	N/A
Ratings S&P.....	AAA	AA	A	BBB	N/A
Closing Date		10 October 2019			

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

See the section entitled "Terms and Conditions of the Notes" for further information in respect of the terms of the Notes.

Ranking of Payments of Interest: Payments of interest on the Class A Notes, Class B Notes, Class C, Class D Notes and the Class J Notes will be made in the following order of priority:

- (a) *first*, to the Class A Notes;
- (b) *second*, to the Class B Notes;
- (c) *third*, to the Class C Notes;
- (d) *fourth*, to the Class D Notes; and
- (e) *last*, to the Class J Notes.

Payments of interest on the Class J Notes will rank behind payments to replenish the Cash Reserve Fund.

The Notes within each class will rank *pro rata* and *pari passu* among themselves at all times in respect of payments of interest to be made to such class.

Any reference to a "**class**" of Notes or Noteholders shall be a reference to the Class A Notes, the Class B Notes, Class C Notes or Class D Notes or Class J Notes as the case may be, or to the respective holders thereof.

Ranking of Payments of Principal: Payments of principal on the Class A Notes, Class B Notes, Class C Notes and Class J Notes will rank as follows:

- (a) *first*, to the Class A Notes;
- (b) *second*, to the Class B Notes;
- (c) *third*, to the Class C Notes;
- (d) *fourth*, to the Class D Notes; and
- (e) *last*, to the Class J Notes.

The Notes within each individual class will rank *pro rata* and *pari passu* and rateably among themselves at all times in respect of payments of principal to be made to such individual class.

For a more detailed overview of the Priorities of Payments, see the sections entitled "*Summary of Credit Structure and Cashflow – Overview of Priorities of Payments*" and "*Cashflows and Cash Management*".

Most Senior Class: means:

- (a) the Class A Notes whilst they remain outstanding;
- (b) once Class A Notes are fully repaid, the Class B Notes whilst they remain outstanding;
- (c) once Class A Notes and Class B Notes are fully repaid, the Class C Notes whilst they remain outstanding;
- (d) once Class A Notes, Class B Notes and Class C Notes are fully repaid, thereafter, the Class D Notes whilst they remain outstanding; and

- (e) once Class A Notes, Class B Notes, Class C Notes and Class D Notes are fully repaid, the Class J Notes.

Security:

The Notes are secured, and share the same Security with other Secured Amounts of the Issuer in accordance with the Security Trust Deed and Cash Management Agreement and Condition 6 (*Security*) which is governed by English law. The security granted by the Issuer includes:

- (a) first fixed security over the interest of the Issuer in the Securitised Portfolio;
- (b) first fixed security over the Issuer Accounts;
- (c) an assignment by way of security of the Issuer's benefit under each relevant Transaction Document other than the Trust Documents; and
- (d) a first floating charge over the Issuer's whole undertaking and all of its property, assets and rights whatsoever other than those subject to a fixed charge or assignment other than Excluded Assets,

Some of the other Secured Amounts rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds, as set out in the Pre-Enforcement Priorities of Payment and the Post-Enforcement Priorities of Payment.

The Direct Debit Collection Accounts have been opened by the Servicer and the Special Collection Account has been opened by the Transferor. The Delegate is required to open the Back-Up Servicer Collection Account within 30 days of the execution of the Back-Up Servicing Agreement. Pursuant to the Collection Account Pledge Agreements, the Transferor, the Servicer and the Delegate will grant security in favour of the Issuer over the relevant Collection Account by way of a pledge.

Interest payable on the Notes:

The interest rate applicable to each class of Notes is described in the sections entitled "*Full Capital Structure of the Notes*" and Condition 8 (*Interest*).

Interest Deferral:

Interest due and payable on the Most Senior Class of Notes may not be deferred.

Withholding Tax:

None of the Issuer, the Note Trustee, the Security Trustee, any Agent or any other person will be obliged to gross-up payments to the Noteholders if there is any withholding or deduction for or on account of taxes from any payments made to the Noteholders.

Redemption:

The Notes are subject to the following optional or mandatory redemption events:

- (a) mandatory redemption in whole on the Final Maturity Date, as fully set out in Condition 9.1 (*Final Redemption*);
- (b) mandatory redemption in part on any Payment Date during the Revolving Period and the Amortisation Period prior to the delivery of an Enforcement Notice, subject to availability of Principal Available Funds, as fully set out in Condition 9.2 (*Mandatory Redemption in part*);
- (c) optional redemption in whole exercisable by the Issuer on the Call Option Date or any Payment Date thereafter, as fully set out in Condition 9.3 (*Optional Redemption in whole: Call Option Date*).
- (d) optional redemption in whole exercisable by the Issuer on any Payment Date when the aggregate Principal Amount Outstanding of

the Rated Notes is less than or equal to 10 per cent. of the aggregate Principal Amount Outstanding of the Rated Notes upon issue, as fully set out in Condition 9.4 (*Optional Redemption in whole: Clean Up Call*).

- (e) optional redemption in whole exercisable by the Issuer for tax reasons on any Payment Date, as fully set out in Condition 9.5 (*Optional Redemption in whole for taxation reasons*).

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

Events of Default:

As fully set out in Condition 13 (*Events of Default*), which broadly include:

- non-payment by the Issuer of principal in respect of the Notes within 5 Business Days following the due date;
- non-payment by the Issuer of any Interest Amount on the Most Senior Class within 5 Business Days following the due date;
- breach of contractual obligations by the Issuer under the Transaction Documents which is incapable of remedy or which is, if capable of remedy, not remedied within 30 calendar days after notice of default and which is materially prejudicial to the interests of the Noteholders of the Most Senior Class;
- misrepresentation by the Issuer under the Transaction Documents which is incapable of remedy or which is, if capable of remedy, not remedied within 30 calendar days after notice of default and which is materially prejudicial to the interests of the Noteholders of the Most Senior Class;
- any Security granted by the Issuer under the Transaction Documents becomes invalid, unenforceable or unlawful;
- an Insolvency Event occurs in relation to the Issuer;
- it is or will become unlawful for the Issuer to perform or comply with its obligations.

Limited Recourse:

All the Notes are limited recourse obligations of the Issuer and, if the Issuer has insufficient funds to pay all amounts in full, amounts outstanding will cease to be due and payable as described in more detail in Condition 10 (*Limited Recourse*).

Non petition:

Only the Security Trustee may pursue the remedies available under the general law and under the Trust Documents to enforce the Security and no Transaction Party shall be entitled to proceed directly against the Issuer to enforce the Security as described in more detail in Condition 15 (*No action by Noteholders or any other Secured Creditor*).

Governing Law:

The Notes, the Security Trust Deed and Cash Management Agreement, the Trust Deed, the Agency Agreement, the Master Framework Agreement, the Account Bank Agreement, the Note Purchase Agreement, the Back-Up Servicing Agreement, the Cap Agreement and the EMIR Reporting Agreement will be governed by English law.

The Receivables Sale Agreement, the Servicing Agreement, and the Collection Account Pledge Agreements, the Transferor Power of Attorney will be governed by Spanish law.

The Corporate Services Agreement will be governed by Irish law.

OVERVIEW OF RIGHTS OF NOTEHOLDERS

See the sections entitled "Terms and Conditions of the Notes" for further detail in respect of the rights of Noteholders and conditions for exercising such rights.

Convening a meeting prior to an Event of Default:

Noteholders holding not less than 10% of the aggregate Principal Amount Outstanding of the Notes then outstanding of the relevant class are entitled to request the Note Trustee to hold a Meeting, subject to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction. Noteholders of each class are also entitled to participate in a Meeting convened by the Issuer or the Note Trustee to consider any matter affecting their interests.

However, so long as no Event of Default has occurred and is continuing, the Noteholders or other Transaction Parties are not entitled to instruct or direct the Issuer to take any action, either directly or through the Note Trustee or the Security Trustee, without the consent of the Issuer unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

Convening a meeting following an Event of Default:

If an Event of Default occurs and is continuing, the holders of the Most Senior Class may, by request in writing signed by holders of at least 25% of the Principal Amount Outstanding of the Most Senior Class or by an Extraordinary Resolution, direct the Note Trustee to direct the Security Trustee to give an Enforcement Notice to the Issuer pursuant to which the Notes of each class shall become immediately due and repayable at their respective Principal Amount Outstanding together with any accrued (and unpaid) interest, subject to each of the Note Trustee and the Security Trustee being indemnified and/or secured and/or prefunded to its satisfaction.

Noteholders meeting provisions:

Initial Meeting:

Adjourned meeting:

<i>Notice period:</i>	no less than 21 clear days (and no more than 365 clear days) for the initial meeting	no less than 10 clear days (and no more than 42 clear days) for the adjourned meeting
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<i>Quorum for Extraordinary Resolution:</i>	Two or more persons holding or representing in aggregate a majority of the Principal Amount Outstanding of the Notes then outstanding of the relevant class or classes for the initial meeting, (other than an Extraordinary Resolution regarding a Reserved Matter (which must be proposed separately to each class of Noteholders), which requires two or more persons holding or representing not less than in aggregate 75% of the Principal Amount Outstanding of the Notes then outstanding of the relevant class or classes)	Two or more persons being or representing Noteholders of the relevant class or classes, whatever the Principal Amount Outstanding of the Notes then outstanding held or represented by such person(s) (other than an Extraordinary Resolution regarding a Reserved Matter (which must be proposed separately to each class of Noteholders), which requires two or more persons holding or representing not less than in aggregate 25% of the Principal Amount Outstanding of the Notes then outstanding of the relevant class or classes)
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<i>Required majority:</i>	Not less than 75% of votes cast	Not less than 75% of votes cast
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<i>Written Resolution:</i>	75% of the Principal Amount Outstanding of the Notes then outstanding of the relevant class or classes. A Written Resolution has the same effect as an Extraordinary Resolution.	75% of the Principal Amount Outstanding of the Notes then outstanding of the relevant class or classes. A Written Resolution has the same effect as an Extraordinary Resolution.
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Negative Consent:

An Extraordinary Resolution (other than an Extraordinary Resolution relating to a Reserved Matter) will be passed by a Class or Classes of Notes if, within 40 days of a notice to such Class or Classes of Noteholders which:

- (a) contains the text of such Extraordinary Resolution;
- (b) invites such Noteholders to object to such Extraordinary Resolution;
- (c) details the manner in which objections to such Extraordinary Resolution should be made; and
- (d) is given to such Class or Classes of Noteholders in accordance with the provisions of Condition 22 (*Notices*) by the Issuer or the Note Trustee,

10 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes of such Class or Classes have not informed the Note Trustee in the prescribed manner of their objection to such Extraordinary Resolution.

Upon the Note Trustee receiving objections from Noteholders of 10 per cent. or more in the case of an Extraordinary Resolution in aggregate of the Principal Amount Outstanding of the Notes of the relevant Class or Classes, the Note Trustee shall give notice to the relevant Class or Classes of Noteholders in accordance with the provisions of Condition 22 (*Notices*) that the relevant Extraordinary Resolution has not passed. In such circumstance, a meeting of Noteholders may be called in accordance with the provisions of Condition 16 (*Meetings of Noteholders*) and the Trust Deed in order to pass the relevant Extraordinary Resolution in accordance with the provisions of Condition 16 (*Meetings of Noteholders*).

Every Meeting shall be held on a date, and at a time and place in the United Kingdom (or, if applicable, the European Union), approved by the Note Trustee.

Additional Right of Modification:

Subject to certain conditions set out in Condition 17.2 (*Additional Right of Modification*), the Note Trustee shall be obliged and shall be obliged to direct the Security Trustee, without any consent or sanction of the Noteholders, or, subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified, any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to the Conditions and/or any other Transaction Document or enter into any new, supplemental or additional documents that the Issuer considers necessary:

- (a) in order to comply with, or implement or reflect, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;
- (b) to enable the Issuer and/or the Cap Counterparty to comply with its obligations under EMIR;
- (c) for the purpose of complying with any changes to the EU Securitisation Regulation after the Closing Date;

- (d) for the purpose of enabling the Notes to remain listed on the Stock Exchange;
- (e) for the purpose of enabling the Issuer or any of the other Transaction Parties to comply with FATCA;
- (f) for the purpose of complying with any changes to the requirements of the CRA Regulation after the Closing Date;
- (g) in order to effect a Base Rate Modification; or
- (h) in order to effect a Cap Rate Modification,

provided that (amongst other things): (i) at least 30 calendar days' notice has been given to the Noteholders of any such proposed modification; (ii) the Note Trustee has not been contacted in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) by Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class within such notification period notifying the Note Trustee that such Noteholders do not consent to the modification, and (iii) (save in the case of any modification required to permit the Issuer or the Cap Counterparty to comply with their obligations under Articles 9, 10 and 11 of EMIR) the Issuer (or the Cash Manager on its behalf) (or, where applicable in accordance with the Conditions, the Cap Counterparty or the Account Bank) either (A) obtains from each of the Rating Agencies written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Most Senior Class by such Rating Agency or (y) such Rating Agency placing the Most Senior Class of Notes on rating watch negative (or equivalent) or (B) certifies 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 (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Most Senior Class of Notes by such Rating Agency or (y) such Rating Agency placing the Most Senior Class of Notes on rating watch negative (or equivalent).

Reserved Matters:

Reserved Matters include: changes to payments (timing, method of calculation, reduction in amounts due and currency), the exchange, conversion or substitution of the Notes, changes to the Priorities of Payments, changes to the quorum and majority requirements and amendments to the definitions of Call Option Date and Reserved Matter.

Relationship between Classes of Noteholders:

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 Most Senior Class of Notes and will not have regard to any lower ranking Class of Notes.

Subject to the provision in respect of a Reserved Matter, an Extraordinary Resolution of holders of the Most Senior Class of Notes shall be binding on all other Classes and would override any resolutions to the contrary of the Classes ranking behind such Class.

A Reserved Matter requires an Extraordinary Resolution of each Class of Notes then outstanding.

Transferor as Noteholder:

For the purpose of, *inter alia*, the right to attend and vote at any meeting of Noteholders, those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Transferor, the Issuer, any holding company of the Transferor or the Issuer or any other subsidiary of such holding company or of the Transferor (the "**Relevant Persons**"), in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain

outstanding, except where all of the Notes of any class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such class of Notes (the "**Relevant Class of Notes**") shall be deemed to remain outstanding except that, if there is any other class of Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes and one or more Relevant Persons are not the beneficial owners of all the Notes of such class, then the Relevant Class of Notes shall be deemed not to remain outstanding.

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

The Trust Deed contains provisions requiring the Note Trustee, in the event of a conflict between the interests of the Noteholders and any other Secured Creditors, to have regard only (except where expressly provided otherwise) to the interests of the Noteholders.

**Provision of
Information to the
Noteholders:**

From the Determination Date falling in November 2019, the Servicer will provide a Monthly Servicer and Cash Manager Report on a monthly basis in respect of each Monthly Period.

The Servicer will also provide certain loan-by-loan information in relation to the Securitised Portfolio to the extent required by and in accordance with Article 7(1)(a) and Article 7(1)(e) of the EU Securitisation Regulation (which shall be complied with by provision of the Monthly Servicer and Cash Manager Report).

SUMMARY OF CREDIT STRUCTURE AND CASHFLOW

Please refer to the sections entitled "Key Structural Features – Summary of Credit Enhancement and Liquidity Support" and "Cashflows and Cash Management" for further detail in respect of the credit structure and cash flow of the transaction.

Interest Available Funds:

The Issuer will apply Interest Available Funds for the purposes of making interest payments in respect of the Notes and paying the amounts due and payable to other parties under the Transaction Documents in accordance with the relevant Priorities of Payments.

Interest Available Funds will comprise, for each Payment Date, the following:

- (a) Finance Charge Collections received by the Issuer during the Monthly Period immediately preceding such Payment Date;
- (b) any monies standing to the credit of the Cash Reserve Fund which are applied to make up a Revenue Shortfall;
- (c) any Principal Available Funds applied to remedy a Remaining Revenue Shortfall;
- (d) any Cash Reserve Release Amounts;
- (e) any accrued interest credited to the Transaction Account since the Determination Date relating to the previous Payment Date (or the Closing Date, in respect of the First Payment Date);
- (f) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Cap Transaction (if and to the extent paid) other than (1) any Collateral Amounts, any termination payment required to be made under the Cap Transaction, any collateral payable or transferable (as the case may be) under the Cap Transaction and any Replacement Cap Premium paid to the Issuer (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Cap Collateral Account Priority of Payment) and (2) any Cap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Cap Transaction, without regard to the Cap Collateral Account Priority of Payment or any Priorities of Payment). For the sake of clarity, no funds standing to the credit of the Cap Collateral Account will be part of the Interest Available Funds;
- (g) any Defaulted Call Repurchase Price paid by the Transferor to the Issuer in respect of a repurchase of a Defaulted Receivable pursuant to clause 8 (*Call Option*) of the Receivables Sale Agreement during the Monthly Period immediately preceding such Payment Date in circumstances where the Principal Deficiency Ledger has been debited in respect of such Defaulted Receivable; and
- (h) any Cap Collateral Account Surplus.

Principal Available Funds:

The Issuer will apply Principal Available Funds for the purposes of making principal payments in respect of the Notes and paying the amounts due and payable under the Transaction Documents in accordance with the relevant Priorities of Payments.

Principal Available Funds will comprise, for each Payment Date, the following:

- (a) Principal Collections received by the Issuer during the Monthly Period immediately preceding such Payment Date;
- (b) any Interest Available Funds applied to cure any debit entries pursuant to items (c), (e), (g), (i) and (j) of the Interest Priority of Payments to be credited to the Principal Deficiency Ledger in respect of such Payment Date;
- (c) any remaining Principal Available Funds set aside on the immediately preceding Payment Date pursuant to item (b) of the Revolving Period Principal Priority of Payments to the extent not applied towards the purchase of Receivables prior to the current Payment Date; and
- (d) the amounts credited or to be credited to the Transaction Account in respect of clause 7 (*Repurchase of Receivables*) and clause 8 (*Call Option*) of the Receivables Sale Agreement during the Monthly Period immediately preceding such Payment Date (or in respect of a Call Option or Clean Up Call Option, on or prior to such Payment Date), other than any Defaulted Call Repurchase Price paid by the Transferor to the Issuer in respect of a repurchase of a Defaulted Receivable in circumstances where the Principal Deficiency Ledger has been debited in respect of such Defaulted Receivable.

Overview of Priorities of Payments:

Below is an overview of the Priorities of Payment.

INTEREST AVAILABLE FUNDS	PRINCIPAL AVAILABLE FUNDS	PRINCIPAL AVAILABLE FUNDS	POST ENFORCEMENT AMOUNTS
Interest Priority of Payments	Revolving Period Principal Priority of Payments	Amortisation Period Principal Priority of Payments	Post Enforcement Priority of Payments
Senior Expenses	Amounts to meet any Remaining Revenue Shortfall	Amounts to meet any Remaining Revenue Shortfall	Security Trustee, Note Trustee and Appointee remuneration, fees, costs, charges, liabilities, expenses.
Interest on Class A Notes	Purchase Price for new Receivables or retained in the Transaction Account	Principal on the Class A Notes	Fees, costs, charges, liabilities and expenses payable to (in the following order of priority) (i) Corporate Services Provider, (ii) Account Bank and Account Agent, (iii) Agents, (iv) Servicer, (v) Back-Up Servicer, (vi) Cash Manager and (vii) Tax and any other exceptional expenses to third parties incurred under the Transaction Documents.
Amounts to be credited to the Class A Notes Principal Deficiency Ledger until the balance of the Class A Notes Principal Deficiency Ledger has reached zero	Principal on the Class A Notes	Principal on the Class B Notes	<i>First</i> Class A Notes interest and <i>second</i> principal until the Principal Amount Outstanding on the Class A Notes has been reduced to zero.
Interest on Class B Notes	Principal on the Class B Notes	Principal on the Class C Notes	<i>First</i> Class B Notes interest and <i>second</i> principal until the Principal Amount Outstanding on the Class B Notes has been reduced to zero.
Amounts to be credited to the Class B Notes Principal Deficiency Ledger until the balance of the Class B Notes Principal Deficiency Ledger has reached zero	Principal on the Class C Notes	Principal on the Class D Notes	<i>First</i> Class C Notes interest and <i>second</i> principal until the Principal Amount Outstanding on the Class C Notes has been reduced to zero.
Interest on Class C Notes	Principal on the Class D Notes	Principal on the Class J Notes	<i>First</i> Class D Notes interest and <i>second</i> principal until the Principal Amount Outstanding on the Class D Notes has been reduced to zero.
Amounts to be credited to the Class C Notes Principal Deficiency Ledger until the balance of the Class C Notes Principal Deficiency Ledger has reached zero	Principal on the Class J Notes	Principal Available Funds to be constituted as Interest Available Funds and applied in accordance with the Interest Priority of Payments	Issuer Profit Amount

INTEREST AVAILABLE FUNDS	PRINCIPAL AVAILABLE FUNDS	PRINCIPAL AVAILABLE FUNDS	POST ENFORCEMENT AMOUNTS
Interest on Class D Notes			<i>First</i> Class J Notes interest (other than Additional Class J Interest) and <i>second</i> principal (until the Principal Amount Outstanding on the Class J Notes has been reduced to zero)
Amounts to be credited to the Class D Notes Principal Deficiency Ledger until the balance of the Class D Notes Principal Deficiency Ledger has reached zero			Additional Class J Interest
Amounts to be credited to the Class J Notes Principal Deficiency Ledger until the Balance of the Class J Notes Principal Deficiency Ledger has recorded zero			
Payment of an amount equal to the shortfall between the amounts standing to the credit of the Cash Reserve Ledger of the Transaction Account and the Cash Reserve Requirement Amount, to be credited to the Cash Reserve Ledger of the Transaction Account			
Interest on Class J Notes (other than Additional Class J Interest)			
Additional Class J Interest to the Class J Noteholders			

See the section entitled "*Cashflows and Cash Management*" for further information on the Priorities of Payments.

Key Structural Features:

The credit enhancement, liquidity support and other key structural features of the transaction include, broadly, the following:

- subordination of the junior ranking notes: the Class B Notes, the Class C Notes, the Class D Notes and the Class J Notes;
- payments of interest and principal on the Classes of Notes are made in Sequential Order and interest payments on a Class of Notes (other than the Most Senior Class of Notes) may be deferred where the Issuer has insufficient proceeds;
- availability of the Cash Reserve Fund, initially funded through proceeds of the issue of the Class J Notes in an amount equal to €3,864,500;
- the Cash Reserve Fund will be replenished on each Payment Date up to the Cash Reserve Required Amount being: (a) on each Determination Date, an amount equal to 1.75 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class C Notes and Class D Notes on such date prior to deducting any repayments to be made on the related Payment Date; and (b) on each Determination Date after the Class A Notes, Class B Notes, Class C Notes and Class D Notes are fully repaid zero, from Interest Available Funds in accordance with the Pre-Enforcement Priorities of Payment. The Cash Reserve Fund will be credited to the Transaction Account. Monies standing to the credit of the Cash Reserve Fund will be applied to make up any Revenue Shortfall. Where the amount standing to the credit of the Cash Reserve Fund on a Payment Date is greater than the Cash Reserve Required Amount on such Payment Date (after deducting any repayments to be made on such Payment Date), any Cash Reserve Release Amount will form part of Interest Available Funds on such Payment Date;
- the application of any Principal Available Funds to meet a Remaining Revenue Shortfall;
- establishment of the Principal Deficiency Ledgers to record as a debit (i) any Defaulted Amounts and/or (ii) the application of any Principal Available Funds to meet a Remaining Revenue Shortfall;
- any interest paid by the Account Bank in respect of amounts deposited in the Transaction Account will be applied as Interest Available Funds; and
- availability of the Cap Transaction provided by the Cap Counterparty to mitigate (but not eliminate) the variance between the fixed interest rates payable in respect of the fixed rate Receivables and the floating 1 month EURIBOR based interest rates payable in respect of the Notes.

See the section entitled "*Key Structural Features – Summary of Credit Enhancement and Liquidity Support*" for further information.

Revenue Shortfall and Cash Reserve:

On each Determination Date, the Servicer will determine whether Interest Available Funds (excluding amounts standing to the credit of the Cash Reserve Fund, other than any Cash Reserve Release Amount, and excluding any Principal Available Funds applied to remedy a Remaining Revenue Shortfall) are sufficient to pay or provide for payment of Senior Expenses and Interest

Amounts on the Most Senior Class (other than the Class J Notes). To the extent that such Interest Available Funds are insufficient to pay such amounts in full on the immediately following Payment Date (the amount of any such deficit being a "**Revenue Shortfall**"), the Cash Manager will, on such Payment Date and on behalf of the Issuer, pay or provide for such Revenue Shortfall by applying amounts standing to the credit of the Cash Reserve Fund.

Remaining Revenue Shortfall:

On each Determination Date, the Servicer will determine whether Interest Available Funds (including amounts to be released from the Cash Reserve Fund to remedy a Revenue Shortfall, but excluding Principal Available Funds to be applied to remedy a Remaining Revenue Shortfall) are sufficient to pay or provide for payment of Senior Expenses and Interest Amounts on the Most Senior Class (other than the Class J Notes). To the extent that such Interest Available Funds are insufficient to pay such amounts in full on the immediately following Payment Date (the amount of any such deficit being a "**Remaining Revenue Shortfall**"), the Cash Manager will, on such Payment Date and on behalf of the Issuer, pay or provide for such Remaining Revenue Shortfall by applying Principal Available Funds as Interest Available Funds.

Principal Deficiency Ledger

The Principal Deficiency Ledger comprises sub-ledgers, known as the Class A Notes Principal Deficiency Ledger, the Class B Notes Principal Deficiency Ledger, the Class C Notes Principal Deficiency Ledger, the Class D Notes Principal Deficiency Ledger and the Class J Notes Principal Deficiency Ledger. These ledgers will be established to record as a debit (i) any Defaulted Amounts and/or (ii) the application of any Principal Available Funds to meet a Remaining Revenue Shortfall.

For further information on the Principal Deficiency Ledger see section "*Cashflows and Cash Management – Principal Deficiency Ledger*".

Transaction Account and Cash Management:

Collections in respect of the Receivables are paid into the Collection Accounts opened by the Transferor or the Servicer or (after the Back-Up Servicer becomes the Servicer) the Delegate. The Transferor (and where relevant, the Servicer and/or the Delegate) is obliged to procure the transfer of Collections to the Transaction Account within one Business Day following receipt as cleared funds into the relevant Collection Account (or, in the case of Collections received from but excluding the Initial Cut-Off Date to and excluding the Closing Date, within three Business Days of the Closing Date), (excluding (1) the Retention Amount, and (2) any amounts of Collections to be transferred to the Transferor pursuant to Clauses 7 (*Repurchase of Receivables*), 8 (*Call Option*) or 11 (*Breach of Warranty*) of the Receivables Sale Agreement) (subject to the provisions of the Security Trust Deed and Cash Management Agreement and **provided further that**, where the Transferor (or the Servicer on its behalf) has been unable to transfer such Collections within such period as a result of operational failure, then the Transferor or Servicer shall transfer such Collections no later than the second Business Day following receipt of cleared funds into the relevant Collection Accounts.

On or prior to each Payment Date, all amounts standing to the credit of the Transaction Account on the Determination Date immediately preceding such Payment Date will be applied as Available Funds in accordance with the relevant Priorities of Payments, save for amounts credited to the Cash Reserve Ledger which will be retained in the Transaction Account unless the Servicer determines that there is a Revenue Shortfall on such Payment Date or that there is any Cash Reserve Release Amount in respect of such Payment Date and other than the Issuer Profit Amount standing to the credit of the Issuer Profit Ledger.

Each of the Transferor and the Servicer has granted a Spanish law pledge in favour of the Issuer over each Collection Account, as applicable. The Delegate is required to grant a Spanish law pledge over the Back-Up Servicer Collection

Account once opened. See "Key Structural Features – Accounts and Cash Management" for further details

Summary of Key Cap Terms:

The Cap Agreement has the following key commercial terms:

On or about the Closing Date, the Issuer will enter into a cap transaction (the "**Cap Transaction**") with the Cap Counterparty.

Such Cap Transaction is governed by the 1992 International Swaps and Derivatives Association, Inc. ("**ISDA**") Master Agreement (the "**Master Agreement**"), the Schedule thereto (the "**Schedule**") and the 1995 ISDA Credit Support Annex thereto (the "**Credit Support Annex**") and a cap confirmation (the "**Cap Confirmation**" and together with the Master Agreement, the Schedule and the Credit Support Annex, the "**Cap Agreement**").

The Issuer entered into the Cap Transaction in order to hedge its floating interest rate exposure in relation to the Rated Notes. Under the Cap Agreement, the Cap Counterparty will be required to make a payment to the Issuer if for such Payment Date, the rate of 1 Month EURIBOR exceeds 0.5 per cent (the "**Cap Rate**"). In respect of any Calculation Period (as defined in the Cap Agreement), such payment will be an amount equal to the product of:

- (a) the Notional Amount (as such term is defined in the Cap Agreement) of the Cap Transaction for such period; multiplied by
- (b) the Floating Rate (as such term is defined in the Cap Agreement) being the excess, if any, of (A) EUR-EURIBOR-Reuters (as such term is defined in the Cap Agreement) with a Designated Maturity (as such term is defined in the Cap Agreement) of one month over (B) the Cap Rate) for such period; multiplied by
- (c) the relevant Floating Rate Day Count Fraction (as such term is defined in the Cap Agreement).

In return, the Issuer will pay (or will procure payment of) a premium to the Cap Counterparty on or around the Closing Date.

The Notional Amount of the Cap Transaction will be the scheduled Notional Amount contained therein for the relevant period.

A Cap Collateral Account cash account will be opened in the name of the Issuer on or prior to the Closing Date with the Account Bank for transfer in euro into which shall be credited: (i) any Cap Collateral received from the Cap Counterparty pursuant to the Cap Agreement, (ii) any interest or distributions on, and any liquidation or other proceeds of, such collateral, (iii) any Replacement Cap Premium received by the Issuer from a replacement cap counterparty, (iv) any Cap Tax Credit Amount, and (v) any termination payment received by the Issuer from the Cap Counterparty pursuant to the Cap Transaction; and out of which amounts shall be paid in accordance with the Cap Collateral Account Priority of Payment.

OVERVIEW OF THE SECURITISED PORTFOLIO

See the sections entitled "*The Securitised Portfolio*", "*Title to the Securitised Portfolio*", "*Statistical Information on the Provisional Securitised Portfolio*" and "*Servicing and Cash Management*" for further information in respect of the Securitised Portfolio.

Securitised Portfolio: The Securitised Portfolio will be sold to the Issuer on the Closing Date and any Transfer Date and will consist of the Receivables and Related Rights and all rights, interest, benefit, income and payments derived therefrom or in relation thereto from the relevant Cut-Off Date (including, for the avoidance of doubt), all Collections received in respect of the Securitised Portfolio during the period from the relevant Cut-Off Date until the Closing Date or Transfer Date (as applicable).

The Securitised Portfolio will consist of Receivables originated by the Transferor.

Each of the Receivables and its Related Rights is governed by Spanish law.

See the section entitled "*Title to the Securitised Portfolio*" for more information.

Eligibility Criteria

Only Receivables that meet specified conditions pursuant to the Receivables Sale Agreement will be added to the Securitised Portfolio. These conditions require that each of the Receivables meets, amongst other requirements the following criteria:

- it has arisen under a Point of Sale Loan or a PIL Loan;
- - it was otherwise created and complies with all applicable laws (including consumer credit laws and consumer protection laws); and
 - it was originated and serviced in accordance with the Guidelines;
- it is denominated and payable in Euros;
- the Obligor of which is an individual and resident in Spain;
- no Obligor of which is an employee of the Transferor;
- it is payable by the Obligor in monthly instalments;
- is fully amortising;
- at least one payment of principal and/or interest has fallen due and been paid;
- it does not have any instalment due and unpaid;
- it is not a Defaulted Receivable or written-off loan pursuant to the Guidelines;
- the interest rate in relation to which is a fixed rate of interest (and for the avoidance of doubt, the relevant UPL Agreement may specify more than one fixed rate of interest over the term of the loan);
- if it is a PIL Loan, the minimum rate of interest is 9.90 per cent.;

- the original term of which is a fixed term not exceeding 72 months;
- other than any withdrawal rights applicable pursuant to any Requirement of Law, it is not currently subject to any right of revocation, retention, claim, equity, rescission, defence, dispute, set-off, counterclaim, or litigation (including, without limitation, any recovery or enforcement proceedings before the Spanish Courts) and the Transferor is not aware of any intention of any party to initiate any such litigation;
- which is not subject to a Repayment Plan, debt restructuring or any other restructuring and was not subject to a Repayment Plan or any other restructuring at any time prior to it being the subject of an Offer;
- it is freely assignable and (immediately prior to the sale of the relevant Receivable to the Issuer) free and clear of any Encumbrances (including rights attaching to creditors) exercisable against the Transferor or the Issuer arising under or through such Transferor (or any of its respective Affiliates) and, to which, at the time of its creation and immediately prior to the sale of the relevant Receivable to the Issuer, the Transferor had good and marketable title and there is no option to acquire or create any Encumbrance on or over or affecting the Receivables or any Related Rights attaching thereto;
- it is randomly allocated for offer to the Issuer;
- which has, at the relevant Cut-Off Date, a Principal Balance or, in the case of Discount Receivables a Synthetic Principal Balance of no greater than:
 - if a Point of Sale Loan: EUR 5,000;
 - if a PIL Loan: EUR 10,000;
- if it is a Service-Related Loan, at the relevant Cut-Off Date, a period of at least six (6) months from its origination has elapsed.
- which had, at the time of its origination, a maximum original loan amount of no greater than:
 - if a Point of Sale Loan: EUR 7,000;
 - if a PIL Loan: EUR 12,000;
- payments thereof to the Transferor or the Issuer are not subject to withholding taxes.
- is an Eligible UPL Agreement;
- in respect of which, as far as the Transferor is aware, the relevant Obligor is not the subject of any bankruptcy or insolvency proceedings (*concurso*) and has not had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination which remains outstanding;
- which has been originated by the Transferor;
- which has not been classified by the Transferor as counterfeit, cancelled or fraudulent; and

- its addition will not cause any breach of the Portfolio Concentration Levels on the Cut-Off Date relating to such Receivable being sold.

**Features of the
Provisional Securitised
Portfolio:**

The following is a summary of certain features of the portfolio of receivables on the Initial Cut-Off Date selected by the Transferor to sell to the Issuer (the "**Provisional Securitised Portfolio**"). The portfolio of receivables in relation to which the Transferor will actually transfer to the Issuer on the Closing Date may differ from the Provisional Securitised Portfolio due to any repayment of receivables occurring or enforcement procedures being completed or if the Receivables would breach the Transferor Asset Warranties to be made on the Closing Date or would not comply with the Eligibility Criteria, the Portfolio Concentration Limits or Portfolio Performance Trigger Events, in each case during the period between the Initial Cut-Off Date and the Closing Date. The benefit of all Collections received during the period from the Initial Cut-Off Date to the Closing Date will be for the account of the Issuer. Investors should carefully consider all further details in respect of the Provisional Securitised Portfolio set out in "*Statistical Information on the Provisional Securitised Portfolio*".

The receivables in the Provisional Securitised Portfolio are unsecured consumer loans.

Type of Obligor	Prime		
Type of receivable loans	Unsecured consumer loans		
Number of receivables loans	210,439		
	Weighted* average	Minimum	Maximum
Principal Balance (€)	1,037**	10	7,643
Point of Sale Loans	697	10	5,000
PIL Loans	3,854	33	7,643
Seasoning (months)***	10.8	1	71
Remaining term (years)***	31.3	1	57

*Weighted by Principal Balance.

**Weighted average principal balance calculated as a simple average.

***Seasoning and remaining term are calculated at sub-account level (see "*Statistical Information on the Provisional Securitised Portfolio*").

See the section entitled "*Statistical Information on the Provisional Securitised Portfolio*" for further information and for an explanation of the terms and figures used in the table above.

Consideration:

The consideration payable by the Issuer to the Transferor in respect of the sale to the Issuer of the initial Securitised Portfolio will be equal to the Initial Consideration, being an amount equal to the aggregate of the Principal Balance of each Receivable as at the Initial Cut-Off Date.

The consideration payable by the Issuer to the Transferor in respect of the sale to the Issuer by the Transferor of Receivables on any Transfer Date will be equal to the Purchase Price.

**Transferor
Warranties:**

Asset The Transferor will make the Transferor Asset Warranties to the Issuer and the Security Trustee in respect of the Receivables and their Related Rights on the Closing Date (in respect of the initial Securitised Portfolio sold on the Closing Date), each Offer Date and on each Transfer Date (in respect of Receivables subject to an Offer to be sold on such Transfer Date) by reference to the facts and circumstances subsisting at such date except where the Transferor Asset Warranty is expressed to be by reference to the Cut-Off Date, in which case it shall be given by reference to the facts and circumstances subsisting as at the relevant Cut-Off Date.

The Transferor Asset Warranties include the following warranties in respect of each Receivable and its Related Rights:

- (a) **Eligibility:** Each Receivable which is offered to the Issuer is, at the close of business on the relevant Cut-off Date relating thereto, an Eligible Receivable and has arisen under an Eligible UPL Agreement (other than in respect of the Eligibility Criteria at paragraph 1.16 of Schedule 8 of the RSA which shall be satisfied on the Transfer Date for such Receivable immediately prior to the sale of such Receivable to the Issuer).
- (b) **Assignment Effective:** The assignment of each Receivable the subject of an Offer upon acceptance of such Offer will be effective to pass to the Issuer good and marketable title thereto and the benefit thereof (including in such context, the right to receive Collections from the Obligors and any Associated Rights) free of any Encumbrances in favour of any person claiming through or under the Transferor or any of its Affiliates and, subject to any limitations arising on enforcement in the jurisdiction of the relevant Obligor, no further act, condition or thing will be required to be done in connection therewith to enable the Issuer to require payment of any such Receivable or to enforce any such right in the courts of Spain without the participation of the Transferor other than:
 - (i) the giving of a Notice of Assignment; or
 - (ii) the joinder or sisting of the Transferor as a party to proceedings by the Issuer against the relevant Obligor.
- (c) **Compliance:** The assignment of each Receivable the subject of an Offer is in compliance with Requirements of Law applicable to the Transferor on the date of such assignment.
- (d) **Title to Receivables:** The Transferor is the person in whom the legal title to such Receivables is held.
- (e) **Records:** The Transferor has (or agents on behalf of the Transferor have) maintained records relating to the Receivables which are accurate and complete in all material respects.
- (f) **No Adverse Selection Procedures:** No selection procedures adverse to the Secured Creditors are employed by the Transferor in selecting the Receivables from amongst the Eligible UPL Agreements in Securitised Portfolio,

provided that no breach of a Transferor Asset Warranty shall arise as a result of a Court ruling that the contractual interest rate relating to one or more Receivables is usurious, if notwithstanding such judgement paragraph (a) of the Portfolio Concentration Levels would still be satisfied.

See the section entitled "*Title to the Securitised Portfolio – Warranties and Repurchase*" for further information and a full list of the Transferor Asset Warranties.

Breach of Transferor Asset Warranties:

If, in respect of any Receivable, any Transferor Asset Warranty proves at any time to have been incorrect when made, the Transferor shall be treated as having received by way of a Collection (a "**Deemed Collection**") an amount (each, a "**Deemed Collection Amount**") equal to: (i) if such Receivable is not a discount Receivable, the Principal Balance thereof as of the date which is the close of business two Business Days prior to the date of transfer of the Deemed Collection Amount; and (ii) if such Receivable is a Discount Receivable, the Synthetic Principal Balance thereof at the Deemed Collection Cut-Off Date.

Unless the Transferor repurchases such Receivable in accordance with the provisions of the Receivables Sale Agreement, the Transferor shall pay the Deemed Collection Amount in accordance with the terms of the Receivables Sale Agreement.

Call Option:

Pursuant to the Receivables Sale Agreement, the Issuer will grant the Transferor a conditional option exercisable at any time by the Transferor to repurchase the Issuer's interest in Defaulted Receivables so specified in the relevant Defaulted Option Notice.

The purchase price payable by the Transferor to the Issuer in consideration for the sale of the relevant Defaulted Receivable shall be the aggregate of the Principal Balance of the Defaulted Receivable plus the documented expenses incurred by the Issuer in connection with such repurchase.

The Transferor may also repurchase any Receivables and Related Rights on a Call Option Completion Date in accordance with the terms and provisions of the Call Option or on a Clean Up Call Option Date in accordance with the terms and provisions of the Clean Up Call Option.

Repurchase of Receivables:

Pursuant to the Receivables Sale Agreement, the Transferor shall repurchase Receivables and their Related Rights:

- which are not compliant with the EU Securitisation Regulation or Article 19, 20, 21 or 22 of the EU Securitisation Regulation or Article 243 of the Capital Requirements Regulation (or if different, the equivalent provisions in any such enacted versions of such regulations); or
- which are not compliant with Article 13 of the LCR Regulation or Article 177 of the Solvency II Regulation (or, in each case, if different, the equivalent provisions in any such enacted version of such Commission Delegated Regulation); and

may repurchase Receivables and their Related Rights where the Obligor of any such Receivable has brought a claim against or initiated any litigation against the Transferor.

The purchase price payable by the Transferor to the Issuer in consideration for the sale of each relevant Receivable shall be the aggregate of the Principal Balance of the relevant Receivable plus documented expenses incurred by the Issuer in connection with such repurchase.

See the section entitled "*The Securitised Portfolio*" for further information.

Reductions:

If the amount paid or payable in respect of any Performing Receivable is reduced after the relevant Cut-Off Date relating thereto by reason of: (i) a reduction by, or on behalf of, the Transferor by any rebate, refund, waiver of billed interest or adjustment (including Servicer errors); (ii) a fraudulent or

counterfeit charge; or (iii) any set off or counterclaim by an Obligor with respect to such Receivable and/or the related UPL Agreement, (each a "**Reduction**"), then the Transferor shall be treated as having been paid the amount of such Reduction on the date of such Reduction in addition to any other amounts which may be paid or payable in respect of such Receivable and shall pay to the credit of the Special Collection Account an amount equal to the amount of the Reduction in accordance with the terms of the Receivables Sale Agreement.

See the section entitled "*Title to the Securitised Portfolio*" for further information.

Transferor Power of Attorney:

The Transferor will grant the Transferor Power of Attorney to the Issuer to permit the Issuer and/or the Security Trustee (or any delegate of the Issuer or the Security Trustee) to take certain actions in the name of the Transferor to, *inter alia*, ensure performance by the Transferor of its obligations under the Receivables Sale Agreement (including exercising its rights under the Receivables and enforcing the Receivables).

Delegation by Servicer:

The Servicer may delegate or sub-contract some or all of its responsibilities and obligations under the Servicing Agreement.

The Servicer remains liable at all times for servicing the Receivables and for the acts or omission of any delegate or sub-contractor. See the section entitled "*Servicing and Cash Management – Servicer Indemnity*" for further information.

TRIGGERS TABLES

RATING TRIGGERS TABLE

Transaction Party	Required Ratings	Possible effects of ratings trigger being breached include the following:
Account Bank	<p>(a) a long-term, unsecured and unsubordinated debt or counterparty ratings of at least A by S&P;</p> <p>(b) the higher of (i) one rating notch below the Account Bank's long-term critical obligations rating ("COR") being at least A by DBRS, and (ii) the Account Bank's issuer rating or long-term senior unsecured debt or deposit rating being at least A by DBRS provided that if the Account Bank is not rated by DBRS, the required rating is at least a DBRS Equivalent Rating of "A"; and</p> <p>(c) alternatively to each of the above, such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Most Senior Class,</p> <p>(the "Required Rating")</p>	<p>On the date on which the Account Bank ceases to be assigned an issuer default rating of at least the Required Rating, the Issuer shall use commercially reasonable endeavours to within 30 calendar days:</p> <p>(a) replace the Account Bank with a Qualified Institution and open a replacement Transaction Account and Cap Collateral Account with such entity; or</p> <p>(b) obtain a guarantee of the Account Bank's obligations from a Qualified Institution and/or take such other action as may be required by the Rating Agencies at such time.</p>
Cap Counterparty (or any guarantor thereof)	<p>Ratings Event I Required Ratings</p> <p>In respect of DBRS, provided that the highest rating assigned by DBRS to the highest rated outstanding Rated Notes is equal to or above AA(low), its long-term, unsecured and unsubordinated debt or counterparty obligations are rated at or above the DBRS Equivalent Rating of "A" or any other rating level below the DBRS Equivalent Rating of "A" that does not adversely affect the then current ratings by DBRS of the highest rated Notes.</p> <p>In respect of S&P, a Long Term S&P Rating is assigned to it of:</p> <ul style="list-style-type: none"> • "A-" or above (if S&P Collateral Option "Strong", applies at the relevant time); or • "BBB" or above (or if the Ratings Event II Required Rating is above "BBB", such Ratings Event II Required Rating) (if S&P 	<p>The consequences of breach of the ratings trigger relating to the Ratings Event I Required Ratings under the Cap Agreement include the requirement for the Cap Counterparty to provide collateral or transfer its rights and obligations under the Cap Agreement to a third party that has the required ratings (and if such third party does not have the Rating Event I Required Rating, such third party provides collateral) or procure a guarantee of the Cap Counterparty's obligations from a third party that has the rating required by the relevant Rating Agency.</p> <p>Where the Cap Counterparty does not have the Rating Event II Required Ratings that are required under the Cap Agreement even where the Cap Counterparty has provided collateral under the terms of the Cap Agreement, the Cap Counterparty shall provide, or cause to be provided, a guarantee to the Issuer from a third party that has the ratings required by the relevant Ratings Agency or transfer its rights and</p>

Transaction Party	Required Ratings	Possible effects of ratings trigger being breached include the following:
	<p>Collateral Option "Adequate" applies at the relevant time).</p> <p>Ratings Event II Required Ratings</p> <p>In respect of DBRS, with respect to DBRS if its long-term, unsecured and unsubordinated debt or counterparty obligations are rated at or above the DBRS Equivalent Rating of "BBB" or any other rating level below the DBRS Equivalent Rating of "BBB" that does not adversely affect the then current ratings by DBRS of the highest rated Notes.</p> <p>In respect of S&P, if S&P Collateral Option "Strong", applies at the relevant time, a Long Term S&P Rating is assigned to it of:</p> <ul style="list-style-type: none"> • "BBB+" or above if the highest rated outstanding Rated Notes have a rating of "AAA(sf)" or "AA+"; • "BBB" or above if the highest rated outstanding Rated Notes have a rating of "AA(sf)" or "AA-"; • "BBB-" or above if the highest rated outstanding Rated Notes have a rating of A+, A or A-; • "BB+" or above if the highest rated outstanding Rated Notes have a rating of BBB+, BBB or BBB-; • "B+" or above if the highest rated outstanding Rated Notes have a rating of BB+, BB or BB-; • "CCC+" or above if the highest rated outstanding Rated Notes have a rating of B+, B or B-. <p>In respect of S&P, if S&P Collateral Option "Adequate", applies at the relevant time, a Long Term S&P Rating is assigned to it of:</p> <ul style="list-style-type: none"> • "A-" or above if the highest rated outstanding Rated Notes have a rating of "AAA(sf)" or "AA+"; • "BBB+" or above if the highest rated outstanding Rated Notes have a rating of "AA(sf)" or "AA-"; 	<p>obligations under the Cap Agreement to a third party that has the ratings required by the relevant Rating Agency (and if such third party does not have the Rating Event I Required Rating, such third party provides collateral).</p> <p>If none of these remedial measures is taken within the timeframes stipulated in the Cap Agreement, the Cap Agreement may, in certain circumstances, be terminated early and a termination payment may become payable either by the Issuer or the Cap Counterparty.</p> <p>More detail is set out in "<i>Key Structural Features – Accounts and Cash Management – Interest Rate Cap Transaction</i>".</p>

Transaction Party	Required Ratings	Possible effects of ratings trigger being breached include the following:
	<ul style="list-style-type: none"> • "BBB" or above if the highest rated outstanding Rated Notes have a rating of A+ or A; • "BBB-" or above if the highest rated outstanding Rated Notes have a rating of A- or BBB+; • "BB+" or above if the highest rated outstanding Rated Notes have a rating of BBB or BBB-; • "BB-" or above if the highest rated outstanding Rated Notes have a rating of BB+ or BB; • "B" or above if the highest rated outstanding Rated Notes have a rating of BB- or B+; • "CCC+" or above if the highest rated outstanding Rated Notes have a rating of B or B-. 	
Direct Debit Collection Account Bank	<p>(a) a long-term, unsecured, unguaranteed and unsubordinated debt rating of at least BBB by S&P; and</p> <p>(b) a long-term issuer rating, long-term senior unsecured debt rating or long-term deposit rating of at least BBB(low) by DBRS, provided that if the relevant institution is not rated by DBRS, a DBRS Equivalent Rating at least equal to BBB(low) by DBRS.</p>	<p>The Transferor shall not be entitled to (and shall ensure that the Servicer does not on its behalf) initiate the collection of any Transferred Receivables through the Collection Account Bank that ceases to hold the required rating.</p> <p>The Transferor (at its own cost and expense) shall, within sixty calendar days after the Collection Account Bank ceases to hold the required rating, transfer the relevant Collection Account (or cause it to be transferred) to an alternative bank which is a Direct Debit Collection Account Bank Qualified Institution and to which, in respect of the identity of such bank, the Security Trustee has given its consent, provided that the Transferor may transfer the relevant Collection Account to another existing Direct Debit Collection Account or Special Collection Account without the Security Trustee's consent. The Transferor (or the Servicer on its behalf) shall take such action as is required to redirect payments into the replacement Collection Account or to notify Obligors to pay into such replacement Collection Account, as applicable.</p>
Special Collection Account Bank	<p>(a) a long-term, unsecured, unguaranteed and unsubordinated</p>	<p>The Transferor shall not be entitled to (and shall ensure that the Servicer does not on its behalf) initiate the collection of any Transferred Receivables through the</p>

Transaction Party	Required Ratings	Possible effects of ratings trigger being breached include the following:
	debt rating of at least BBB by S&P; and	Collection Account Bank that ceases to hold the required rating.
	(b) a long-term issuer rating, long-term senior unsecured debt rating or long-term deposit rating of at least BBB(low) by DBRS, provided that if the relevant institution is not rated by DBRS, a DBRS Equivalent Rating at least equal to BBB(low) by DBRS.	The Transferor (at its own cost and expense) shall within sixty calendar days after the Collection Account Bank ceases to hold the required rating, transfer the relevant Collection Account (or cause it to be transferred) to an alternative bank which is a Special Collection Account Bank Qualified Institution and to which, in respect of the identity of such bank, the Security Trustee has given its consent, provided that the Transferor may transfer the relevant Collection Account to another existing Direct Debit Collection Account or Special Collection Account without the Security Trustee's consent. The Transferor (or the Servicer on its behalf) shall take such action as is required to redirect payments into the replacement Collection Account or to notify Obligors to pay into such replacement Collection Account, as applicable.

NON-RATING TRIGGERS TABLE

Nature of Trigger	Description of Trigger	Consequence of Trigger
Cash Manager Events	<p>The occurrence of any of the following (each a "Cash Manager Default"): </p> <ul style="list-style-type: none"> (a) any failure by the Cash Manager to advise the Issuer to make any required drawing, withdrawal, or payment pursuant to the Relevant Documents on or before the date occurring five Business Days after the date such payment, transfer, deposit, withdrawal or drawing or such advice or notice is required to be made or given, as the case may be; (b) failure on the part of the Cash Manager duly to observe or perform in any respect any other covenants or agreements of the Cash Manager set forth in the Security Trust Deed and Cash Management Agreement or any Transaction Document which has a Material Adverse Effect on the interests of the Most Senior Class and which continues unremedied for a period of 45 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Cash Manager by the Issuer and continues to have a Material Adverse Effect on the interests of the Most Senior Class for such period; (c) delegation by the Cash Manager of its duties under the Security Trust Deed and Cash Management Agreement to any other entity, except as permitted by the provisions of the Security Trust Deed and Cash Management Agreement; (d) any relevant representation, warranty or certification made by the Cash Manager in the Security Trust Deed and Cash Management Agreement proves to have been incorrect when made, which has a Material Adverse Effect on the interests of the Most Senior Class and continues to be incorrect in any material respect for a period of 45 days after the date on which written notice of such failure, 	<p>Following the occurrence of a Cash Manager Default, the Cash Manager's appointment may be terminated by the Issuer or, following the delivery of an Enforcement Notice, the Security Trustee (acting on the direction of the Note Trustee).</p>

Nature of Trigger	Description of Trigger	Consequence of Trigger
	<p>requiring the same to be remedied, shall have been given to the Cash Manager by the Issuer and continues to have a Material Adverse Effect on the interests of the Most Senior Class for such period;</p> <p>(e) an order of the court is made for the winding-up, dissolution, administration or reorganisation (except for a solvent re-organisation) of the Cash Manager and such order shall have remained in force undischarged or unstayed for a period of 45 days;</p> <p>(f) a receiver, administrator, administrative receiver, liquidator, trustee or similar officer is legally and validly appointed over the Cash Manager or relating to all of the Cash Manager's revenues and assets;</p> <p>(g) the Cash Manager shall consent to or take any corporate action relating to the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or relating to all or substantially all of its revenues and assets or an order of the court is made for its winding-up, dissolution, administration or re-organisation (except for a solvent re-organisation) and such order shall have remained in force undischarged or unstayed for a period of 45 days or a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or relating to all of its revenues and assets is legally and validly appointed; or</p> <p>(h) a duly authorised officer of the Cash Manager shall admit in writing that the Cash Manager is unable to pay its debts as they fall due ("<i>no puede cumplir regularmente sus obligaciones exigibles</i>") within the meaning of Article 2.2 of the Insolvency Law 2003 or the Cash Manager makes a general assignment for the benefit of or a composition with</p>	

Nature of Trigger	Description of Trigger	Consequence of Trigger
	<p>its creditors or voluntarily suspends payments of its obligations with a view to the general readjustment or rescheduling of its indebtedness or takes any action under Article 5b is or the Fourth Additional Provision of the Insolvency Law 2003.</p> <p>Notwithstanding the foregoing, a delay in or failure of performance referred to in (a) above for a period of ten Business Days or under (b), (c) or (d) for a period of 45 Business Days, shall not constitute a Cash Manager Default if such delay or failure could not have been prevented by the exercise of reasonable diligence by the Cash Manager and such delay or failure was caused by an act of God, acts of declared or undeclared war, public disorder, rebellion, riot or sabotage, epidemics, landslides, lightning, fire, hurricanes, tornadoes, earthquakes, nuclear disasters or meltdowns, floods, power cuts or similar causes.</p>	
Servicer Defaults	<p>The occurrence of any of the following (a "Servicer Default"):</p> <p>(a) any failure by the Servicer to pay any amounts due pursuant to the Servicing Agreement or any other Transaction Document to the Issuer within five Business Days of the due date thereof or the date of demand, if payable on demand;</p> <p>(b) a duly authorised officer of the Servicer admits in writing that the Servicer is unable to pay its debts as they fall due ("<i>no puede cumplir regularmente sus obligaciones exigibles</i>") within the meaning of Article 2.2 of the Insolvency Law 2003 or the Servicer makes a general assignment or trust for the benefit of or a composition with its creditors or voluntarily suspends payments of its obligations with a</p>	<p>The Servicer rights and obligations may be terminated by the Issuer or, following the delivery of an Enforcement Notice, by the Security Trustee, by giving a notice in writing to the Servicer.</p> <p>The Servicer shall continue to perform all of its servicing functions under this Agreement until, in circumstances where a Back-Up Servicer is not then in place, a Successor Servicer has been appointed.</p> <p>The Servicer will agree to use all reasonable efforts and cooperate with the Issuer and such Successor Servicer in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing.</p>

Nature of Trigger	Description of Trigger	Consequence of Trigger
	view to the general readjustment or rescheduling of its indebtedness or takes any action under Article 5bis or the Fourth Additional Provision of the Insolvency Law 2003;	
	(c) failure to maintain any qualifications, licences, approvals or consents necessary to undertake its servicing duties hereunder where such failure would have a Material Adverse Effect on the interests of the Most Senior Class and such failure continues unremedied for a period of 30 days or more after the date on which the Servicer is aware of such failure;	
	(d) the Servicer delegates any of its duties under the Servicing Agreement otherwise than in accordance with the Transaction Documents;	
	(e) it is or becomes unlawful for the Servicer to perform any of its obligations under the Transaction Documents to which it is a party or any of the Transaction Documents cease to be legal, valid, binding and enforceable obligations of the Servicer;	
	(f) the commencement of any material litigation or regulatory proceedings in respect of the Servicer;	
	(g) failure on the part of the Servicer duly to observe or perform in any respect any other covenants or agreements of the Servicer set forth in the Servicing Agreement or any Transaction Document which has a Material Adverse Effect on the interests of the Most Senior Class and which failure, if capable of remedy, continues unremedied for a period of 20 days;	
	(h) any relevant representation, warranty or certification made by the Servicer in the Servicing Agreement or in any certificate delivered pursuant hereto proves	

Nature of Trigger	Description of Trigger	Consequence of Trigger
	<p>to have been incorrect when made, which has a Material Adverse Effect on the interests of the Most Senior Class and continues to be incorrect for a period of 25 days or more after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Issuer and continues to have a Material Adverse Effect on the interests of the Most Senior Class for such period;</p> <p>(i) the Servicer consents to or takes any corporate action relating to the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer in relation to the Servicer or in relation to all or substantially all of its revenues and assets and such receiver, administrator, administrative receiver, liquidator, trustee or similar officer is legally and validly appointed and such appointment is not discharged within 14 days; or</p> <p>(j) proceedings are initiated against the Servicer under any applicable liquidation, insolvency, composition, re-organisation or similar laws for its winding-up, dissolution, administration or re-organisation and such proceedings are not (i) discharged or stayed within 60 days; (ii) in the reasonable opinion of the Issuer, being disputed by the Servicer in good faith with a reasonable prospect of success; or (iii) frivolous or vexatious.</p> <p>(k) failure on the part of the Servicer to deliver any Monthly Servicer and Cash Manager Report, within 10 (ten) Business Days of the date when due, or delivery by the Servicer of an incomplete Monthly Servicer and Cash Manager Report, unless such failure is due to force majeure and/or technical delays not attributable to the Servicer, provided that it is delivered</p>	

Nature of Trigger	Description of Trigger	Consequence of Trigger
	<p>within 5 (five) Business Days after such events cease to persist and, in respect of an incomplete Monthly Servicer and Cash Manager Report, such incomplete report has a material Adverse Effect on the Noteholders of the Rated Notes.</p>	
	<p>Notwithstanding the foregoing, a delay in or failure of performance referred to under (g), (h), (i) and (j) above for an additional period of 45 days, shall not constitute a Servicer Default if the Servicer presents to the Issuer (with a copy to the Security Trustee) a reasonable plan to remedy such Servicer Default</p>	

FEES

The following table sets out the on-going fees to be paid by the Issuer to the Transaction Parties, and the expenses related to the admission to trading of the Notes.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicer fees	(i) 0.25 per cent. multiplied by: (1) the Principal Balance of Transferred Receivables as at the last day of a Monthly Period; plus (2) the Principal Balance of Transferred Receivables sold to the Issuer and subject to an Offer to be sold to the Issuer on or prior to the Payment Date following the end of such Monthly Period; divided by (ii) 12 (inclusive of VAT).	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date
Cash Manager fees	(i) 0.25 per cent. multiplied by: (1) the Principal Balance of Transferred Receivables as at the last day of a Monthly Period; plus (2) the Principal Balance of Transferred Receivables sold to the Issuer and subject to an Offer to be sold to the Issuer on or prior to the Payment Date following the end of such Monthly Period; divided by (ii) 12 (inclusive of VAT).	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date
Other fees and expenses of the Issuer	Estimated at €10,000 (plus €10,000) per annum (exclusive of VAT)	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date
Expenses related to the admission to trading of the Notes	€10,000 per annum (exclusive of any applicable VAT)	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date

CERTAIN REGULATORY DISCLOSURES – SECURITISATION REGULATION

The following outlines certain matters that may be relevant to some investors. It does not purport to be a comprehensive list of regulatory matters that pertain to investors. All investors are responsible for analysing their own regulatory position.

Please refer to "*Risk Factors – Regulatory and Legal Risks*" and the section entitled "*Certain Legal and Regulatory Matters affecting the Receivables and the Notes*" for more information.

EU Securitisation Regulation Requirements

EU Risk Retention Requirements

The Transferor will undertake to the Issuer and the Security Trustee, on behalf of the Noteholders, to retain a material net economic interest of not less than 5 per cent. of the nominal value of the securitised exposures in the securitisation comprised in the Transaction Documents as an originator in accordance with the text of Article 6 by way of a retention in accordance with Article 6(3)(d) of the EU Securitisation Regulation (which does not take into account any corresponding national measures). The Transferor will confirm its ongoing retention of the net economic interest described above in the Monthly Servicer and Cash Manager Reports and any change to the manner in which such interest is held will be notified to Noteholders.

As at the Closing Date the retention will comprise the Transferor holding the Class J Notes as required by the text of Article 6(1) and in accordance with Article 6(3)(d) of the EU Securitisation Regulation. As to the information to be made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this Prospectus and to any other information provided separately (which information shall not form part of this Prospectus) and, after the Closing Date, to the Monthly Servicer and Cash Manager Reports provided to the Noteholders pursuant to the Servicing Agreement and published on the following website: European Data Warehouse (<https://editor.eurodw.eu/>). The website at European Data Warehouse and the contents thereof do not form part of this Prospectus.

The Transferor will undertake in the Receivables Sale Agreement (in favour of the Security Trustee on behalf of the Secured Creditors) and has undertaken in the Note Purchase Agreement (in favour of the Lead Manager) that it will, whilst any of the Notes remain outstanding:

- (a) retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. in the nominal value of the securitised exposures comprised in the securitisation in accordance with the text of Article 6(1) by way of a retention in accordance with Article 6(3)(d) of the EU Securitisation Regulation;
- (b) not change the manner or form in which it retains such net economic interest, except to the extent permitted or required under the EU Securitisation Regulation;
- (c) not transfer, sell or hedge or otherwise enter into any credit risk mitigation, short position or any other credit risk hedge with respect to such net economic interest, except to the extent permitted or required under the EU Securitisation Regulation;
- (d) promptly notify the Arranger, the Lead Manager and the Issuer if for any reason it (i) ceases to hold the retention in accordance with the requirements of the Receivables Sale Agreement and the Note Purchase Agreement or (ii) fails to comply with the covenants set out in the Receivables Sale Agreement and the Note Purchase Agreement in respect of the retention; and
- (e) comply with the disclosure obligations described in Article 7 (1)(e)(iii) of the EU Securitisation Regulation by confirming its risk retention as contemplated by Article 6(1) of the EU Securitisation Regulation through the provision of the information in this Prospectus, disclosure in the Monthly Servicer and Cash Manager Reports (as prepared by the Servicer) and procuring provision to the Issuer of access to any reasonable and relevant additional data and information referred to in Article 7 of the EU Securitisation Regulation (subject to all applicable laws),

provided always that the Transferor will not be in breach of this undertaking if due to events, actions or circumstances beyond the Transferor's control, the Transferor is not able to comply with such undertaking.

Designated Entity

For the purposes of Article 7(2) of the EU Securitisation Regulation, the Transferor as originator has been designated as the entity responsible for fulfilling the information requirements of Article 7 of the EU Securitisation Regulation. In addition, for purposes of Article 22 of the EU Securitisation Regulation, the Transferor as originator is the entity responsible for compliance with Article 7 of the EU Securitisation Regulation.

EMIR

The Cap Counterparty has agreed to provide hedging to the Issuer and investors should be aware that, further to Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 ("**EMIR**"), the Issuer is subject to certain regulatory requirements including, but not limited to, various compliance requirements for non-cleared "over-the-counter" ("**OTC**") derivative transactions (known as the 'risk mitigation techniques') and the requirement to report derivative transactions to a trade repository or to ESMA.

It should also be noted that the EU Securitisation Regulation (which applied in general from 1 January 2019), among other things, makes provisions for the development of technical standards in connection with the EMIR regime specifying (i) an exemption from clearing obligations and (ii) a partial exemption from the collateral exchange obligations for non-cleared OTC derivatives, in each case for STS securitisation swaps (subject to the satisfaction of the relevant conditions). The final draft technical standards have been prepared by the European Supervisory Authorities and submitted to the European Commission in December 2018 and these are now subject to the EU political negotiation process. As a result, the time of entry into force and the date of application of the new technical standards is unknown at this point.

The Transferor, in its capacity as originator under the Securitisation Regulation, will procure that an STS notification be submitted to ESMA, prior to the Closing Date that the STS requirements have been satisfied with respect to the Notes. However, until the final new technical standards referred to above are in force, no assurance can be given that the Cap Agreement will meet the applicable exemption criteria provided therein, to the extent applicable to the Notes. Notwithstanding the STS designation and the ability, as a result, to rely on the exemptions from clearing and collateral exchange obligations under the EMIR regime, the expectation is that the Issuer should not be required to comply with the EMIR collateral exchange obligations and clearing requirements for the reasons outlined above (being their NFC- status) in any event. The STS designation and the related forthcoming exemptions from collateral exchange obligations and clearing requirements are only likely to become relevant should the status under the EMIR of the Issuer change from NFC- to NFC+ or FC and, if applicable, should the Cap be regarded as a type that is subject to EMIR clearing requirement.

WEIGHTED AVERAGE LIFE OF THE NOTES

The estimated weighted average life of the Rated Notes (the "**Estimated Weighted Average Life**") refers to the estimated average amount of time that will elapse from the Closing Date to the date of distribution to the investor of each Euro in reduction of the principal amount of each Rated Note. The Estimated Weighted Average Life of a given Rated Note shall be affected, *inter alia*, by the available funds allocated to redeem such Note and other factors. Therefore, the Estimated Weighted Average Life of the Rated Notes cannot be predicted as the actual rate at which the Receivables will be repaid and a number of other relevant factors are unknown. Calculated estimates as to the estimated average life of the Rated Notes can only be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates are accurate, or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised. The model used for the purpose of calculating estimates presented below employs an assumed constant principal payment rate (hereinafter "**CPPR**"). The CPPR is an assumed constant rate of payment of principal, which, when applied monthly, changes the monthly expected outstanding principal amount of the Securitised Portfolio and allows for calculation of the monthly principal payment of the Rated Notes. The CPPR showed in the tables below is an annualised figure.

The information included in the tables below assumes, among other things:

- (a) during the Revolving Period, new Receivables are transferred to keep the aggregate Principal Balance of the Securitised Portfolio constant (and equal to the initial aggregate Principal Balance of the Securitised Portfolio);
- (b) that the Revolving Period will end on the Payment Date falling in April 2021 (included);
- (c) there are no delinquencies or default on the Receivables, and principal payments on the Receivables will be timely received, if any, at the respective CPPRs set forth in the tables below;
- (d) there are no Interest Available Funds to be applied as Principal Available Funds under the Revolving Period Principal Priority of Payments or Amortisation Period Principal Priority of Payments (as applicable);
- (e) the CPPR shown in the tables is an annualised figure. The range of scenarios have been defined based on historic information shared by the Transferor;
- (f) the calculation of the weighted average life (in years) is calculated on an Actual / 360 basis;
- (g) payment of principal and interest due and payable under the Rated Notes will be received on the relevant Payment Date;
- (h) No Early Amortisation Event has occurred, no Enforcement Notice has been delivered and no Portfolio Performance Trigger Event has occurred;
- (i) the Receivables fully amortise according to their amortisation plan; and
- (j) a portfolio of 60% Point of Sale Loans and 40% PIL Loans has been assumed for the amortisation profile.

The actual characteristics and performance of the Receivables will differ from the assumptions used in constructing the tables set forth below, which are hypothetical in nature and provided only to give a general sense of how the principal cash flows might behave under varying monthly rates of principal prepayment scenarios. For example, it is unlikely that the Receivables will pay at a constant monthly rate of principal payment until maturity. Any difference between such assumptions and the actual characteristics and performance of the Receivables, or actual monthly rate of principal prepayment, will affect the estimated weighted average life of the Rated Notes. Subject to the foregoing discussion and assumptions, the following tables indicate the Estimated Weighted Average Life of the Rated Notes under the CPPR shown and under two scenarios: (i) exercise of the Call Option on the Call Option Date; (ii) the principal of the Rated Notes is repaid according to the relevant Priorities of Payments up to the Final Maturity Date.

Estimated Weighted Average Life of the Rated Notes to the Call Option Date

	CPPR					
	0%	5%	10%	15%	20%	25%
Class A.....	2.37	2.33	2.29	2.24	2.20	2.16
Class B.....	3.13	3.13	3.13	3.13	3.13	3.13
Class C.....	3.13	3.13	3.13	3.13	3.13	3.13
Class D.....	3.13	3.13	3.13	3.13	3.13	3.13

Estimated Weighted Average Life of the Rated Notes to the Clean Up Call Option Date

	CPPR					
	0%	5%	10%	15%	20%	25%
Class A.....	2.44	2.37	2.31	2.26	2.21	2.16
Class B.....	3.97	3.80	3.69	3.53	3.37	3.28
Class C.....	3.98	3.80	3.72	3.56	3.39	3.31
Class D.....	3.98	3.80	3.72	3.56	3.39	3.31

The Estimated Weighted Average Lives of the Rated 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 and they must therefore be viewed with considerable caution.

USE OF PROCEEDS

The gross proceeds from the issue of the Notes are expected to amount to €223,400,000.

The gross proceeds of the:

- (a) Class A Notes, Class B Notes, Class C Notes and Class D Notes will be used to pay the Initial Consideration payable by the Issuer to the Transferor for the purchase of the initial Securitised Portfolio on the Closing Date; and
- (b) Class J Notes will be used to fund (i) part of the Initial Consideration payable by the Issuer to the Transferor for the purchase of the initial Securitised Portfolio on the Closing Date; (ii) the Cash Reserve Fund up to the Cash Reserve Required Amount; (iii) the upfront premium due under the Cap Agreement to the Cap Counterparty; and (iv) the certain Issuer Costs and Expenses.

ISSUER

The Issuer was incorporated and registered in Ireland (under company registration number 654680) as designated activity company limited by shares under the Companies Act 2014 of Ireland (the "**Companies Act**") on 6 August 2019. The entire issued share capital of the Issuer (1 ordinary share of €1) is held by the Share Trustee under the terms of a trust established under Irish law by a declaration of trust dated 19 September 2019 (but effective from 6 August 2019) and made by the Share Trustee on discretionary trust for charitable purposes. The Issuer has been established as a special purpose company for the purpose of acquiring the Receivables and issuing the Notes. The Issuer has no subsidiaries.

The Issuer was incorporated in Ireland on 6 August 2019 (registered number 654680) and is a designated activity company under the Companies Act. The registered office of the Issuer is at 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland. The telephone number of the Issuer's registered office is +353 1 6686152.

The Transferor does not own directly or indirectly any of the share capital of the Issuer.

The Issuer has not engaged, since its incorporation, in any material activities nor commenced operations (other than those incidental to its registration as a designated activity company under the Companies Act and to the proposed issue of the Notes and the authorisation of the other Transaction Documents referred to in this Prospectus to which it is or will be a party, and other matters which are incidental or ancillary to the foregoing) and no statutory accounts have been prepared or delivered to the Registrar of Companies on behalf of the Issuer as at the date of this Prospectus. The Issuer has no loan capital, borrowings or material contingent liabilities (including guarantees) as at the date of this Prospectus. The Issuer has no employees.

The accounting reference date of the Issuer is 31 December and the first statutory accounts of the Issuer will be drawn up to 31 December 2019.

Under the Corporate Services Agreement, Intertrust Management Ireland Limited as Corporate Services Provider, will provide to the Issuer certain directors and other corporate services in consideration for the payment by the Issuer of an annual fee to the Corporate Services Provider. The registered address of the Corporate Services Provider is 2nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland, which is also the business address for each of the Issuer and the Share Trustee.

Directors and secretary

The following table sets out the directors of the Issuer and their respective business addresses and principal activities.

Name	Business address	Business Occupation
Gustavo Nicolosi	1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32	Director
David Dunne	1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32	Manager

The company secretary of the Issuer is Intertrust Management Ireland Limited whose principal office is at 2nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland.

THE TRANSFEROR

Pepper Finance Corporation, S.L.U. ("**Pepper Finance**") is a private limited liability company (*Sociedad Limitada*) incorporated in Spain and registered with the Mercantile Registry of Madrid Tome 32.039, Sheet 211, Section 8th, Page M-576.566, and registered with the Special Registry of Spanish law 2/2009 of 31st March with number 467/2014. Pepper Finance's date of incorporation is 10 March 2014 according to the Mercantile Registry information. It has Spanish tax number B86961612 and its registered office is at C/ Juan Esplandiú 13 C1, Madrid (28007), Spain.

Pepper Finance is the financial branch of Pepper Assets Services, S.L.U. ("**Pepper Asset Services**") (the Servicer). Since incorporation, Pepper Finance has been increasingly active in the point of sale and personal loans market in Spain (currently being a top five player in the non-captive Point of Sale market).

Pepper Finance has more than five years of experience in the origination and underwriting of unsecured personal loans similar to those included in the Securitised Portfolio.

Board of Directors

The directors of Pepper Finance Corporation, S.L.U. and their respective business addresses and occupations are:

<u>Name</u>	<u>Business Address</u>	<u>Business Occupation</u>
Mr. Francisco Pedraza Sánchez	C/ Juan Esplandiú 13 C1, 28007 – Madrid (Spain)	Economist

The company is managed by its parent company Pepper Assets Services, S.L.U. as a sole director ("*Administrador Único*") duly represented by Mr. Francisco Pedraza Sánchez, whose registered office is at C/ Juan Esplandiú 13 C1 Madrid – 28007 (Spain).

The accounting reference date of the Transferor is 31st December.

THE SECURITISED PORTFOLIO

THE RECEIVABLES

Introduction

The following is a description of some of the main characteristics of the Receivables in the Securitised Portfolio including details of loan types.

The Transferor has identified a portfolio of receivables (the "**Provisional Securitised Portfolio**") to assign and transfer to the Issuer, using a system containing defined data on each of the qualifying loans in the Transferor's overall portfolio of loans available for selection. This system allows the setting of exclusion criteria, among others corresponding to relevant Transferor Asset Warranties that the Transferor makes in the Receivables Sale Agreement in relation to the Receivables (see the section entitled "*Title to the Securitised Portfolio – Warranties and Repurchase*" below) Eligibility Criteria, the Portfolio Concentration Levels and Portfolio Performance Trigger Events. Once the criteria have been determined, the system identifies all Receivables owned by the Transferor that are consistent with the criteria.

The initial Securitised Portfolio transferred on the Closing Date may differ from the Provisional Securitised Portfolio due to any repayments of Receivables occurring or enforcement procedures being completed or if the Receivables would breach the Transferor Asset Warranties to be made on the Closing Date or do not comply with the Eligibility Criteria, the Portfolio Concentration Levels or Portfolio Performance Trigger Events or Receivables which are included in addition to the Provisional Securitised Portfolio which comply with the Eligibility Criteria and Transferor Asset Warranties, in each case during the period between 6 September 2019 (the "**Initial Cut-Off Date**") and the Closing Date. The benefit of all Collections received during the period from the Initial Cut-Off Date to the Closing Date will be for the account of the Issuer. As at the Initial Cut-Off Date, the Provisional Securitised Portfolio had the characteristics shown below.

Characteristics of the Receivables

Receivables within the Securitised Portfolio will consist of Spanish consumer loans being:

- (a) point of sale loans originated by the Transferor for the purposes of financing the purchase by the relevant Obligor of a specific product or service from a supplier ("**Point of Sale Loans**"); and
- (b) consumer loans originated by the Transferor for the purposes of financing general needs of the relevant Obligor (but not linked to a specific product or service): (i) advanced under an existing Point of Sale Loan or PIL Loan of that Obligor and which is used only in part to refinance in full all outstanding amounts under such existing Point of Sale Loan or PIL Loan; or (ii) to whom the Transferor has not previously granted a Point of Sale Loan or a PIL Loan in the past ("**PIL Loans**").

The Receivables in the Provisional Securitised Portfolio do not include at the time of selection for inclusion in the Provisional Securitised Portfolio any exposures in default or delinquent exposures within the meaning of Article 178(1) of Regulation (EU) No 575/2013 for the purposes of Article 20(11) of the EU Securitisation Regulation.

For the purposes of Article 21(2) of the EU Securitisation Regulation:

- (a) the Securitised Portfolio, as at the Initial Cut-Off Date, does not include any derivatives for purposes of Article 21(2) of the EU Securitisation Regulation on the basis that the Receivables in the Securitised Portfolio have been entered into substantially on the terms of similar standard documentation for unsecured consumer loans; and
- (b) except for the purpose of hedging interest-rate or currency risk, the Issuer will not enter into derivative contracts.

The aggregate Principal Balance of all Receivables in the Securitised Portfolio made to a single Obligor does not exceed 0.01% of the aggregate Principal Balance of all Receivables in the Provisional Securitised Portfolio as of the Initial Cut-Off Date.

No active portfolio management

The Transferor's rights and obligations to sell Receivables and their Related Rights to the Issuer and/or repurchase Receivables and their Related Rights from the Issuer pursuant to the Receivables Sale Agreement, including repurchases of Receivables that do not comply with the LCR/Solvency II requirements, Receivables that do not comply with the Securitisation Regulation, the STS criteria or Article 243 of the Capital Requirements Regulation, Receivables that are the subject of litigation against the Transferor, Receivables that are in breach of the Transferor Asset Warranties and the exercise of the call options do not constitute active portfolio management for purposes of Article 20(7) of the Securitisation Regulation. During the Revolving Period, the Transferor intends to use the call option in relation to Defaulted Receivables only to facilitate recoveries or for the purpose of adding further Eligible Receivables as substitutes for Defaulted Receivables. During the Amortisation Period, the Transferor intends to use the call option in relation to Defaulted Receivables only to facilitate recoveries.

Governing law

Each of the Receivables is governed by Spanish law.

ORIGINATION AND SERVICING PROCESS

Origination channels

Pepper Finance originates Point of Sale ("**POS**") loans via agreements with retailers who seek financing solutions for their customers when purchasing goods and services. Pepper Finance has an established commercial structure that identifies and acquires retailers to offer its solutions across the whole of Spain.

Personal Instalment Loans ("**PIL**") are originated through by cross-selling consumer loans to Point of Sale Loan borrowers, and from there Pepper Finance offers PIL borrowers with an opportunity to increase the balance of their loan. Over the years, Pepper Finance has developed a sophisticated model to cross-sell loans to Point of Sale Loan borrowers utilising a proactive marketing scheme incorporating internal segmentation rules.

Approval process

Point of Sale Loan approval process

Point of Sale Loan approval involves an assessment of both the borrower and the retailer:

- Retailers are assessed at the moment of on-boarding and again at regular intervals throughout their contracts, through daily and monthly monitoring actions. Retailers are internally rated, which impacts how their loan applications are assessed.
- POS borrowers are assessed through a credit score (developed and maintained internally by Pepper Finance credit risk department and other credit rules, including consumer credit bureau checks (the "**Credit Bureau**") and the use of any other available sources of credit information.

The decision is made in three stages:

1. A preliminary decision is made on the basis of the information gathered by the retailer from the customer and relayed to Pepper Finance. The decision is automatically produced by Pepper Finance IT Loan Management Platform running a combination of searches (the Credit Bureau and other available data), the credit scoring and a number of additional credit rules. This preliminary decision has only two possible outcomes: approved or declined.
2. If the preliminary decision is approved, the retailer delivers documentation for validation and Pepper Finance's final decision, which will either be confirmation of the approval (and then disbursement to the retailer) or Pepper Finance informs the retailer of any issues raised during the validation process.
3. Any issues detected during the validation process are either resolved favourably, resulting in final approval and the loan being disbursed, or ultimately rejected.

PIL approval process

PIL approval process has the following stages:

- Pepper Finance customers are proactively monitored and rated to determine their eligibility for a PIL offer. On a monthly basis, eligible customers from a credit and commercial perspective are assigned to marketing campaigns and presented tailored PIL offers.
- When a customer accepts a PIL offer, Pepper Finance underwrites the customer's application again and performs further Credit Bureau or data searches and validations. If finally approved, the loan is disbursed.

Credit history

There is no publicly available credit registry of persons with adverse credit history in Spain, and it is not possible to establish with certainty whether an Obligor has undergone a debt-restructuring process with regard to his non-performing exposures. To the best of the Transferor's knowledge (as at the date of

origination of the relevant Receivable), the relevant Obligor was neither on such a registry of persons, nor had undergone a debt-restructuring process with regard to his non-performing exposures.

Risk authorisation

Pepper Finance decision models are integrated into the Pepper IT Loan Management Platform, including credit rules and scoring, in order to benefit from an automated decision process. Only Credit Risk Area staff with sufficient experience are authorised to manage such models and rules.

File minimum

A file shall include at least the following documents:

- loan written contract or verbal loan recorded contract; and
- customer identification: Spanish Identity Card (DNI), passport, others.

Summary of lending criteria and guidelines

The following is a summary of the current guidelines applied by the Transferor in originating the Receivables, subject to any underwriting exceptions (as described below).

The Point of Sale Loans and PIL Loans: (i) have been underwritten according to similar standards which apply similar approaches to the assessment of credit risk, with relevant adjustments applied depending on the relevant type of loan and applicable verifications; and (ii) are serviced according to similar servicing procedures with respect to monitoring, collection and administration.

It should be noted that the Guidelines have changed over time and not all Receivables will have been originated under these terms. However, the lending criteria relevant to the origination of the Receivables in the Provisional Securitised Portfolio were substantially similar to those set out below.

General lending criteria:

GENERAL CRITERIA	Point of Sale Loans	PIL Loans
PRODUCT		
Type of interest rate	Fixed term rate	Fixed term rate
Amount range	Up to 7,000 Euro	Up to 9,000 Euro
Contractual tenor	Up to 72 months	Up to 84 months
Payment method	Direct Debit (all except Credit Card charge for e-commerce segment)	Only Direct Debit
BORROWER		
Type of borrower	Only individuals	Only individuals
Minimum age	18 years	18 years
Max age (including tenor)	General rule: less than 82 years up to 85 years for hearing aid segment	Less than 82 years
Minimum net monthly income	Non pensioners 645 Euro Pensioners 500 euros	Non pensioners 645 Euro Pensioners 500 euros

GENERAL CRITERIA	Point of Sale Loans	PIL Loans
UNDERWRITING CHECKS		
Credit bureau	100% of check made	100% of check made
Debt ratio (monthly quote of the loan / monthly net income)	<=30%, 95% balance	<=25%, 95% balance
	>30%, 5% balance	>25%, 5% balance
DOCUMENTATION		
Contract	electronic/physical signature on a written contract	electronic/physical signature on a written contract or verbal recorded contract
Identification	National ID / Resid. Card /Passport/driver license	National ID / Resid. Card /Passport/dr.license

The credit granting process applied by the Transferor is in compliance with Directive 2008/48/EC which was transposed into Spanish Law 16/2011 on 24 June 2011 (*Ley 16/2011 sobre Contratos de Crédito al Consumo*).

Underwriting exceptions

The underwriting standards applied by the Transferor in connection with the origination of the Receivables were no less stringent than those that the Transferor applied at the time of origination to similar loans that are not securitised.

On a case-by-case basis the Transferor may have determined that, based upon compensating factors, an applicant that did not strictly qualify under its Guidelines at that time warranted an underwriting exception. Compensating factors may be considered including, but not limited to, overall affordability position and track record with the organisation. Any such exceptions would have been approved by an authorised mandate holder of the Transferor.

Changes to the Guidelines

The Transferor may vary the Guidelines from time to time subject to certain conditions – see section titled "*Servicing and Cash Management – Amendments to the Guidelines*" below for further details.

Any material changes from the Transferor's prior underwriting policies and Guidelines shall be disclosed without undue delay to the extent required under Article 20(10) of the Securitisation Regulation.

Billing and payment methods

Payments by the Obligor under the Receivables are collected through various methods put in place (directly or indirectly) by the Transferor to receive these amounts from its clients.

The main method for payment of the Receivables is Direct Debit accounts used to debit the monthly instalments of the Receivables from the Obligor's bank account. Through Direct Debit orders (Single Euro Payments Area mandate or mandato SEPA), Obligor authorise the lender to settle the amounts due for monthly instalments directly from their bank account without requiring the Obligor to perform any steps other than keeping the bank account sufficiently funded from which the direct debit is drawn. Occasionally Obligor may have instructed for the payment of the monthly instalments to be made not through bank account payment but through a card payment order, in which case the amounts are debited on the due date of the client's debit or credit card.

Where Direct Debit order or a card payment order is declined, the special servicing team of the Servicer makes a claim for the amount due to be paid into the standard Collection Accounts held by the Transferor or the Servicer by (a) wire transfer, (b) direct payment through any of the branches of the Banks with which the Transferor and/or Servicer have an agreement or (c) through a card payment.

All Collection Accounts are opened (or will be opened within 30 days of the execution of the Back-Up Servicing Agreement in the case of the Back-Up Servicer Collection Account) and held by the Transferor, the Servicer and/or the Delegate and are exclusively dedicated for Collections from the Receivables at any time in the Eligible Receivables Pool. These Collection Accounts are not commingled with payments received from assets not associated with the Issuer. The Collection Accounts will be pledged in favour of the Issuer.

Collections and Recovery

General

Pepper Finance has an end to end internal management model of debt collection. In order to optimise the efficiency of the collection process, it is divided into three stages: the prevention stage (before customer is in arrears), early arrears management (up to 90dpd) and recovery stage (from 90dpd onwards). All debts are unsecured. The Receivables (including loans to POS borrowers) are unsecured and Pepper Finance does not have recourse to the goods purchased by the relevant borrower.

Prevention Stage

Pepper Finance runs different actions to prevent potential missed direct debit payments, including monthly communications informing customers when the due dates are approaching, or calling customers when the loan is granted to ensure that they understand the monthly instalment and the due date.

Early arrears management

Customers falling into 1dpd to 90dpd are assigned to experienced collections agents with capacity models to ensure efficiency ratios. Intraday collection information and daily benchmarks ensure appropriate follow up management actions.

Recovery +90dpd

From 90dpd customers are allocated to special agents for a pre-litigation collections strategy which runs in parallel with the litigation process. Litigation starts between 120dpd to 180dpd and is performed by an internal dedicated team under the following scheme:

- *Monitorio* stage: majority of defaulted loans (subject to outstanding debt and other criteria) are under an initial lawsuit process named *Monitorio*. If the customer is unable to make payment, this will then progress to the next litigation step; and
- Enforcement: defaulted loans with pending debts after the *Monitorio* stage will enter, under certain filters, into the enforcement process.

HISTORICAL DEFAULT AND LOSS PERFORMANCE

The tables and graphs in this section relate to the historical default and loss performance of Point of Sale Loans and PIL Loans originated by the Transferor and have been prepared by the Transferor.

Point of Sale Loans/PIL Loans Delinquency % (Dynamic)

The following tables show the delinquency rate for Point of Sale Loans and PIL Loans, calculated by dividing each month: (i) the sum of the principal balance of Receivables in each of the delinquency category (Not Delinquent, 1-30 dpd, 31-60 dpd, etc.); by (ii) the sum of the principal balance of all Receivables in that month.

POS - Delinquency Ratio (Dynamic)

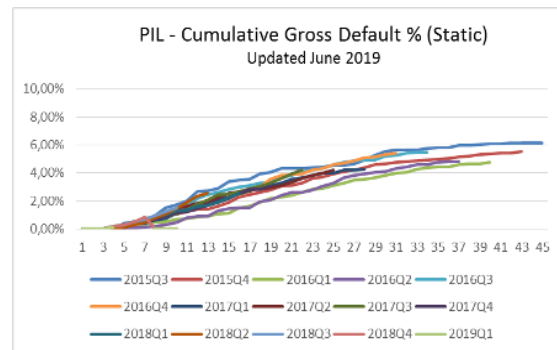
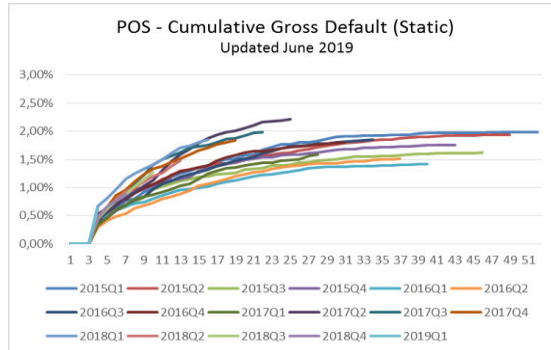
	Not Delinquent	1-30 d.	31-60 d.	61-90 d.	91-120 d.	121-150 d.	151-180 d.	180+ d.	Total Balances
201501	99,76%	0,24%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
201502	99,57%	0,37%	0,06%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
201503	99,47%	0,33%	0,16%	0,04%	0,00%	0,00%	0,00%	0,00%	100,00%
201504	99,33%	0,39%	0,14%	0,12%	0,03%	0,00%	0,00%	0,00%	100,00%
201505	99,33%	0,27%	0,20%	0,09%	0,09%	0,02%	0,00%	0,00%	100,00%
201506	99,23%	0,33%	0,14%	0,14%	0,08%	0,07%	0,02%	0,00%	100,00%
201507	99,21%	0,28%	0,17%	0,10%	0,10%	0,06%	0,06%	0,02%	100,00%
201508	98,72%	0,64%	0,20%	0,12%	0,10%	0,09%	0,06%	0,07%	100,00%
201509	98,78%	0,42%	0,29%	0,13%	0,11%	0,08%	0,08%	0,11%	100,00%
201510	98,81%	0,39%	0,16%	0,19%	0,11%	0,10%	0,08%	0,17%	100,00%
201511	98,72%	0,41%	0,19%	0,12%	0,15%	0,10%	0,09%	0,23%	100,00%
201512	98,69%	0,29%	0,24%	0,16%	0,10%	0,14%	0,09%	0,29%	100,00%
201601	98,46%	0,46%	0,17%	0,20%	0,14%	0,09%	0,13%	0,35%	100,00%
201602	98,45%	0,34%	0,24%	0,13%	0,17%	0,14%	0,08%	0,45%	100,00%
201603	98,39%	0,33%	0,23%	0,18%	0,10%	0,16%	0,12%	0,50%	100,00%
201604	98,33%	0,27%	0,26%	0,14%	0,15%	0,09%	0,16%	0,60%	100,00%
201605	98,31%	0,25%	0,16%	0,23%	0,12%	0,13%	0,09%	0,71%	100,00%
201606	98,36%	0,23%	0,15%	0,12%	0,16%	0,11%	0,12%	0,75%	100,00%
201607	98,25%	0,29%	0,16%	0,12%	0,10%	0,14%	0,11%	0,83%	100,00%
201608	98,20%	0,24%	0,16%	0,13%	0,11%	0,09%	0,14%	0,93%	100,00%
201609	98,07%	0,34%	0,17%	0,12%	0,11%	0,10%	0,09%	1,01%	100,00%
201610	97,94%	0,39%	0,21%	0,14%	0,08%	0,10%	0,09%	1,05%	100,00%
201611	98,02%	0,26%	0,22%	0,17%	0,10%	0,07%	0,09%	1,07%	100,00%
201612	97,82%	0,36%	0,21%	0,18%	0,13%	0,10%	0,07%	1,13%	100,00%
201701	97,71%	0,32%	0,26%	0,18%	0,15%	0,12%	0,10%	1,16%	100,00%
201702	97,66%	0,33%	0,20%	0,19%	0,14%	0,14%	0,12%	1,23%	100,00%
201703	97,62%	0,30%	0,20%	0,16%	0,16%	0,13%	0,14%	1,29%	100,00%
201704	97,33%	0,47%	0,24%	0,16%	0,11%	0,15%	0,13%	1,40%	100,00%
201705	97,27%	0,42%	0,28%	0,18%	0,13%	0,10%	0,14%	1,48%	100,00%
201706	97,36%	0,32%	0,21%	0,21%	0,15%	0,12%	0,10%	1,53%	100,00%
201707	97,38%	0,26%	0,22%	0,17%	0,16%	0,14%	0,12%	1,55%	100,00%
201708	97,17%	0,33%	0,24%	0,19%	0,12%	0,15%	0,14%	1,66%	100,00%
201709	97,11%	0,30%	0,26%	0,20%	0,13%	0,12%	0,14%	1,74%	100,00%
201710	97,04%	0,32%	0,27%	0,20%	0,15%	0,12%	0,12%	1,79%	100,00%
201711	97,02%	0,33%	0,24%	0,20%	0,17%	0,13%	0,11%	1,80%	100,00%
201712	96,88%	0,36%	0,24%	0,20%	0,17%	0,16%	0,12%	1,87%	100,00%
201801	96,66%	0,46%	0,32%	0,17%	0,16%	0,15%	0,15%	1,93%	100,00%
201802	96,55%	0,41%	0,37%	0,23%	0,16%	0,15%	0,14%	1,98%	100,00%
201803	96,47%	0,40%	0,32%	0,27%	0,21%	0,14%	0,14%	2,05%	100,00%
201804	96,51%	0,32%	0,24%	0,27%	0,23%	0,18%	0,13%	2,11%	100,00%
201805	96,49%	0,32%	0,19%	0,21%	0,25%	0,22%	0,18%	2,15%	100,00%
201806	96,49%	0,28%	0,20%	0,17%	0,20%	0,23%	0,20%	2,23%	100,00%
201807	96,41%	0,30%	0,21%	0,17%	0,16%	0,19%	0,22%	2,34%	100,00%
201808	96,23%	0,31%	0,23%	0,19%	0,17%	0,15%	0,19%	2,53%	100,00%
201809	96,10%	0,34%	0,22%	0,19%	0,18%	0,16%	0,15%	2,66%	100,00%
201810	96,19%	0,28%	0,22%	0,15%	0,16%	0,16%	0,14%	2,70%	100,00%
201811	96,23%	0,25%	0,21%	0,16%	0,13%	0,15%	0,15%	2,71%	100,00%
201812	95,96%	0,40%	0,19%	0,19%	0,15%	0,13%	0,15%	2,83%	100,00%
201901	95,91%	0,33%	0,27%	0,17%	0,18%	0,14%	0,12%	2,89%	100,00%
201902	95,87%	0,30%	0,24%	0,22%	0,15%	0,17%	0,13%	2,91%	100,00%
201903	95,84%	0,32%	0,23%	0,20%	0,19%	0,14%	0,16%	2,91%	100,00%
201904	95,69%	0,37%	0,25%	0,19%	0,19%	0,18%	0,14%	2,99%	100,00%
201905	95,67%	0,36%	0,25%	0,20%	0,17%	0,18%	0,17%	3,00%	100,00%
201906	95,63%	0,34%	0,23%	0,21%	0,19%	0,16%	0,17%	3,06%	100,00%
201907	95,71%	0,26%	0,21%	0,19%	0,20%	0,17%	0,16%	3,10%	100,00%

PIL - Delinquency Ratio (Dynamic)

	Not Delinquent	1-30 d.	31-60 d.	61-90 d.	91-120 d.	121-150 d.	151-180 d.	180+ d.	Total Balances
201507	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
201508	99,87%	0,13%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
201509	99,72%	0,19%	0,09%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
201510	99,79%	0,15%	0,05%	0,01%	0,00%	0,00%	0,00%	0,00%	100,00%
201511	99,77%	0,09%	0,08%	0,04%	0,01%	0,02%	0,00%	0,00%	100,00%
201512	99,65%	0,19%	0,04%	0,06%	0,03%	0,01%	0,02%	0,00%	100,00%
201601	99,44%	0,36%	0,06%	0,03%	0,06%	0,03%	0,01%	0,01%	100,00%
201602	99,41%	0,22%	0,21%	0,04%	0,03%	0,05%	0,02%	0,02%	100,00%
201603	99,03%	0,43%	0,22%	0,19%	0,02%	0,03%	0,04%	0,04%	100,00%
201604	99,12%	0,13%	0,29%	0,15%	0,17%	0,02%	0,03%	0,08%	100,00%
201605	98,91%	0,28%	0,13%	0,26%	0,13%	0,16%	0,01%	0,10%	100,00%
201606	98,94%	0,18%	0,19%	0,08%	0,22%	0,13%	0,15%	0,10%	100,00%
201607	98,88%	0,21%	0,18%	0,11%	0,07%	0,20%	0,12%	0,24%	100,00%
201608	98,76%	0,15%	0,25%	0,13%	0,11%	0,06%	0,19%	0,34%	100,00%
201609	98,65%	0,31%	0,12%	0,16%	0,11%	0,10%	0,05%	0,50%	100,00%
201610	98,46%	0,40%	0,22%	0,08%	0,12%	0,10%	0,10%	0,53%	100,00%
201611	98,43%	0,32%	0,27%	0,13%	0,05%	0,12%	0,10%	0,59%	100,00%
201612	98,30%	0,18%	0,33%	0,28%	0,09%	0,06%	0,11%	0,66%	100,00%
201701	98,06%	0,34%	0,20%	0,31%	0,22%	0,09%	0,05%	0,74%	100,00%
201702	97,84%	0,42%	0,28%	0,16%	0,24%	0,22%	0,09%	0,76%	100,00%
201703	97,65%	0,43%	0,28%	0,27%	0,14%	0,22%	0,21%	0,81%	100,00%
201704	97,18%	0,64%	0,38%	0,26%	0,23%	0,12%	0,21%	0,98%	100,00%
201705	97,14%	0,51%	0,35%	0,29%	0,22%	0,22%	0,14%	1,13%	100,00%
201706	97,09%	0,45%	0,35%	0,25%	0,23%	0,20%	0,21%	1,21%	100,00%
201707	97,05%	0,38%	0,36%	0,29%	0,17%	0,20%	0,19%	1,35%	100,00%
201708	96,79%	0,45%	0,36%	0,32%	0,22%	0,17%	0,19%	1,50%	100,00%
201709	96,70%	0,43%	0,35%	0,30%	0,24%	0,20%	0,15%	1,63%	100,00%
201710	96,42%	0,54%	0,36%	0,28%	0,26%	0,22%	0,19%	1,72%	100,00%
201711	96,33%	0,43%	0,44%	0,28%	0,27%	0,23%	0,19%	1,84%	100,00%
201712	96,33%	0,30%	0,33%	0,33%	0,29%	0,21%	0,23%	1,97%	100,00%
201801	96,08%	0,47%	0,33%	0,28%	0,31%	0,23%	0,20%	2,10%	100,00%
201802	95,96%	0,48%	0,33%	0,25%	0,25%	0,30%	0,23%	2,20%	100,00%
201803	95,84%	0,44%	0,34%	0,26%	0,24%	0,25%	0,29%	2,35%	100,00%
201804	95,71%	0,44%	0,29%	0,32%	0,26%	0,22%	0,24%	2,52%	100,00%
201805	95,51%	0,43%	0,34%	0,28%	0,30%	0,25%	0,20%	2,68%	100,00%
201806	95,56%	0,27%	0,28%	0,29%	0,28%	0,28%	0,24%	2,80%	100,00%
201807	95,50%	0,32%	0,21%	0,26%	0,27%	0,28%	0,26%	2,91%	100,00%
201808	95,26%	0,42%	0,24%	0,20%	0,26%	0,26%	0,27%	3,09%	100,00%
201809	95,00%	0,55%	0,32%	0,21%	0,20%	0,24%	0,25%	3,23%	100,00%
201810	95,00%	0,39%	0,39%	0,25%	0,19%	0,19%	0,24%	3,35%	100,00%
201811	94,84%	0,45%	0,33%	0,29%	0,25%	0,18%	0,20%	3,45%	100,00%
201812	94,61%	0,45%	0,37%	0,30%	0,29%	0,25%	0,18%	3,57%	100,00%
201901	94,43%	0,47%	0,37%	0,34%	0,28%	0,27%	0,23%	3,60%	100,00%
201902	94,27%	0,48%	0,36%	0,33%	0,33%	0,27%	0,26%	3,69%	100,00%
201903	94,22%	0,38%	0,41%	0,30%	0,30%	0,31%	0,25%	3,81%	100,00%
201904	93,86%	0,60%	0,36%	0,37%	0,28%	0,28%	0,31%	3,93%	100,00%
201905	93,64%	0,56%	0,48%	0,33%	0,35%	0,28%	0,28%	4,09%	100,00%
201906	93,43%	0,53%	0,46%	0,44%	0,30%	0,33%	0,26%	4,24%	100,00%
201907	93,38%	0,40%	0,44%	0,41%	0,41%	0,29%	0,31%	4,35%	100,00%

Point of Sale Loans/PIL Loans Cumulative Gross Default % (Static)

The following graphs and tables show the cumulative default rate for Point of Sale Loans and PIL Loans, calculated by dividing: (i) the sum of, in respect of each Receivable which has at any point been 120dpd, the principal balance of that Receivable at the point such Receivable became 120dpd; by (ii) the sum of the original principal balance of each such Receivable.



POS - Cumulative Gross Default % (Static)

Month After Origination	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	0.34%	0.44%	0.35%	0.53%	0.35%	0.30%	0.38%	0.52%	0.33%	0.42%	0.40%	0.43%	0.66%	0.45%	0.46%	0.47%	0.62%
5	0.56%	0.53%	0.46%	0.61%	0.50%	0.41%	0.46%	0.64%	0.46%	0.56%	0.61%	0.65%	0.81%	0.62%	0.63%	0.66%	0.66%
6	0.63%	0.70%	0.59%	0.73%	0.60%	0.48%	0.59%	0.75%	0.61%	0.68%	0.76%	0.86%	0.97%	0.79%	0.77%	0.76%	0.76%
7	0.76%	0.86%	0.66%	0.86%	0.67%	0.53%	0.69%	0.79%	0.69%	0.81%	0.89%	0.96%	1.15%	0.93%	0.88%	0.87%	0.87%
8	0.80%	0.97%	0.74%	0.92%	0.71%	0.63%	0.77%	0.89%	0.79%	0.91%	1.08%	1.10%	1.24%	1.00%	1.02%		
9	0.92%	1.01%	0.83%	0.97%	0.74%	0.68%	0.83%	0.99%	0.84%	1.03%	1.22%	1.24%	1.34%	1.11%	1.14%		
10	0.98%	1.05%	0.97%	1.03%	0.80%	0.73%	0.97%	1.06%	0.87%	1.12%	1.41%	1.33%	1.41%	1.19%	1.27%		
11	1.05%	1.15%	1.02%	1.10%	0.86%	0.80%	1.06%	1.13%	0.92%	1.30%	1.50%	1.38%	1.50%	1.26%			
12	1.19%	1.20%	1.07%	1.13%	0.91%	0.84%	1.12%	1.23%	0.97%	1.47%	1.56%	1.45%	1.61%	1.38%			
13	1.25%	1.29%	1.11%	1.15%	0.96%	0.88%	1.18%	1.28%	1.03%	1.58%	1.62%	1.52%	1.70%	1.47%			
14	1.29%	1.32%	1.15%	1.19%	0.97%	0.95%	1.23%	1.32%	1.06%	1.68%	1.70%	1.59%	1.75%				
15	1.35%	1.35%	1.19%	1.29%	0.99%	1.03%	1.27%	1.36%	1.15%	1.79%	1.73%	1.66%	1.80%				
16	1.38%	1.38%	1.19%	1.34%	1.02%	1.06%	1.32%	1.39%	1.25%	1.88%	1.75%	1.70%	1.85%				
17	1.46%	1.43%	1.23%	1.38%	1.07%	1.11%	1.38%	1.48%	1.29%	1.94%	1.80%	1.76%					
18	1.49%	1.43%	1.25%	1.42%	1.10%	1.15%	1.43%	1.53%	1.34%	1.98%	1.86%	1.80%					
19	1.52%	1.44%	1.26%	1.45%	1.12%	1.20%	1.48%	1.58%	1.35%	2.01%	1.87%	1.84%					
20	1.57%	1.49%	1.32%	1.48%	1.16%	1.24%	1.51%	1.62%	1.39%	2.06%	1.93%						
21	1.59%	1.56%	1.33%	1.51%	1.20%	1.27%	1.54%	1.64%	1.42%	2.10%	1.97%						
22	1.67%	1.57%	1.34%	1.53%	1.22%	1.29%	1.61%	1.65%	1.43%	2.17%	1.98%						
23	1.72%	1.58%	1.39%	1.54%	1.23%	1.33%	1.65%	1.68%	1.44%	2.18%							
24	1.76%	1.61%	1.40%	1.57%	1.26%	1.35%	1.69%	1.69%	1.48%	2.20%							
25	1.76%	1.63%	1.41%	1.58%	1.29%	1.38%	1.74%	1.72%	1.48%	2.22%							
26	1.80%	1.66%	1.44%	1.59%	1.31%	1.39%	1.75%	1.73%	1.50%								
27	1.81%	1.69%	1.45%	1.61%	1.34%	1.42%	1.75%	1.74%	1.56%								
28	1.83%	1.72%	1.47%	1.62%	1.36%	1.43%	1.77%	1.76%	1.58%								
29	1.87%	1.75%	1.48%	1.65%	1.36%	1.43%	1.78%	1.78%									
30	1.90%	1.77%	1.50%	1.67%	1.36%	1.43%	1.80%	1.79%									
31	1.92%	1.79%	1.52%	1.68%	1.37%	1.45%	1.81%	1.80%									
32	1.92%	1.80%	1.55%	1.69%	1.37%	1.46%	1.82%										
33	1.92%	1.82%	1.55%	1.70%	1.37%	1.47%	1.84%										
34	1.93%	1.84%	1.55%	1.71%	1.38%	1.48%	1.85%										
35	1.93%	1.85%	1.56%	1.72%	1.39%	1.50%											
36	1.93%	1.85%	1.56%	1.72%	1.39%	1.51%											
37	1.93%	1.88%	1.57%	1.73%	1.40%	1.52%											
38	1.93%	1.88%	1.58%	1.73%	1.40%												
39	1.96%	1.90%	1.60%	1.74%	1.42%												
40	1.97%	1.90%	1.60%	1.75%	1.42%												
41	1.97%	1.91%	1.60%	1.75%													
42	1.97%	1.92%	1.61%	1.75%													
43	1.97%	1.92%	1.61%	1.75%													
44	1.97%	1.93%	1.61%														
45	1.97%	1.93%	1.61%														
46	1.98%	1.93%	1.62%														
47	1.99%	1.94%															
48	1.99%	1.94%															
49	1.99%	1.94%															
50	1.99%																
51	1.99%																
52	1.99%																

PIL - Cumulative Gross Default % (Static)

Month After Origination	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1
1	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
2	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
3	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
4	0,00%	0,06%	0,11%	0,07%	0,05%	0,14%	0,11%	0,06%	0,08%	0,03%	0,13%	0,02%	0,20%	0,20%	0,12%
5	0,42%	0,12%	0,24%	0,07%	0,20%	0,25%	0,18%	0,06%	0,32%	0,11%	0,26%	0,15%	0,30%	0,31%	
6	0,51%	0,32%	0,30%	0,07%	0,49%	0,44%	0,34%	0,33%	0,51%	0,43%	0,54%	0,29%	0,53%	0,52%	
7	0,61%	0,62%	0,34%	0,16%	0,67%	0,58%	0,42%	0,69%	0,59%	0,47%	0,76%	0,47%	0,67%	0,83%	
8	0,94%	0,85%	0,46%	0,20%	0,84%	0,84%	0,63%	0,92%	0,73%	0,68%	0,85%	0,78%	0,94%		
9	1,48%	1,00%	0,50%	0,32%	0,99%	1,06%	0,74%	1,24%	0,92%	0,91%	1,00%	1,05%	1,25%		
10	1,70%	1,08%	0,66%	0,45%	1,30%	1,09%	1,10%	1,44%	1,08%	1,12%	1,27%	1,46%	1,51%		
11	2,03%	1,22%	0,72%	0,77%	1,62%	1,31%	1,40%	1,61%	1,37%	1,23%	1,35%	1,87%			
12	2,64%	1,40%	0,85%	0,89%	2,17%	1,51%	1,57%	1,83%	1,76%	1,43%	1,60%	2,35%			
13	2,73%	1,40%	0,88%	0,89%	2,45%	1,72%	1,84%	1,96%	2,07%	1,69%	1,70%	2,55%			
14	2,91%	1,60%	1,04%	1,27%	2,63%	2,19%	2,08%	2,21%	2,42%	1,87%	1,91%				
15	3,35%	1,90%	1,10%	1,46%	2,84%	2,26%	2,29%	2,56%	2,49%	2,18%	2,24%				
16	3,48%	2,30%	1,49%	1,50%	2,99%	2,42%	2,48%	2,67%	2,66%	2,58%	2,57%				
17	3,56%	2,46%	1,63%	1,50%	3,10%	2,68%	2,73%	2,78%	2,87%	2,81%					
18	3,93%	2,61%	1,90%	1,96%	3,27%	2,98%	2,92%	2,85%	3,03%	2,85%					
19	4,05%	2,78%	2,15%	2,05%	3,34%	3,57%	3,10%	2,92%	3,26%	3,04%					
20	4,29%	3,08%	2,27%	2,39%	3,66%	3,82%	3,28%	3,11%	3,61%						
21	4,29%	3,13%	2,37%	2,60%	3,85%	3,88%	3,53%	3,32%	3,95%						
22	4,29%	3,29%	2,62%	2,60%	4,03%	3,96%	3,63%	3,60%	4,21%						
23	4,37%	3,62%	2,84%	2,79%	4,23%	4,23%	3,84%	3,82%							
24	4,42%	3,73%	2,89%	3,03%	4,32%	4,32%	3,98%	3,96%							
25	4,53%	3,92%	3,12%	3,26%	4,59%	4,60%	3,98%	4,20%							
26	4,53%	4,09%	3,26%	3,66%	4,74%	4,69%	4,19%								
27	4,62%	4,22%	3,50%	3,84%	4,86%	4,89%	4,23%								
28	4,90%	4,40%	3,56%	3,93%	4,93%	5,09%	4,25%								
29	5,27%	4,59%	3,68%	4,05%	4,93%	5,14%									
30	5,54%	4,65%	3,84%	4,09%	5,19%	5,33%									
31	5,65%	4,77%	3,96%	4,34%	5,23%	5,43%									
32	5,65%	4,79%	4,05%	4,45%	5,39%										
33	5,65%	4,89%	4,27%	4,60%	5,47%										
34	5,75%	4,94%	4,37%	4,60%	5,49%										
35	5,83%	4,97%	4,43%	4,76%											
36	5,83%	5,05%	4,44%	4,83%											
37	5,95%	5,14%	4,58%	4,83%											
38	5,95%	5,18%	4,66%												
39	6,02%	5,29%	4,66%												
40	6,09%	5,35%	4,74%												
41	6,09%	5,41%													
42	6,11%	5,41%													
43	6,11%	5,54%													
44	6,11%														
45	6,11%														

Point of Sale Loans/PIL Loans Cumulative Recovery % (Static)

The following tables show the cumulative recovery rate for Defaulted Receivables, for Point of Sale Loans and PIL Loans, calculated monthly for each quarterly cohort by dividing: (i) the sum of, in respect of each Receivable which became a Defaulted Receivable during the relevant calendar quarter, the aggregate principal recoveries relating to such Receivable; by (ii) the sum of, in respect of each such Receivable, the principal balance of that Receivable at the point at which such Receivable became a Defaulted Receivable.

POS - Cumulative Recovery % (Static)

Month After Default	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1
1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	0.3%	0.2%	2.8%	1.2%	1.3%	0.4%	0.9%	3.1%	0.8%	2.7%	1.9%	4.3%	1.7%	3.4%	1.9%	2.6%
3	1.3%	0.5%	2.9%	1.3%	1.4%	0.9%	1.6%	4.3%	2.6%	5.4%	3.2%	5.8%	3.0%	6.8%	3.4%	3.3%
4	1.4%	0.7%	3.0%	2.0%	1.5%	1.0%	1.7%	6.0%	3.1%	6.5%	5.1%	6.9%	4.0%	8.3%	4.3%	4.3%
5	1.5%	5.0%	3.0%	2.1%	2.3%	1.2%	1.8%	8.1%	4.4%	7.1%	6.4%	7.5%	4.7%	9.1%	5.4%	
6	1.6%	5.2%	3.4%	2.2%	2.4%	1.8%	1.9%	8.6%	6.7%	8.5%	7.0%	8.0%	5.8%	9.9%	5.7%	
7	2.1%	5.3%	4.1%	2.4%	3.1%	2.2%	3.0%	10.8%	9.2%	9.3%	9.3%	9.4%	7.3%	11.6%	7.1%	
8	6.7%	6.1%	4.2%	2.5%	3.1%	3.6%	5.4%	13.2%	9.8%	10.7%	9.9%	10.5%	8.7%	13.1%		
9	7.0%	7.8%	4.4%	2.6%	4.6%	6.4%	5.6%	15.4%	10.5%	10.9%	10.2%	12.1%	9.6%	13.5%		
10	7.2%	8.0%	6.3%	3.4%	5.6%	9.0%	6.9%	17.0%	11.7%	12.1%	12.1%	12.5%	10.6%	14.5%		
11	7.4%	9.3%	6.5%	3.6%	5.8%	10.3%	7.8%	18.1%	13.2%	12.5%	13.4%	13.3%	11.8%			
12	7.6%	9.5%	8.5%	3.8%	5.9%	10.4%	8.5%	18.6%	13.4%	12.7%	14.2%	14.6%	12.8%			
13	7.8%	9.6%	9.8%	3.9%	6.0%	10.9%	9.7%	18.9%	14.7%	13.1%	14.6%	15.5%	13.5%			
14	8.0%	9.9%	10.1%	4.0%	7.8%	11.2%	11.3%	19.2%	14.8%	13.2%	14.9%	15.9%				
15	8.2%	11.6%	10.1%	4.0%	9.8%	11.3%	11.4%	20.1%	15.0%	13.8%	15.7%	17.0%				
16	9.0%	12.9%	10.3%	4.1%	10.0%	11.9%	11.5%	20.4%	15.7%	15.0%	16.1%	18.0%				
17	9.2%	14.1%	10.4%	4.1%	10.2%	12.3%	11.6%	21.0%	16.0%	15.5%	16.6%					
18	15.0%	16.6%	10.5%	4.1%	10.4%	12.4%	12.1%	21.5%	16.7%	15.7%	17.4%					
19	15.2%	16.9%	10.7%	4.2%	10.5%	12.5%	12.1%	21.7%	17.1%	16.1%	19.0%					
20	15.4%	17.1%	11.6%	4.2%	11.4%	12.5%	12.2%	22.1%	17.4%	16.4%						
21	15.6%	17.5%	11.8%	4.2%	11.9%	12.6%	12.6%	22.9%	18.4%	16.5%						
22	15.9%	17.6%	11.9%	4.2%	12.0%	12.8%	12.6%	23.6%	18.8%	17.9%						
23	16.1%	17.8%	12.0%	4.2%	12.4%	13.0%	12.7%	24.9%	19.7%							
24	16.3%	18.1%	14.6%	4.8%	12.5%	13.1%	12.7%	25.1%	20.4%							
25	16.5%	19.0%	14.8%	4.8%	12.6%	13.2%	13.1%	25.9%	20.9%							
26	16.7%	19.1%	14.9%	4.9%	12.8%	13.3%	13.4%	26.2%								
27	16.9%	19.3%	16.5%	4.9%	14.3%	13.5%	13.5%	26.3%								
28	17.1%	19.4%	16.9%	5.0%	14.3%	13.6%	13.8%	26.4%								
29	17.3%	19.6%	17.0%	5.2%	14.5%	13.8%	14.2%									
30	17.5%	19.6%	17.2%	5.3%	14.6%	13.9%	14.6%									
31	17.8%	19.7%	17.3%	5.3%	14.8%	14.2%	14.8%									
32	18.0%	19.8%	17.4%	6.8%	14.9%	14.3%										
33	18.2%	19.9%	17.5%	7.1%	15.5%	14.4%										
34	18.4%	20.0%	17.9%	7.3%	16.1%	14.5%										
35	18.6%	20.0%	18.0%	7.4%	16.2%											
36	18.8%	20.1%	18.1%	7.4%	16.3%											
37	18.8%	20.2%	18.4%	8.0%	16.4%											
38	18.8%	20.5%	18.5%	8.2%												
39	18.8%	20.5%	18.5%	8.2%												
40	18.8%	20.6%	18.7%	8.2%												
41	18.8%	20.6%	18.7%													
42	18.8%	20.6%	18.7%													
43	18.8%	21.2%	18.9%													
44	18.8%	21.2%														
45	18.8%	21.2%														
46	18.8%	21.8%														
47	18.8%															
48	18.8%															
49	18.8%															

PIL - Cumulative Recovery % (Static)

Month After Default	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1
1	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
2	0,2%	0,1%	0,1%	0,1%	2,0%	0,4%	2,0%	0,2%	1,0%	0,4%	1,1%	0,4%	1,9%
3	11,4%	0,1%	0,0%	0,2%	2,0%	1,9%	2,3%	0,4%	1,2%	2,2%	2,7%	0,8%	2,4%
4	11,4%	0,5%	0,0%	0,3%	2,1%	2,0%	2,6%	0,6%	1,5%	2,4%	3,8%	2,8%	2,7%
5	11,4%	0,6%	0,0%	0,4%	2,3%	2,1%	2,9%	3,3%	1,6%	3,5%	6,4%	4,7%	
6	11,4%	0,6%	0,0%	0,5%	2,5%	2,1%	3,9%	4,0%	1,8%	3,7%	6,9%	6,3%	
7	11,4%	0,7%	0,0%	0,6%	2,7%	2,6%	4,2%	4,2%	2,9%	4,6%	7,1%	6,5%	
8	11,4%	0,9%	0,0%	0,8%	2,8%	3,1%	4,4%	4,4%	3,2%	5,4%	8,3%		
9	11,4%	1,1%	0,0%	0,9%	3,0%	4,6%	4,8%	4,5%	3,8%	5,7%	8,5%		
10	11,4%	1,3%	0,0%	1,0%	3,1%	4,8%	5,4%	5,8%	6,1%	5,9%	8,7%		
11	11,4%	1,3%	0,1%	1,1%	5,6%	5,0%	5,7%	6,6%	6,3%	6,1%			
12	11,4%	1,5%	0,1%	1,2%	5,8%	5,2%	5,9%	6,8%	6,7%	6,3%			
13	11,4%	1,6%	0,1%	1,4%	6,2%	5,4%	6,1%	7,2%	7,4%	6,8%			
14	11,4%	1,7%	0,2%	1,6%	7,3%	5,7%	6,3%	7,5%	7,6%				
15	11,4%	1,9%	0,2%	1,8%	9,0%	7,3%	6,5%	8,5%	8,2%				
16	11,4%	2,0%	0,2%	2,1%	9,2%	8,9%	8,1%	8,7%	9,1%				
17	11,4%	2,2%	0,2%	2,5%	9,4%	9,9%	8,5%	9,4%					
18	13,0%	2,3%	0,2%	2,8%	9,5%	10,4%	10,1%	9,6%					
19	14,8%	2,4%	0,2%	3,0%	9,7%	11,6%	10,6%	11,2%					
20	14,8%	2,4%	0,2%	3,4%	9,8%	11,7%	10,8%						
21	14,8%	2,6%	0,2%	3,9%	10,0%	11,7%	11,0%						
22	16,4%	2,7%	0,2%	4,1%	10,1%	11,7%	11,3%						
23	17,7%	2,8%	0,2%	4,2%	10,3%	11,8%							
24	18,3%	5,1%	0,2%	4,4%	10,5%	11,8%							
25	18,9%	5,2%	0,2%	4,6%	10,6%	11,8%							
26	18,9%	5,2%	0,2%	4,8%	10,8%								
27	18,9%	5,3%	0,2%	5,1%	10,9%								
28	20,0%	5,3%	0,2%	5,2%	11,0%								
29	20,0%	5,3%	0,2%	5,3%									
30	20,0%	5,3%	0,2%	5,5%									
31	20,0%	5,3%	0,2%	5,5%									
32	20,0%	5,3%	0,2%										
33	20,0%	5,3%	0,2%										
34	20,0%	5,3%	0,2%										
35	22,6%	5,3%											
36	22,6%	5,3%											
37	22,6%	5,3%											
38	22,6%												
39	22,6%												
40	22,6%												

The Transferor has also made available data on static and dynamic historical default and loss performance, for substantially similar exposures to the Receivables covering a period of at least five years. As at the date of this Prospectus, it is intended that such information will be made available via the website of the European Data Warehouse. The website at European Data Warehouse and the contents thereof do not form part of this Prospectus.

Credit Risk Mitigation (PP)

The Transferor has internal policies and procedures for the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. These policies and procedures of the Transferor broadly include the following:

- strong monitoring capabilities including daily data to track and ensure that the portfolio is performing according to expectations;
- broadly tested credit decisions tools and rules;
- proprietary credit scoring with ongoing calibration;
- internal collection and recovery team;
- on-line automated bank connection to on-board direct debit information from banks in real time; and
- healthy borrower profile.

TITLE TO THE SECURITISED PORTFOLIO

Purchase

The Receivables and the Related Rights comprised in the initial Securitised Portfolio will be sold on the Closing Date by the Transferor to the Issuer pursuant to the Receivables Sale Agreement. On any Offer Date during the Revolving Period, the Transferor may offer to the Issuer, and the Issuer may accept, an assignment of Receivables and their Related Rights on any Transfer Date in accordance with the provisions of the Receivables Sale Agreement.

The purchase price payable by the Issuer in respect of the Receivables and the Related Rights in the initial Securitised Portfolio shall be the sum of the Initial Consideration, being an amount equal to the aggregate of the Principal Balance of each Receivable as at the Initial Cut-Off Date.

The consideration payable by the Issuer to the Transferor in respect of the sale to the Issuer by the Transferor of Receivables on any Transfer Date will be equal to the Purchase Price.

The initial Securitised Portfolio will comprise Receivables with an aggregate Principal Balance of €218,210,647.32 as of the Initial Cut-Off Date and their Related Rights.

Eligible Receivables

Only Receivables that meet the eligibility criteria set out below (the "**Eligibility Criteria**") will be added to the Securitised Portfolio:

- (a) it has arisen under a Point of Sale Loan or a PIL Loan;
- (b)
 - (i) it was otherwise created and complies with all applicable laws (including consumer credit laws and consumer protection laws); and
 - (ii) it was originated and serviced in accordance with the Guidelines;
- (c) it is denominated and payable in Euros;
- (d) the Obligor of which is an individual and resident in Spain;
- (e) no Obligor of which is an employee of the Transferor;
- (f) it is payable by the Obligor in monthly instalments;
- (g) is fully amortising;
- (h) at least one payment of principal and/or interest has fallen due and been paid;
- (i) it does not have any instalment due and unpaid;
- (j) it is not a Defaulted Receivable or written-off loan pursuant to the Guidelines;
- (k) the interest rate in relation to which is a fixed rate of interest (and for the avoidance of doubt, the relevant UPL Agreement may specify more than one fixed rate of interest over the term of the loan);
- (l) if it is a PIL Loan, the minimum rate of interest is 9.90 per cent.;
- (m) the original term of which is a fixed term not exceeding 72 months;
- (n) other than any withdrawal rights applicable pursuant to any Requirement of Law, it is not currently subject to any right of revocation, retention, claim, equity, rescission, defence, dispute, set-off, counterclaim, or litigation (including, without limitation, any recovery or enforcement proceedings before the Spanish Courts) and the Transferor is not aware of any intention of any party to initiate any such litigation;

- (o) which is not subject to a Repayment Plan, debt restructuring or any other restructuring and was not subject to a Repayment Plan or any other restructuring at any time prior to it being the subject of an Offer;
- (p) it is freely assignable and (immediately prior to the sale of the relevant Receivable to the Issuer) free and clear of any Encumbrances (including rights attaching to creditors) exercisable against the Transferor or the Issuer arising under or through such Transferor (or any of its respective Affiliates) and, to which, at the time of its creation and immediately prior to the sale of the relevant Receivable to the Issuer, the Transferor had good and marketable title and there is no option to acquire or create any Encumbrance on or over or affecting the Receivables or any Related Rights attaching thereto;
- (q) it is randomly allocated for offer to the Issuer;
- (r) which has, at the relevant Cut-Off Date, a Principal Balance or, in the case of Discount Receivables a Synthetic Principal Balance of no greater than:
 - (i) if a Point of Sale Loan: EUR 5,000;
 - (ii) if a PIL Loan: EUR 10,000;
- (s) if it is a Service-Related Loan, at the relevant Cut-Off Date, a period of at least six (6) months from its origination has elapsed.
- (t) which had, at the time of its origination, a maximum original loan amount of no greater than:
 - (i) if a Point of Sale Loan: EUR 7,000;
 - (ii) if a PIL Loan: EUR 12,000;
- (u) payments thereof to the Transferor or the Issuer are not subject to withholding taxes.
- (v) is an Eligible UPL Agreement;
- (w) in respect of which, as far as the Transferor is aware, the relevant Obligor is not the subject of any bankruptcy or insolvency proceedings (*concurso*) and has not had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination which remains outstanding;
- (x) which has been originated by the Transferor;
- (y) which has not been classified by the Transferor as counterfeit, cancelled or fraudulent; and
- (z) its addition will not cause any breach of the Portfolio Concentration Levels on the Cut-Off Date relating to such Receivable being sold.

Eligible UPL Agreements

A UPL Agreement will be an "**Eligible UPL Agreement**" if, as at the close of business of the relevant Cut-Off Date, it is a UPL Agreement:

- (a) where the Obligor is not an employee of the Transferor;
- (b) which was in existence and maintained with the Transferor prior to or at the time of any Receivables arising thereunder being the subject of an Offer;
- (c) which is documented by means of a Standard Form;
- (d) which creates legal, valid and binding obligations between the Transferor and the relevant Obligor and is enforceable against the relevant Obligor subject to applicable bankruptcy laws, other similar laws affecting creditors' rights, general equitable principles and other limitations on enforcement in the jurisdiction of the relevant Obligor and was otherwise created and complies with all other applicable laws;

- (e) where the Obligor's most recent address known to the Transferor is located in Spain;
- (f) which is governed by Spanish law; and
- (g) which is not revolving and does not include an obligation to make further advances.

Title

The sale of the Receivables and their Related Rights to the Issuer will be effected in favour of the Issuer so that the Issuer will have full legal title to the Receivables and their Related Rights. The Issuer will grant a first fixed equitable charge in favour of the Security Trustee over its interest in the Receivables and the Related Rights.

The Servicer as agent of the Issuer will be required under the terms of the Servicing Agreement to keep all records, books of account and documents relating to the Receivables distinguishable from all other records, books of account and documents relating to other loans otherwise made, held or serviced by it and hold all records relating to the Receivables in its safe possession to the order and the benefit of the Issuer for as long as provided by applicable law in relation to such records.

Notice of the sale and assignment to the Issuer of the Receivables and Related Rights and their subsequent charging or assigning to the Security Trustee will not be given to the Obligors unless a Notification Event has occurred and has been notified to the Transferor (or its occurrence is otherwise known by the Transferor) and is then subsisting.

The following are "**Notification Events**":

- (a) a duly authorised officer of the Transferor shall admit in writing that the Transferor is unable to pay its debts as they fall due ("*no puede cumplir regularmente sus obligaciones exigibles*") within the meaning of Article 2.2 of the Insolvency Law or the Transferor makes a general assignment for the benefit of or a composition with its creditors or voluntarily suspends payments of its obligations with a view to the general readjustment or rescheduling of its indebtedness or takes any action under Article 5bis or the Fourth Additional Provision of the Insolvency Law;
- (b) either:
 - (i) the Transferor shall consent to or take any corporate action relating to the appointment of a receiver, administrator, administrative receiver, trustee, liquidator or similar officer of it or relating to all or substantially all of its revenues and assets (other than in connection with a solvent reorganisation); or
 - (ii) proceedings shall be initiated against the Transferor under any applicable liquidation, insolvency, composition, re-organisation or similar laws for its winding-up, dissolution, administration or reorganisation (except for a solvent reorganisation) and such proceedings (i) are not discharged or stayed within 60 days; (ii) are not, in the reasonable opinion of the Issuer, being disputed by the Transferor in good faith with a reasonable prospect of success or (iii) are not frivolous or vexatious; or
 - (iii) a receiver, administrator, administrative receiver, liquidator, trustee or similar officer, including an insolvency administrator ("*administrador concursal*") of the Transferor or relating to all or substantially all of its revenues and assets is legally and validly appointed and such appointment is not discharged within 14 days;
- (c) any execution, distress or diligence is levied or enforced against, or an encumbrancer takes possession of, the whole or any substantial part of the property, undertaking or assets of the Transferor or any event occurs which under the laws of any jurisdiction has a similar or analogous effect, and such action is not discharged within 14 days;
- (d) the Transferor (or the Servicer on behalf of the Transferor) fails to pay any sum due from it to the Issuer hereunder in respect of the Receivables within five Business Days of the due date thereof or the date of demand, if payable on demand, in the currency and in the manner specified herein, and such failure is not remedied within ten Business Days after the Issuer has given notice thereof to the Transferor; or

- (e) a Servicer Default occurs and is not remedied in accordance with the Servicing Agreement.

These rights are supported by irrevocable notarial powers of attorney given by, amongst others, the Issuer and the Transferor to, amongst others, the Security Trustee and the Issuer.

Pursuant to Article 1526 of the Spanish Civil Code, any assignment of claims (including receivables) shall be effective against third parties only as from the date on which such assignment must be deemed to be effective against third parties in accordance with Article 1218 and 1227 of the Spanish Civil Code. In this respect, please note that:

- (a) According to Article 1218 of the Spanish Civil Code, any assignment which has been executed by means of a notarised deed will become effective against third parties as from the date of the execution of such notarised deed. Moreover pursuant to Article 1227 of the Spanish Civil Code, any assignment which has not been executed by means of a notarised deed will only become effective against third parties as from (i) the date of its registration with an official registry, (ii) the date of the death of any of the signatories of such document, or (iii) the date of presentation of the relevant document to the competent authorities (if any);
- (b) notwithstanding the above, consistent case-law (first judgements having been rendered in the early 80s) has ruled that notarisation is not necessary to provide certainty as to the date of any assignment of receivables, a private document being sufficient for these purposes where the parties can prove by means of other evidences (account books and records, account statements, etc.) that a true sale of the relevant receivables had taken place on the relevant purchase dates. There are no specific recommended means of evidence. Anything which parties can use to prove that a true sale of the relevant receivables had taken place on the relevant purchase dates would help: account books and records of both parties, account statements of both parties, correspondence between them, etc.

Article 1527 of the Spanish Civil Code states that payments by a debtor will have the effect of discharging the debtor's obligations as against the Transferor until the debtor has knowledge of the assignment or it has been notified to the debtor.

Pursuant to Article 1198 of the Spanish Civil Code, if an assignment of credit rights is made and the debtor has no knowledge of such assignment, the debtor will be entitled to set off against the Issuer and the Security Trustee the amounts of any claims against the Transferor 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 against the Issuer all defences that would have been available to it from transactions entered into between it and the Transferor arising before the debtor had knowledge of the assignment.

Warranties and Repurchase

The Receivables Sale Agreement will contain representations and warranties (the "**Transferor Asset Warranties**") and each a "**Transferor Asset Warranty**") to be given by the Transferor in relation to the Receivables in the Securitised Portfolio. No searches, enquiries or independent investigation of title of the type which a prudent purchaser would normally be expected to carry out have been or will be made by the Issuer or the Security Trustee, each of whom is relying upon the Transferor Asset Warranties.

If any Transferor Asset Warranty proves at any time to have been incorrect when made, the Transferor shall be treated as having received by way of a Collection (a "**Deemed Collection**") an amount (each, a "**Deemed Collection Amount**") equal to:

- (a) if such Receivable is not a Discount Receivable: the Principal Balance thereof as of the date which is the close of business two Business Days prior to the date of transfer of the Deemed Collection Amount (the "**Deemed Collection Cut-Off Date**"); and
- (b) if such Receivable is a Discount Receivable: the Synthetic Principal Balance thereof as of the Deemed Collection Cut-Off Date.

Unless the Transferor repurchases such Receivable in accordance with the Receivables Sale Agreement the Transferor shall pay each Deemed Collection Amount by no later than the fifth (5th) Business Day following the date on which the relevant Transferor Asset Warranty becomes known to the Transferor to

be incorrect, to the Special Collection Account (without prejudice to any other rights or remedies provided by law which the Issuer may have).

Any Collections which are received by the Issuer after the Deemed Collection Cut-Off Date in respect of any Receivables reassigned to the Transferor under the Receivables Sale Agreement, shall be held by the Issuer as custodian (*depositario*) for the benefit of the Transferor and the Issuer shall pay the amount of such Collections to the Transferor within five (5) Business Days following their identification by the Servicer.

The Transferor Asset Warranties will be given by the Transferor on: (i) the Closing Date (in respect of Receivables sold to the Issuer on the Closing Date); and (ii) on each Offer Date and on each Transfer Date (in respect of Receivables subject to an Offer to be sold on such Transfer Date) by reference to the facts and circumstances subsisting at such date except where the Transferor Asset Warranty is expressed to be by reference to the Cut-Off Date, in which case it shall be given by reference to the facts and circumstances subsisting as at the Cut-Off Date. The Transferor Asset Warranties referred to will include statements to the following effect (and, where reference is made to the "origination" of any Receivables, such reference shall include Receivables originated by the Transferor):

Representations of the Transferor Relating to Receivables sold to the Issuer

- (a) **Eligibility:** Each Receivable which is offered to the Issuer is, at the close of business on the relevant Cut-off Date relating thereto, an Eligible Receivable and has arisen under an Eligible UPL Agreement (other than in respect of the Eligibility Criteria at paragraph 1.16 of Schedule 8 of the RSA which shall be satisfied on the Transfer Date for such Receivable immediately prior to the sale of such Receivable to the Issuer).
- (b) **Assignment Effective:** The assignment of each Receivable the subject of an Offer upon acceptance of such Offer will be effective to pass to the Issuer good and marketable title thereto and the benefit thereof (including in such context, the right to receive Collections from the Obligors and any Associated Rights) free of any Encumbrances in favour of any person claiming through or under the Transferor or any of its Affiliates and, subject to any limitations arising on enforcement in the jurisdiction of the relevant Obligor, no further act, condition or thing will be required to be done in connection therewith to enable the Issuer to require payment of any such Receivable or to enforce any such right in the courts of Spain without the participation of the Transferor other than:
 - (i) the giving of a Notice of Assignment; or
 - (ii) the joinder or sisting of the Transferor as a party to proceedings by the Issuer against the relevant Obligor.
- (c) **Compliance:** The assignment of each Receivable the subject of an Offer is in compliance with Requirements of Law applicable to the Transferor on the date of such assignment.
- (d) **Title to Receivables:** The Transferor is the person in whom the legal title to such Receivables is held.
- (e) **Records:** The Transferor has (or agents on behalf of the Transferor have) maintained records relating to the Receivables which are accurate and complete in all material respects.
- (f) **No Adverse Selection Procedures:** No selection procedures adverse to the Secured Creditors are employed by the Transferor in selecting the Receivables from amongst the Eligible UPL Agreements in Securitised Portfolio,

provided that no breach of a Transferor Asset Warranty shall arise as a result of a Court ruling that the contractual interest rate relating to one or more Receivables is usurious, if notwithstanding such judgement paragraph (a) of the Portfolio Concentration Levels would still be satisfied.

The Transferor will make other representations as to matters of law and fact as set out in the Receivables Sale Agreement on the Closing Date, each Offer Date and each Transfer Date by reference to the facts and circumstances subsisting at such date, except where the relevant representation is expressed to be by reference to the Cut-Off Date, in which case it shall be given by reference to the facts and circumstances subsisting as at the Cut-Off Date, as follows:

Representations of the Transferor as to Matters of Law

- (a) **Organisation:** It is a limited liability corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation with full corporate power, authority and legal right to own its assets and conduct its business as such assets are presently owned and its business is presently conducted and with power to enter into this Agreement and the other Transaction Documents to which it is expressed to be a party in its capacity as Transferor and each assignment to be entered into by it in respect of any Receivables assigned or purported to be assigned and to exercise its rights and perform its obligations thereunder and all corporate and other action required to authorise its execution and delivery of each Transaction Document to which it is a party in its capacity as Transferor and each such assignment and its performance of its obligations thereunder has been duly taken or will be taken prior to the execution of such Transaction Document or assignment.
- (b) **Due Authorisation:** All acts and conditions required to be done, fulfilled and performed in order (a) to enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in its capacity as Transferor in each Transaction Document to which it is a party or in any such assignment, (b) to ensure that the obligations expressed to be assumed by it in its capacity as Transferor in each Transaction Document to which it is a party in its capacity as Transferor or in any such assignment are legal, valid and binding on it and (c) to make each Transaction Document to which it is a party in such capacity and each such assignment admissible in evidence in Spain, as applicable, have been done, fulfilled and performed or will be done, fulfilled or performed prior to the execution of such Transaction Document to which it is a party or assignment, save for the payment of stamp duty in respect of any assignment of Receivables or any agreement to assign (or any memorandum of such an assignment or agreement) under any Requirement of Law (where payable) and save for the production of a sworn translation of each Transaction Document into the Spanish language.
- (c) **No Violation:** The execution of each Transaction Document to which it is a party in its capacity as Transferor by it and each assignment to be entered into by it in respect of any Receivables assigned or purported to be assigned in the manner contemplated and the exercise of its rights and the performance of its obligations in any such assignment will not conflict with or violate any Requirement of Law.
- (d) **Documentary Requirements:** Under the laws of Spain in force as at the date of making this representation, it is not necessary that this Agreement, any Offer or any such assignment be filed, recorded or enrolled with any court or other authority in Spain or that any stamp, registration or similar tax be paid on or in relation to each Transaction Document or any such assignment save for the payment of stamp duty on any such assignment under any Requirement of Law (where payable) and save for the production of a sworn translation of each Transaction Document into the Spanish language.
- (e) **Binding Obligations:** The obligations expressed to be assumed by it in its capacity as Transferor in each Transaction Document to which it is a party and in each such assignment are legal and valid obligations binding on it and enforceable against it in accordance with their terms (or will be so upon execution of each such Transaction Document or each such assignment entered into in connection with this Agreement), except (a) as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, re-organisation or other similar laws affecting the enforcement of the rights of creditors generally, and (b) as such enforceability may be limited by the effect of general equitable principles and other limitations on enforcement in the jurisdiction of the Transferor.
- (f) **All Consents Required:** All approvals, authorisations, consents, orders or other actions of any person or of any governmental or regulatory body or official required by it in its capacity as Transferor in connection with the execution and delivery of each Transaction Document to which it is a party and/or the assignment of Receivables in the manner contemplated herein or therein, the performance of the transactions contemplated by each such Transaction Document and the fulfilment of the terms thereof have been obtained, other than those that would not materially and adversely affect the validity or enforceability of the Transaction Documents to which it is a party or the relevant assignment.

Representations of the Transferor as to Matters of Fact

- (a) **No Proceedings:** There are no proceedings or investigations commenced or, to the best of its knowledge, pending or threatened against the Transferor before any court, regulatory body, arbitral tribunal or public or administrative body or agency (i) asserting the invalidity of any Transaction Document to which it is a party in its capacity as Transferor or of any assignment made in the manner therein contemplated; (ii) seeking to prevent the entering into of any such assignment or of any of the transactions contemplated by any such Transaction Document; or (iii) seeking any determination or ruling that, in the Transferor's reasonable opinion, would, if adversely determined, materially and adversely affect the validity or enforceability of any such Transaction Document or the performance by the Transferor of its obligations under any such Transaction Document or any assignment of Receivables to be made in the manner therein contemplated, and in each case such proceedings are not frivolous or vexatious.
- (b) **No Conflict:** The execution of any Transaction Document to which it is a party in its capacity as Transferor or the assignment of any Receivables in the manner therein contemplated and the exercise by the Transferor of its rights and the performance of its obligations thereunder with regard to such Receivables will not conflict with, result in any breach of the material terms and provisions of, or constitute a material default under, any agreement, indenture, contract, mortgage, deed of charge, other security document or other instrument to which it is a party or by which it or any of its assets is otherwise bound.
- (c) **Due Qualification:** All licences, approvals, authorisations and consents which are necessary in connection with the performance of its business of originating unsecured personal consumer loans and the other obligations contained in the Transaction Documents and in particular any applicable licences under the Spanish banking laws and regulations have been obtained and remain in force in all material respects.
- (d) **Insolvency:** None of the events described in paragraphs 1 to 3 of Schedule 3 (*Notification Events*) of the Receivables Sale Agreement has occurred and is continuing with respect to the Transferor.
- (e) **Tax Residence:** The Transferor is resident for tax purposes in Spain
- (f) **Tax:** the Transferor (in its capacity as Class J Noteholder) represents that in respect of any interest paid under the Class J Notes, under the laws of a member state of the European Communities other than Ireland or, to the extent not a member state of the European Communities, a jurisdiction with which Ireland has entered into a double taxation treaty that either has the force of law by virtue of section 826(1) of the Taxes Consolidation Act 1997 of Ireland or which will have the force of law on completion of the procedures set out in section 826(1) of the Taxes Consolidation Act 1997 of Ireland (each a "**Relevant Territory**"), it is subject, without any reduction computed by reference to the amount of such interest, to a tax which generally applies to profits, income or gains received in that Relevant Territory, by persons, from sources outside that territory.
- (g) **Ordinary Course of Business:** Each Receivable was originated by the Transferor on its own account and arose from the ordinary course of the Transferor's unsecured consumer loan activities in Spain. Furthermore, the securitisation of the Receivables is within the ordinary course of the Transferor's business activities in Spain.

Repurchase of Receivables

The Transferor shall, in the case of (a) and (b) below and may, in the case of (c) below, repurchase any Receivable specified in a notice (the "**Repurchase Notice**") on any Business Day specified in the notice (the "**Repurchase Completion Date**"), **provided that** each Receivable is either:

- (a) such Receivable is not compliant with the EU Securitisation Regulation or Article 19, 20, 21 or 22 of the EU Securitisation Regulation or Article 243 of the Capital Requirements Regulation (or if different, the equivalent provisions in any such enacted versions of such regulations); or
- (b) such Receivable is not compliant with Article 13 of the LCR Regulation or Article 177 of the Solvency II Regulation (or, in each case, if different, the equivalent provisions in any such enacted version of such Commission Delegated Regulation); or

- (c) a Receivable in respect of which the Obligor has brought a claim against or initiated litigation against the Transferor.

The purchase price payable by the Transferor to the Issuer in consideration for the sale of the Receivables specified in the relevant Repurchase Notice shall be the aggregate of:

- (a) in respect of each such Receivable which is not a Discount Receivable: the Principal Balance thereof at the close of business on the second Business Day prior to the Repurchase Completion Date (the "**Repurchase Cut-Off Date**");
- (b) in respect of each such Receivable which is a Discount Receivable: the Synthetic Principal Balance thereof on the Repurchase Cut-Off Date; and
- (c) any documented expenses incurred by the Issuer in connection with the disposal of such Receivables.

Any Collections which are received by the Issuer after the Repurchase Cut-off Date in respect of any Receivables repurchased by the Transferor under clause 7 (*Repurchase of Receivables*) of the Receivables Sale Agreement, shall be held by the Issuer as custodian (*depositario*) for the benefit of the Transferor and the Issuer shall pay the amount of such Collections to the Transferor within five (5) Business Days following their identification by the Servicer.

Call Option in respect of Defaulted Receivables

The Transferor may purchase any Defaulted Receivables specified in a notice (the "**Defaulted Option Notice**") on any Business Day specified in the notice (the "**Defaulted Option Completion Date**").

The purchase price payable by the Transferor to the Issuer in consideration for the sale of the Defaulted Receivables specified in the relevant Defaulted Option Notice shall be the aggregate of:

- (a) an amount equal to the aggregate of the Principal Balance of such Defaulted Receivables; and
- (b) any documented expenses incurred by the Issuer in connection with the disposal of such Receivables,

(together, the "**Defaulted Call Repurchase Price**")

Any Collections which are received by the Issuer after the Defaulted Option Completion Date in respect of any Defaulted Receivables repurchased by the Transferor under the Receivables Sale Agreement, shall be held by the Issuer as custodian (*depositario*) for the benefit of the Transferor and the Issuer shall pay the amount of such Collections to the Transferor within five (5) Business Days following their identification by the Servicer.

Reductions

If the amount paid or payable in respect of any Performing Receivable is reduced after the relevant Cut-Off Date relating thereto by reason of: (i) a reduction by, or on behalf of, the Transferor by any rebate, refund, waiver of billed interest or adjustment (including Servicer errors); (ii) a fraudulent or counterfeit charge; or (iii) any set off or counterclaim by an Obligor with respect to such Receivable and/or the related UPL Agreement, (each a "**Reduction**"), then the Transferor shall be treated as having been paid the amount of such Reduction on the date of such Reduction in addition to any other amounts which may be paid or payable in respect of such Receivable.

Other than in respect of any Receivable which is repurchased by the Transferor, after the relevant Transfer Date in respect of which a Transferred Receivable has a Reduction, the Transferor is obliged to pay to the credit of the Special Collection Account an amount equal to the amount of the Reduction by no later than the 5th Business Day following the date on which it became aware of such Reduction or was notified thereof by the Servicer, **provided that**, if any amount of interest which would otherwise be payable by an Obligor is not paid or payable as a result of a Court ruling that the contractual interest rate relating to the relevant Receivable is usurious, such amount of interest shall not be considered to be a Reduction and the Transferor shall only be required to pay the amount (if any) in respect of the relevant Receivable required to ensure that the Issuer receives all remaining amounts of principal in respect of the relevant Receivable.

Amendments to Receivables

The Servicer shall follow such instructions in regard to the exercise of its power and authority as the Issuer may from time to time direct **provided that** in respect of a Relevant Matter relating to a Receivable in the Securitised Portfolio, the Servicer shall only act in accordance with (i) what is expressly permitted by the Guidelines (as may have been amended from time to time in accordance with the Transaction Documents) and/or the Servicing Agreement or (ii) the consent from or on the instructions of the Issuer, **provided that** the Issuer will be deemed to have confirmed the taking of any such actions and/or steps if it does not object within five (5) Business Days of any request from the Servicer and **provided further that** nothing in the Servicing Agreement shall be taken to constitute the Servicer as agent of the Issuer.

"**Relevant Matter**" means any amendment, variation, supplement, modification, consent, waiver, indulgence (including the grant of any grace period), release or failure or omission to exercise any right, composition, compounding or other similar arrangement.

Amendment to the Standard Forms

The Transferor may from time to time amend the Standard Forms of its UPL Agreements (other than: (i) the terms and conditions which relate to the matters referred to in paragraphs (d) and (g) of the criteria for Eligible UPL Agreements set out in Paragraph 2 of Schedule 8 of the Receivables Sale Agreement; and (ii) terms and conditions which relate to: (x) the governing law; (y) the assignability of the UPL Agreement; and/or (z) the provision of information in respect of the UPL Agreement to third parties intending to acquire an interest in the UPL Agreement) or its Guidelines in any respect, **provided, however, that** no such amendment may be made unless:

- (i) in the reasonable belief of the Transferor such amendment would not (1) cause an Early Amortisation Event (including without limitation by reason of any Portfolio Performance Trigger Event) or (2) be contrary to the practice of a prudent lender or servicer operating a consumer credit business in comparable segments, **provided that** where such amendment would not be materially prejudicial to the interest of the Issuer, such amendment will be deemed to be in accordance with the practice of a prudent lender or servicer operating a consumer credit business in comparable segments;
- (ii) such amendment is also applied to any comparable segment of UPL Agreements which are owned and serviced by the Transferor which have characteristics equivalent or substantially similar to, the UPL Agreements from which the Transferred Receivables arise; or
- (iii) such amendment is required by any Requirement of Law.

Call Option

Pursuant to the Receivables Sale Agreement and Condition 9.3 (*Optional Redemption in whole: Call Option Date*), the Transferor has the option to purchase the Receivables and the Related Rights on the Call Option Date or any Payment Date thereafter (the "**Call Option Completion Date**") (the "**Call Option**"), following which the Issuer will redeem the Notes in full.

The purchase price payable by the Transferor to the Issuer in consideration for the sale of the Receivables shall be the aggregate of:

- (a) in respect of each Receivable which is not a Discount Receivable, the Principal Balance thereof at the close of business on the second Business Day prior to the Call Option Completion Date (the "**Call Option Cut-Off Date**");
- (b) in respect of each Receivable which is a Discount Receivable, the Synthetic Principal Balance thereof on the Call Option Cut-Off Date; and
- (c) any documented expenses incurred by the Issuer in connection with the disposal of such Receivables,

provided however that such amount (together with any amounts then standing to the credit of the Transaction Account and any other funds available to the Issuer) must at least equal an amount that is sufficient to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest

on such Notes, (II) pay amounts required under the relevant Priority of Payments to be paid in priority to or *pari passu* with the Notes on the Call Option Completion Date; and (III) pay any other costs associated with the exercise of the Call Option.

Clean Up Call Option

Pursuant to the Receivables Sale Agreement and Condition 9.4 (*Optional Redemption in whole: Clean Up Call*), the Transferor has the option to purchase the Receivables and the Related Rights on any Payment Date (a "**Clean Up Call Option Date**") where the aggregate Principal Amount Outstanding of the Rated Notes is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Rated Notes upon issue (the "**Clean Up Call Option**"), following which the Issuer will redeem the Notes in full.

The purchase price payable by the Transferor to the Issuer in consideration for the sale of the Receivables shall be the aggregate of:

- (a) in respect of each Receivable which is not a Discount Receivable, the Principal Balance thereof at the close of business on the second Business Day prior to the Clean Up Call Option Date (the "**Clean Up Call Option Cut-Off Date**");
- (b) in respect of each Receivable which is a Discount Receivable, the Synthetic Principal Balance thereof on the Clean Up Call Option Cut-Off Date; and
- (c) any documented expenses incurred by the Issuer in connection with the disposal of such Receivables,

provided however that such amount (together with any amounts then standing to the credit of the Transaction Account and any other funds available to the Issuer) must at least equal an amount that is sufficient to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest on such Notes, (II) pay amounts required under the relevant Priority of Payments to be paid in priority to or *pari passu* with the Notes on the Clean Up Call Option Date; and (III) pay any other costs associated with the exercise of the Clean Up Call Option.

STATISTICAL INFORMATION ON THE PROVISIONAL SECURITISED PORTFOLIO

The statistical and other information contained in this section has been compiled by reference to the Provisional Securitised Portfolio as of the Initial Cut-Off Date.

The information contained in this section will not be updated to reflect any change in the size of the Securitised Portfolio from that of the Provisional Securitised Portfolio.

Except as otherwise indicated, these tables have been prepared using the Principal Balance as at the Initial Cut-Off Date. Columns may not add up to the total due to rounding.

As at the Initial Cut-Off Date, the Provisional Securitised Portfolio had the following characteristics:

Point of Sale Loans

Customer Type	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
MERCHANT DISCOUNT..	144,598,113	59.9%	80,550,429	59.0%	74,990,838	57.3%
INTEREST PAYING	96,822,422	40.1%	55,966,080	41.0%	55,966,080	42.7%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Current Balance	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
<100.....	11,855,016	4.9%	1,323,223	1.0%	1,314,913	1.0%
[100-300).....	34,168,844	14.2%	9,551,969	7.0%	9,473,780	7.2%
[300-500).....	29,796,228	12.3%	12,818,486	9.4%	12,630,843	9.6%
[500-1000).....	55,388,994	22.9%	30,244,745	22.2%	29,272,804	22.4%
[1000-1500).....	40,609,688	16.8%	27,206,241	19.9%	25,836,896	19.7%
[1500-3000).....	58,217,856	24.1%	45,667,274	33.5%	43,210,753	33.0%
>=3000	11,383,909	4.7%	9,704,571	7.1%	9,216,928	7.0%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Origination Year	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
2014.....	43,112	0.0%	3,261	0.0%	3,258	0.0%
2015.....	2,675,265	1.1%	243,258	0.2%	241,518	0.2%
2016.....	15,407,011	6.4%	3,598,443	2.6%	3,474,764	2.7%
2017.....	34,136,934	14.1%	13,273,815	9.7%	12,691,980	9.7%
2018.....	100,546,434	41.6%	51,083,145	37.4%	48,806,255	37.3%
2019.....	88,611,779	36.7%	68,314,586	50.0%	65,739,142	50.2%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Expected Maturity	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
2019.....	32,814,381	13.6%	4,743,279	3.5%	4,712,477	3.6%
2020.....	103,985,666	43.1%	49,539,177	36.3%	48,720,524	37.2%
2021.....	54,420,239	22.5%	37,989,422	27.8%	36,134,270	27.6%
2022.....	32,018,443	13.3%	27,306,415	20.0%	25,234,180	19.3%
2023.....	13,577,128	5.6%	12,586,730	9.2%	11,829,930	9.0%
2024.....	4,559,288	1.9%	4,307,531	3.2%	4,281,583	3.3%
2025.....	45,389	0.0%	43,955	0.0%	43,955	0.0%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Current Term	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
3-5	432,924	0.2%	212,436	0.2%	210,306	0.2%
6-11	4,870,450	2.0%	2,324,779	1.7%	2,290,825	1.7%
12-24	109,607,227	45.4%	54,517,818	39.9%	53,749,491	41.0%
25-36	45,530,026	18.9%	26,570,580	19.5%	25,009,630	19.1%
37-48	62,152,161	25.7%	38,682,808	28.3%	35,830,996	27.4%
49-60	18,327,851	7.6%	13,804,260	10.1%	13,468,060	10.3%

Current Term	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
>60.....	499,895	0.2%	403,828	0.3%	397,609	0.3%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Seasoning	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
<=2	21,640,184	9.0%	20,067,381	14.7%	19,407,943	14.8%
3-5	30,246,516	12.5%	24,009,278	17.6%	23,128,210	17.7%
6-11	79,413,803	32.9%	45,818,597	33.6%	43,870,211	33.5%
12-24	74,230,856	30.7%	36,246,187	26.6%	34,567,725	26.4%
25-36	25,719,248	10.7%	8,699,162	6.4%	8,344,097	6.4%
37-48	9,821,168	4.1%	1,615,732	1.2%	1,578,587	1.2%
49-60	348,760	0.1%	60,170	0.0%	60,144	0.0%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Remaining Term	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
1-12	119,703,257	49.6%	44,932,445	32.9%	44,372,211	33.9%
13-24	60,050,125	24.9%	38,890,365	28.5%	37,341,017	28.5%
25-36	38,633,852	16.0%	31,470,488	23.1%	29,124,778	22.2%
37-48	16,564,046	6.9%	15,240,921	11.2%	14,178,980	10.8%
49-60	6,411,940	2.7%	5,927,779	4.3%	5,885,421	4.5%
61-99	57,314	0.0%	54,511	0.0%	54,511	0.0%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Current Interest Rate (%)	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
<=1%	52,271,786	21.7%	26,832,302	19.7%	26,829,770	20.5%
(1-4%]	14,471,433	6.0%	8,711,851	6.4%	8,546,577	6.5%
(4-7%]	56,157,846	23.3%	32,184,916	23.6%	30,776,938	23.5%
(7-10%]	78,138,089	32.4%	43,815,710	32.1%	41,685,037	31.8%
(10-13%]	20,240,126	8.4%	12,085,512	8.9%	11,273,617	8.6%
>13%	20,141,255	8.3%	12,886,217	9.4%	11,844,979	9.0%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Loan Type	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
Direct Sale.....	105,821,194	43.8%	64,121,126	47.0%	60,300,248	46.0%
Dental	56,183,990	23.3%	29,896,736	21.9%	28,559,127	21.8%
Electro	28,049,435	11.6%	14,682,541	10.8%	14,681,095	11.2%
Optical	22,645,125	9.4%	13,264,241	9.7%	13,034,545	10.0%
Furniture.....	20,522,287	8.5%	11,171,118	8.2%	11,094,906	8.5%
Beauty	7,615,011	3.2%	3,054,176	2.2%	2,971,091	2.3%
Ecommerce.....	379,655	0.2%	228,644	0.2%	218,228	0.2%
Other.....	203,836	0.1%	97,927	0.1%	97,679	0.1%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Instalment	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
<30.....	15,266,604	6.3%	8,848,082	6.5%	8,592,697	6.6%
[30-50).....	48,873,879	20.2%	28,701,485	21.0%	27,418,821	20.9%
[50-70).....	58,759,411	24.3%	34,178,929	25.0%	32,702,425	25.0%
[70-90).....	40,791,269	16.9%	22,995,760	16.8%	21,944,977	16.8%
[90-150).....	56,915,418	23.6%	31,664,519	23.2%	30,376,876	23.2%
>=150	20,813,953	8.6%	10,127,734	7.4%	9,921,121	7.6%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Province of the Debtor	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
A Coruña	2,296,245	1.0%	1,218,477	0.9%	1,157,563	0.9%
Álava	1,389,933	0.6%	791,412	0.6%	738,461	0.6%
Albacete	1,757,962	0.7%	959,667	0.7%	931,547	0.7%
Alicante	9,642,726	4.0%	5,338,934	3.9%	5,171,923	3.9%
Almería	3,550,055	1.5%	1,860,870	1.4%	1,801,094	1.4%
Asturias	3,363,683	1.4%	1,975,189	1.4%	1,851,155	1.4%
Ávila	569,241	0.2%	321,682	0.2%	309,180	0.2%
Badajoz	3,949,712	1.6%	2,250,458	1.6%	2,193,941	1.7%
Barcelona	30,499,238	12.6%	17,820,321	13.1%	17,069,415	13.0%
Burgos	1,836,640	0.8%	1,081,952	0.8%	1,002,386	0.8%
Cáceres	1,884,625	0.8%	1,148,023	0.8%	1,108,438	0.8%
Cádiz	9,262,519	3.8%	5,266,600	3.9%	5,049,460	3.9%
Cantabria	2,573,544	1.1%	1,390,708	1.0%	1,306,987	1.0%
Castellón	3,105,083	1.3%	1,757,270	1.3%	1,690,951	1.3%
Ceuta	422,785	0.2%	261,475	0.2%	247,235	0.2%
Ciudad Real	3,875,506	1.6%	2,114,154	1.5%	2,055,066	1.6%
Córdoba	4,105,844	1.7%	2,233,852	1.6%	2,137,189	1.6%
Cuenca	1,029,991	0.4%	554,301	0.4%	540,324	0.4%
Girona	3,322,447	1.4%	2,045,693	1.5%	1,968,841	1.5%
Granada	4,462,982	1.8%	2,452,226	1.8%	2,344,644	1.8%
Guadalajara	1,303,167	0.5%	767,406	0.6%	732,469	0.6%
Guipúzcoa	2,481,312	1.0%	1,377,370	1.0%	1,286,848	1.0%
Huelva	3,257,538	1.3%	1,798,145	1.3%	1,730,579	1.3%
Huesca	911,137	0.4%	524,059	0.4%	510,352	0.4%
Islas Baleares	4,455,724	1.8%	2,361,281	1.7%	2,256,036	1.7%
Jaén	4,689,598	1.9%	2,588,466	1.9%	2,503,257	1.9%
La Rioja	1,464,967	0.6%	896,094	0.7%	837,076	0.6%
Las Palmas	5,426,049	2.2%	3,298,063	2.4%	3,158,368	2.4%
León	1,614,626	0.7%	921,527	0.7%	860,275	0.7%
Lleida	1,437,716	0.6%	874,142	0.6%	839,507	0.6%
Lugo	544,025	0.2%	287,126	0.2%	274,049	0.2%
Madrid	45,415,464	18.8%	25,446,921	18.6%	24,455,602	18.7%
Málaga	8,557,579	3.5%	4,857,419	3.6%	4,599,652	3.5%
Melilla	455,019	0.2%	262,982	0.2%	248,607	0.2%
Murcia	7,271,264	3.0%	3,995,595	2.9%	3,902,732	3.0%
Navarra	2,424,073	1.0%	1,308,149	1.0%	1,243,060	0.9%
Ourense	691,391	0.3%	387,421	0.3%	369,665	0.3%
Palencia	679,438	0.3%	360,470	0.3%	340,354	0.3%
Pontevedra	2,472,207	1.0%	1,369,574	1.0%	1,305,227	1.0%
Salamanca	1,378,220	0.6%	740,726	0.5%	704,063	0.5%
Santa Cruz de Tenerife	2,997,669	1.2%	1,820,133	1.3%	1,760,918	1.3%
Segovia	573,449	0.2%	315,579	0.2%	300,643	0.2%
Sevilla	11,829,774	4.9%	6,564,715	4.8%	6,338,847	4.8%
Soria	594,117	0.2%	366,452	0.3%	345,034	0.3%
Tarragona	4,222,523	1.7%	2,561,398	1.9%	2,454,325	1.9%
Teruel	672,180	0.3%	352,259	0.3%	343,287	0.3%
Toledo	5,020,779	2.1%	2,920,378	2.1%	2,816,529	2.2%
Valencia	14,065,553	5.8%	7,976,670	5.8%	7,690,804	5.9%
Valladolid	2,469,850	1.0%	1,427,953	1.0%	1,374,184	1.0%
Vizcaya	5,113,527	2.1%	2,741,571	2.0%	2,579,377	2.0%
Zamora	702,491	0.3%	392,046	0.3%	371,216	0.3%
Zaragoza	3,327,349	1.4%	1,811,153	1.3%	1,748,175	1.3%
Total	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Obligor Concentration	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
Dental	44,712,816	18.5%	24,259,525	17.8%	23,117,326	17.7%
Electro-domestics	14,471,689	6.0%	7,732,979	5.7%	7,732,389	5.9%
Household Goods	13,735,299	5.7%	7,701,863	5.6%	7,676,313	5.9%
Healthcare	9,359,769	3.9%	5,722,115	4.2%	5,585,871	4.3%
Furniture & Electro-domestics	10,539,763	4.4%	5,479,362	4.0%	5,478,996	4.2%
Household Goods & Healthcare	7,898,242	3.3%	4,171,969	3.1%	4,138,427	3.2%
Optical	5,371,772	2.2%	3,718,100	2.7%	3,666,408	2.8%
Water Treatment	3,848,616	1.6%	2,751,100	2.0%	2,603,174	2.0%
Water Treatment	3,196,751	1.3%	2,188,925	1.6%	1,992,616	1.5%
Household Goods	3,282,575	1.4%	2,140,344	1.6%	1,962,408	1.5%
Furniture	2,621,697	1.1%	2,049,832	1.5%	1,997,534	1.5%
Electro-domestics	3,879,742	1.6%	2,016,481	1.5%	2,016,080	1.5%
Healthcare	3,890,438	1.6%	2,010,025	1.5%	1,956,025	1.5%
Household Goods	4,105,967	1.7%	1,814,607	1.3%	1,659,563	1.3%

Obligor Concentration	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
Optical	3,238,709	1.3%	1,728,510	1.3%	1,704,469	1.3%
Furniture	3,355,577	1.4%	1,644,664	1.2%	1,643,637	1.3%
Healthcare	2,147,729	0.9%	1,625,690	1.2%	1,432,700	1.1%
Healthcare	2,522,784	1.0%	1,536,286	1.1%	1,536,078	1.2%
Furniture	2,873,762	1.2%	1,375,223	1.0%	1,372,925	1.0%
Dental & Beauty.....	2,528,626	1.0%	1,371,315	1.0%	1,344,087	1.0%
Other.....	93,838,210	38.9%	53,477,594	39.2%	50,339,890	38.4%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

Employment Status	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
Permanent/Pensioners	218,566,984	90.5%	123,909,202	90.8%	118,793,556	90.7%
Temporal	11,615,497	4.8%	6,417,682	4.7%	6,162,727	4.7%
Self-employed	10,896,909	4.5%	6,040,352	4.4%	5,857,022	4.5%
Other.....	341,144	0.1%	149,273	0.1%	143,612	0.1%
Total.....	241,420,534	100.0%	136,516,509	100.0%	130,956,918	100.0%

PIL Loans

Customer Type	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
INTEREST PAYING	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

Current Balance	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
<1000	3,521,341	3.2%	755,845	0.9%	755,845	0.9%
[1000-2000)	8,415,114	7.7%	4,130,367	4.7%	4,130,367	4.7%
[2000-3000)	16,866,903	15.5%	11,800,074	13.5%	11,800,074	13.5%
[3000-4000)	15,561,786	14.3%	12,535,104	14.4%	12,535,104	14.4%
[4000-5000)	16,505,446	15.2%	13,933,619	16.0%	13,933,619	16.0%
[5000-6000)	21,357,442	19.6%	18,853,378	21.6%	18,853,378	21.6%
>=6000	26,689,844	24.5%	25,245,342	28.9%	25,245,342	28.9%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

Origination Year	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
2015	2,545,559	2.3%	687,380	0.8%	687,380	0.8%
2016	7,637,471	7.0%	3,109,297	3.6%	3,109,297	3.6%
2017	15,217,054	14.0%	9,306,542	10.7%	9,306,542	10.7%
2018	39,418,759	36.2%	32,517,658	37.3%	32,517,658	37.3%
2019	44,099,033	40.5%	41,632,852	47.7%	41,632,852	47.7%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

Expected Maturity	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
2019	847,589	0.8%	60,399	0.1%	60,399	0.1%
2020	6,214,691	5.7%	1,965,447	2.3%	1,965,447	2.3%
2021	12,257,785	11.3%	6,685,800	7.7%	6,685,800	7.7%
2022	18,813,270	17.3%	13,997,038	16.0%	13,997,038	16.0%
2023	34,000,303	31.2%	29,738,620	34.1%	29,738,620	34.1%
2024	32,145,448	29.5%	30,333,404	34.8%	30,333,404	34.8%
2025	4,638,789	4.3%	4,473,021	5.1%	4,473,021	5.1%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

Current Term	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
12-24	679,886	0.6%	415,665	0.5%	415,665	0.5%
25-36	2,341,461	2.1%	1,342,967	1.5%	1,342,967	1.5%
37-48	28,948,962	26.6%	21,289,818	24.4%	21,289,818	24.4%
49-60	68,696,802	63.1%	56,530,004	64.8%	56,530,004	64.8%
>60	8,250,765	7.6%	7,675,276	8.8%	7,675,276	8.8%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

Seasoning	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
<=2	11,130,844	10.2%	10,877,024	12.5%	10,877,024	12.5%
3-5	18,409,959	16.9%	17,492,082	20.0%	17,492,082	20.0%
6-11	29,672,211	27.2%	26,483,029	30.4%	26,483,029	30.4%
12-24	31,406,151	28.8%	24,073,161	27.6%	24,073,161	27.6%
25-36	11,283,923	10.4%	5,988,720	6.9%	5,988,720	6.9%
37-48	6,807,998	6.3%	2,289,098	2.6%	2,289,098	2.6%
49-60	206,790	0.2%	50,615	0.1%	50,615	0.1%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

Remaining Term	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
1-5	1,475,421	1.4%	158,834	0.2%	158,834	0.2%
6-11	2,335,955	2.1%	656,852	0.8%	656,852	0.8%
12-23	11,028,398	10.1%	5,139,261	5.9%	5,139,261	5.9%
24-35	15,209,506	14.0%	10,366,038	11.9%	10,366,038	11.9%
36-60	73,325,913	67.3%	65,631,187	75.2%	65,631,187	75.2%

Remaining Term	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
>60	5,542,683	5.1%	5,301,558	6.1%	5,301,558	6.1%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

Current Interest Rate (%)	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
0-10%	4,022,495	3.7%	3,115,179	3.6%	3,115,179	3.6%
10-20%	36,465,840	33.5%	28,340,298	32.5%	28,340,298	32.5%
20-30%	68,429,540	62.8%	55,798,253	63.9%	55,798,253	63.9%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

Instalment	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
<50	473,668	0.4%	115,576	0.1%	115,576	0.1%
[50-100).....	12,375,117	11.4%	8,538,451	9.8%	8,538,451	9.8%
[100-150).....	43,016,699	39.5%	33,230,479	38.1%	33,230,479	38.1%
[150-200).....	46,628,480	42.8%	39,698,490	45.5%	39,698,490	45.5%
[200-250).....	6,000,488	5.5%	5,371,642	6.2%	5,371,642	6.2%
[250-300).....	329,323	0.3%	229,626	0.3%	229,626	0.3%
>=300	94,102	0.1%	69,465	0.1%	69,465	0.1%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

Province of the Debtor	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
A Coruña.....	1,775,665	1.6%	1,379,585	1.6%	1,379,585	1.6%
Álava.....	493,692	0.5%	402,240	0.5%	402,240	0.5%
Albacete	538,294	0.5%	441,338	0.5%	441,338	0.5%
Alicante	3,964,845	3.6%	3,230,869	3.7%	3,230,869	3.7%
Almería	1,545,244	1.4%	1,244,023	1.4%	1,244,023	1.4%
Asturias	2,252,788	2.1%	1,803,728	2.1%	1,803,728	2.1%
Ávila.....	352,135	0.3%	281,134	0.3%	281,134	0.3%
Badajoz	1,182,164	1.1%	950,249	1.1%	950,249	1.1%
Barcelona	16,527,262	15.2%	13,152,768	15.1%	13,152,768	15.1%
Burgos.....	604,591	0.6%	481,839	0.6%	481,839	0.6%
Cáceres.....	627,885	0.6%	521,873	0.6%	521,873	0.6%
Cádiz.....	3,703,929	3.4%	2,988,700	3.4%	2,988,700	3.4%
Cantabria.....	1,339,749	1.2%	1,074,536	1.2%	1,074,536	1.2%
Castellón	1,244,492	1.1%	1,016,562	1.2%	1,016,562	1.2%
Ceuta	406,711	0.4%	345,430	0.4%	345,430	0.4%
Ciudad Real.....	1,405,972	1.3%	1,117,890	1.3%	1,117,890	1.3%
Córdoba.....	1,640,361	1.5%	1,317,170	1.5%	1,317,170	1.5%
Cuenca.....	492,358	0.5%	382,147	0.4%	382,147	0.4%
Girona	1,581,377	1.5%	1,274,031	1.5%	1,274,031	1.5%
Granada	1,761,488	1.6%	1,377,623	1.6%	1,377,623	1.6%
Guadalajara	657,673	0.6%	541,670	0.6%	541,670	0.6%
Guipúzcoa.....	1,203,842	1.1%	943,866	1.1%	943,866	1.1%
Huelva.....	1,133,653	1.0%	897,866	1.0%	897,866	1.0%
Huesca.....	663,854	0.6%	551,548	0.6%	551,548	0.6%
Islas Baleares	2,453,295	2.3%	1,969,576	2.3%	1,969,576	2.3%
Jaén	1,397,335	1.3%	1,133,505	1.3%	1,133,505	1.3%
La Rioja.....	427,124	0.4%	348,548	0.4%	348,548	0.4%
Las Palmas	3,090,233	2.8%	2,483,721	2.8%	2,483,721	2.8%
León	967,846	0.9%	772,214	0.9%	772,214	0.9%
Lleida	850,915	0.8%	683,100	0.8%	683,100	0.8%
Lugo	482,185	0.4%	372,022	0.4%	372,022	0.4%
Madrid.....	19,341,237	17.8%	15,490,461	17.8%	15,490,461	17.8%
Málaga.....	3,390,716	3.1%	2,667,971	3.1%	2,667,971	3.1%
Melilla	418,269	0.4%	356,473	0.4%	356,473	0.4%
Murcia	2,849,674	2.6%	2,373,239	2.7%	2,373,239	2.7%
Navarra.....	1,130,354	1.0%	913,085	1.0%	913,085	1.0%
Ourense	560,860	0.5%	453,844	0.5%	453,844	0.5%
Palencia.....	302,384	0.3%	237,398	0.3%	237,398	0.3%
Pontevedra	1,410,038	1.3%	1,102,646	1.3%	1,102,646	1.3%
Salamanca	513,740	0.5%	408,080	0.5%	408,080	0.5%
Santa Cruz de Tenerife	2,073,645	1.9%	1,695,768	1.9%	1,695,768	1.9%
Segovia.....	222,164	0.2%	170,850	0.2%	170,850	0.2%
Sevilla	4,288,406	3.9%	3,426,656	3.9%	3,426,656	3.9%
Soria	234,457	0.2%	189,643	0.2%	189,643	0.2%
Tarragona.....	2,435,581	2.2%	1,967,143	2.3%	1,967,143	2.3%
Teruel.....	363,206	0.3%	299,299	0.3%	299,299	0.3%

Province of the Debtor	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
Toledo	2,510,630	2.3%	1,996,080	2.3%	1,996,080	2.3%
Valencia	5,359,813	4.9%	4,255,153	4.9%	4,255,153	4.9%
Valladolid.....	1,026,873	0.9%	800,734	0.9%	800,734	0.9%
Vizcaya	1,664,093	1.5%	1,325,290	1.5%	1,325,290	1.5%
Zamora	325,390	0.3%	268,548	0.3%	268,548	0.3%
Zaragoza.....	1,727,387	1.6%	1,374,001	1.6%	1,374,001	1.6%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

Employment Status	Financed Amount	% of Fin. Amount	Balance	% Balance	Synthetic Balance	% Synthetic Balance
Permanent/Pensioners	99,703,505	91.5%	80,993,577	92.8%	80,993,577	92.8%
Temporal.....	4,525,378	4.2%	3,160,687	3.6%	3,160,687	3.6%
Self_employed	4,114,710	3.8%	2,810,280	3.2%	2,810,280	3.2%
Other	574,283	0.5%	289,186	0.3%	289,186	0.3%
Total	108,917,876	100.0%	87,253,730	100.0%	87,253,730	100.0%

The Transferor has caused a sample of the Receivables (including the data disclosed in respect of those Receivables) to be externally verified by an appropriate and independent third party. An agreed upon procedures review on a representative sample of loans selected from an initial pool of receivables as at 31 July 2019 conducted by a third-party and completed on or about 18 September 2019. The independent third party has also verified that the stratification tables disclosed under this section "Statistical Information on the Provisional Securitised Portfolio" in respect of the Receivables is accurate.

The third party undertaking the review has reported the factual findings to the parties to the engagement letter. The third party undertaking the review only accepts a duty of care to the parties to the engagement letters 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. The independent third party concluded that there were no adverse findings following its review of the portfolio, the stratification tables and whether certain key eligibility criteria had been complied with by the receivables in the sample.

THE CAP COUNTERPARTY

J.P. Morgan AG is a stock corporation (*Aktiengesellschaft*) established and existing in accordance with the laws of the Federal Republic of Germany with registered address Taunusturm, Taunustor 1, 60310 Frankfurt am Main, Germany and registered with the Commercial Register B (*Handelsregister B*) of the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 16861. The purpose of J.P. Morgan AG's business is banking transactions of all kinds with the exception of investment and bond transactions. J.P. Morgan AG is an indirect wholly owned subsidiary of JPMorgan Chase & Co., has a full banking license pursuant to Section 1 (1) of the German Banking Act (*Kreditwesengesetz*) (including, but not limited to, Nos. 1 to 5 (excluding Pfandbrief business) and 7 to 9) and conducts banking business with institutional clients, banks, corporate clients and clients from the public sector. J.P. Morgan AG does not have securities admitted to trading on a regulated market or an equivalent market.

**THE NOTE TRUSTEE/SECURITY TRUSTEE/PRINCIPAL PAYING AGENT/ACCOUNT
BANK/AGENT BANK**

Citibank Europe Plc ("CEP"), headquartered in Dublin, Ireland, is a subsidiary of Citibank Holdings Ireland Ltd, which is a wholly-owned subsidiary of Citigroup Inc. CEP is registered in Ireland with company number 132781, with registered address at 1 North Wall Quay, Dublin 1. CEP is authorised by the Central Bank of Ireland (CBI) and, as a systematically important European financial institution, falls under the Single Supervisory Mechanism as overseen by the ECB.

Citi, a leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

Issuer services is a part of Citi Institutional Clients Group that supports the issuance and administrative needs of global institutional clients through two key business segments, namely Agency and Trust and Depositary Receipt Services. Citi is a leading provider of transactional services with a unique blend of experience, global reach and superior services. Citi Agency and Trust business administers in excess of USD 4 trillion in fixed income and equity investments on behalf of over 2,500 clients worldwide. Citi Depositary Receipt Services supports over 250 programs and helps companies connect to new markets and raise capital worldwide.

THE SERVICER/CASH MANAGER

Pepper Asset Services S.L.U. is a private limited liability company (*Sociedad Limitada*) incorporated in Spain and registered with the Mercantile Registry of Madrid Tome 30.580, Sheet 138, Section 8th, Page M-550.413. It has Spanish tax number B86615945 and its registered office is at C/ Juan Esplandiú 13 C1, Madrid (28007), Spain.

Pepper Asset Services was incorporated in last quarter of December 2012 and acquired servicing platform of the then existing non-bank specialist lender CELERIS SERVICIOS FINANCIEROS, S.A. E.F.C. in February 2013. Pepper Asset Services is the servicing company of Red Hot Australia Holdco's group companies in Spain and head company of the group in Spain. It operates out of its offices where approximately 320 employees are dedicated to loan origination and servicing for Pepper Finance.

Pepper Asset Services S.L.U. has more than 5 years' experience in the servicing of receivables similar to those in the Securitised Portfolio.

Board of Directors

The directors of Pepper Assets Services, S.L.U. and their respective business addresses and occupations are:

<u>Name</u>	<u>Business Address</u>	<u>Business Occupation</u>
Mr. Michael Charles Culhane (Chairman)	C/ Juan Esplandiú 13 C1, 28007 – Madrid (Spain)	Economist
Mr. Francisco Pedraza Sánchez (Vice-Chairman)	C/ Juan Esplandiú 13 C1, 28007 – Madrid (Spain)	Economist
Mr. Guillermo Arnáiz Giménez- Coral (Secretary – Director)	C/ Juan Esplandiú 13 C1, 28007 – Madrid (Spain)	Lawyer

The company secretary of Pepper Assets Services, S.L.U. is Mr. Guillermo Arnáiz Giménez-Coral, whose registered office is at C/ Juan Esplandiú 13 C1, Madrid – 28007 (Spain).

The accounting reference date of Pepper Asset Services S.L.U. is 31st December.

THE BACK-UP SERVICER AND DELEGATE

Link Financial Outsourcing Limited

Link Financial Outsourcing is part of the Link Financial Group, a trusted provider of outsourced loan management, standby and servicing solutions. The Group has been working with European financial institutions since 1998, managing more than 2.5 million individual and business accounts across seven European countries. In the UK, Link Financial Outsourcing services a wide range of credit lines including credit cards, consumer loans, mortgages, student loans, auto finance, utility receivables and equipment lease agreements. The company is recognised by the market as being best in class, Standard and Poor's rates it as "Strong" in the Special Servicing division and "Above Average" in the Primary Servicing division. Link Financial Outsourcing is regularly selected by originators, investors and arranging banks to provide Back-up Servicing to their transactions due to the strength and depth of its servicing operation and management teams.

Link Finanzas was established in 2004 and was one of the first debt purchase servicers in Spain. Link Finanzas is a first class NPL servicer and offers its debt collection servicing capabilities, including an extensive field agent network to third parties, including major Spanish banks as well as smaller lenders. In 2017, the Group purchased Aiqon Capital España whose specialist servicing experience in SME loans and consumer mortgage accounts has been fully integrated with that of Link Finanzas. Link Finanzas has 230 employees and has solidified its position as one of the leading debt servicers in the Spanish market.

Link Financial Outsourcing and Link Finanzas are part of the Link Financial Group, one of the founders of the European debt purchase market operating in 7 European countries, employing 750 people and managing more than 2.5 million retail and SME accounts. The Link Financial Group is wholly owned by LCH European Portfolio Holdings.

THE ACCOUNT AGENT

Citibank N.A., London Branch

Citibank N.A. is a national banking association formed through its Articles of Association with its Charter 1461, 17 July 1865 with Charter number 1461 and having its principal business office at 388 Greenwich Street, New York, NY 10013 U.S.A., and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The bank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world.

The London Branch of Citibank, N.A. is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority.

SERVICING AND CASH MANAGEMENT

Introduction

Under the Servicing Agreement, Pepper Assets Services, S.L.U. (in such capacity, the "**Servicer**"), will be appointed by the Issuer and the Transferor to manage the Receivables and to provide certain administrative services described under "*Calculations and Determinations*" and "*Servicer Reporting Requirements*" below. Under the terms of the Servicing Agreement, the Servicer may sub-contract or delegate its powers and obligations under the Servicing Agreement. Any such sub-contracting or delegation will not abrogate or relieve the Servicer of any of its obligations under the Servicing Agreement.

The duties of the Servicer include, without limitation:

- (a) collecting payments on the Receivables;
- (b) procuring the transfer of Collections from the Collection Accounts to the Transaction Account within one Business Day following receipt as cleared funds into the relevant Collection Account (or, in the case of Collections received from but excluding the Initial Cut-Off Date to and excluding the Closing Date, within three Business Days of the Closing Date), (excluding (1) the Retention Amount, and (2) any amounts of Collections to be transferred to the Transferor pursuant to Clauses 7 (*Repurchase of Receivables*), 8 (*Call Option*) or 11 (*Breach of Warranty*) of the Receivables Sale Agreement) (subject to the provisions of the Security Trust Deed and Cash Management Agreement) and **provided further that**, where the Transferor (or the Servicer on its behalf) has been unable to transfer such Collections within such period as a result of operational failure, then the Transferor shall transfer such Collections no later than the second Business Day following receipt of cleared funds into the relevant Collection Accounts;
- (c) monitoring and, where appropriate, pursuing arrears and exercising all enforcement measures concerning amounts due from those Obligor which it would ordinarily take in accordance with the Guidelines;
- (d) provide the Cash Manager with all information in its possession necessary in order for the Cash Manager to fulfil its obligations under the Transaction Documents;
- (e) to keep all records, books of account and documents relating to the Receivables distinguishable from all other records, books of account and documents relating to other loans otherwise made, held or serviced by it and hold all records relating to the Receivables in its safe possession to the order and the benefit of the Issuer for as long as provided by law in relation to such records; and
- (f) to make any filing, reports, notices, applications, registrations with, and to seek any consents or authorisations from any relevant other authority as may be necessary or advisable to comply with its obligations under the Servicing Agreement.

The Servicer will agree in the Servicing Agreement to service the Receivables in accordance with its customary and usual servicing procedures for servicing receivables comparable to such Receivables and in accordance with the Guidelines. The Servicer shall at all times administer the Receivables and the Related Rights in accordance with the Guidelines, which set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.

Payments from Obligor

Monthly Payments of interest and principal in respect of the Receivables are payable in arrear and are credited directly:

- (a) in respect of payments by Direct Debit, into the Direct Debit Collection Accounts; and
- (b) in respect of payments other than by way of Direct Debit, into the Special Collection Account.

Arrears and Default Procedures

The Servicer will endeavour to collect all payments due under or in connection with the Receivables in accordance with the arrears procedures employed by the Servicer (and subject to industry guidelines and applicable regulatory requirements) from time to time. The procedures may include making arrangements whereby an Obligor's payments may be varied and/or taking legal action for enforcement of an Obligor's assets.

Amendments to the Guidelines

Under the Servicing Agreement the Servicer has agreed not to amend its Guidelines unless such a change (i) is made in accordance with the Servicer Standard of Care; and (ii) will not have a Material Adverse Effect on the interests of the Issuer or the Most Senior Class **provided however, that** no such amendment may be made unless:

- (a) in the reasonable belief of the Servicer, such amendment would not (1) cause an Early Amortisation Event (including without limitation by reason of any Portfolio Performance Trigger Event) or (2) be contrary to the practice of a prudent servicer operating a consumer credit business in comparable segments **provided that**, where such amendment would not be materially prejudicial to the interests of the Issuer and/or the holders of the Most Senior Class of Notes, such amendment will be deemed to be in accordance with the practice of a prudent servicer operating a consumer credit business in comparable segments;
- (b) such amendment is also applied to any comparable segment of UPL Agreements in the Total Portfolio which are owned and serviced by the Servicer which have characteristics equivalent or substantially similar to, the UPL Agreements from which the Receivables arise; or
- (c) such amendment is required by any Requirement of Law.

The Servicer will also agree to notify in writing, each of the Issuer, the Note Trustee, the Back-Up Servicer and the Security Trustee of any material change in the Guidelines or any of the Servicer's other processes and procedures which relate to the origination and servicing or collection of the Receivables as soon as reasonably practicable following such change.

The Servicer may vary any of these arrangements from time to time at its discretion, the primary aim being to restore the paying status of the Obligor and recover the arrears.

Calculations and Determinations

The Servicer will be responsible on each Determination Date, for calculating the Available Funds, the notification of certain calculations to the Cap Counterparty, and notification to the Principal Paying Agent and the Agent Bank of the matters required to be notified to them by the Issuer under the Conditions and the Transaction Documents and all other calculations and determinations as set out in the Transaction Documents.

Servicer Reporting Requirements

The Servicer will:

- (a) prepare the Monthly Servicer and Cash Manager Report for the benefit of the Cash Manager which will contain all calculations and determinations made in respect of the immediately preceding Monthly Period; and
- (b) provide certain loan-by-loan and other information in relation to the Securitised Portfolio to the extent required by and in accordance with Article 7(1)(a) and Article 7(1)(e) of the EU Securitisation Regulation (which shall be by the Monthly Servicer and Cash Manager Reports).

Remuneration of the Servicer

The Issuer will on each Payment Date pay to the Servicer for its services under the Servicing Agreement a monthly servicing fee (inclusive of value added tax, if any) in an amount equal to (i) 0.25 per cent. multiplied by: (1) the Principal Balance of Transferred Receivables as at the last day of a Monthly Period;

plus (2) the Principal Balance of Transferred Receivables sold to the Issuer and subject to an Offer to be sold to the Issuer on or prior to the Payment Date following the end of such Monthly Period; divided by (ii) 12.

Termination of Appointment of Servicer

The appointment of Pepper Assets Services S.L.U. as Servicer may be terminated by notice from the Issuer or, following the delivery of an Enforcement Notice, the Security Trustee following any of the events (each, a "**Servicer Default**" and, together, the "**Servicer Defaults**") set out below:

- (a) *Failure to pay:* any failure by the Servicer to pay any amounts due pursuant to the Servicing Agreement or any other Transaction Document to the Issuer within 5 Business Days of the due date thereof or the date of demand, if payable on demand;
- (b) *Breach of Obligations:* failure on the part of the Servicer duly to observe or perform in any respect any other covenants or agreements of the Servicer set forth in the Servicing Agreement or any Transaction Document which has a Material Adverse Effect on the interests of the Most Senior Class and which failure, if capable of remedy, continues unremedied for a period of 20 days;
- (c) *Failure to deliver reports:* failure on the part of the Servicer to deliver any Monthly Servicer and Cash Manager Report, within 10 (ten) Business Days of the date when due, or delivery by the Servicer of an incomplete Monthly Servicer and Cash Manager Report, unless such failure is due to force majeure and/or technical delays not attributable to the Servicer, **provided that** it is delivered within 5 (five) Business Days after such events cease to persist and, in respect of an incomplete Monthly Servicer and Cash Manager Report, such incomplete report has a Material Adverse Effect on the Noteholders of the Rated Notes;
- (d) *Breach of Representation and Warranties:* any relevant representation, warranty or certification made by the Servicer in the Servicing Agreement or in any certificate delivered pursuant hereto proves to have been incorrect when made, which has a Material Adverse Effect on the interests of the Most Senior Class and continues to be incorrect for a period of 25 days or more after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by Issuer and continues to have a Material Adverse Effect on the interests of the Most Senior Class for such period;
- (e) *Insolvency:*
 - (i) the Servicer consents to or takes any corporate action relating to the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer in relation to the Servicer or in relation to all or substantially all of its revenues and assets and such receiver, administrator, administrative receiver, liquidator, trustee or similar officer is legally and validly appointed and such appointment is not discharged within 14 days;
 - (ii) proceedings are initiated against the Servicer under any applicable liquidation, insolvency, composition, re-organisation or similar laws for its winding-up, dissolution, administration or re-organisation and such proceedings are not (i) discharged or stayed within 60 days; (ii) in the reasonable opinion of the Issuer being disputed by the Servicer in good faith with a reasonable prospect of success; or (iii) frivolous or vexatious;
 - (iii) a duly authorised officer of the Servicer shall admit in writing that the Servicer is unable to pay its debts as they fall due ("*no puede cumplir regularmente sus obligaciones exigibles*") within the meaning of Article 2.2 of the Insolvency Law 2003 or the Servicer makes a general assignment for the benefit of or a composition with its creditors or voluntarily suspends payments of its obligations with a view to the general readjustment or rescheduling of its indebtedness or takes any action under Article 5bis or the Fourth Additional Provision of the Insolvency Law 2003;
- (f) *Licences:* the Servicer fails to maintain any qualifications, licences, approvals or consents necessary to undertake its servicing duties hereunder where such failure would have a Material Adverse Effect on the interests of the Most Senior Class and such failure continues unremedied for a period of 30 days or more after the date on which the Servicer is aware of such failure;

- (g) *Delegation*: the Servicer delegates any of its duties under the Servicing Agreement otherwise than in accordance with the Transaction Documents;
- (h) *Illegality*: it is or becomes unlawful for the Servicer to perform any of its obligations under the Transaction Documents to which it is a party or any of the Transaction Documents cease to be legal, valid, binding and enforceable obligations of the Servicer; or
- (i) *Litigation*: the commencement of any material litigation or regulatory proceedings in respect of the Servicer.

Notwithstanding the foregoing, a delay or failure of performance referred to under (b), (d), (e)(i) and (e)(ii) above for an additional period of 45 days shall not constitute a Servicer Default if the Servicer presents to the Issuer (with a copy to the Security Trustee) a reasonable plan to remedy such a Servicer Default.

Servicer Indemnity

The Servicer has agreed in the Servicing Agreement to indemnify and hold the Issuer and the Security Trustee harmless from any reasonable and properly incurred loss, liability, expense or damage which the Issuer and/or the Security Trustee may suffer or incur directly or indirectly as a result of the negligence, fraud or wilful misconduct of the Servicer in carrying out its functions as Servicer under the Servicing Agreement or any other Transaction Document to which the Servicer is a party (in its capacity as such) save for any such costs, losses, Liabilities, claims or damages arising as a result of (i) the Breach of Duty of the indemnified person (ii) Defaulted Receivables or (iii) the application of any tax law.

Back-Up Servicer

The Issuer has appointed the Back-Up Servicer pursuant to the Back-Up Servicing Agreement. Pursuant to the Back-Up Servicing Agreement, the Back-Up Servicer will agree to, following receipt of notice from the Issuer that the Issuer has served a Servicer Termination Notice on the Servicer in accordance with the provisions of the Servicing Agreement, assume and perform all obligations of the Servicer under the Servicing Agreement.

Under the terms of the Back-Up Servicing Agreement, the Back-Up Servicer may at its own cost sub-contract or delegate its powers and obligations under the Back-Up Servicing Agreement. Any such sub-contracting or delegation will not abrogate or relieve the Back-Up Servicer of any of its obligations under the Back-Up Servicing Agreement. The Back-Up Servicer has delegated certain of its functions to the Delegate pursuant to the Back-Up Servicing Agreement, and the Delegate is required to, *inter alia*, open the Back-Up Servicer Collection Account within 30 days of execution of the Back-Up Servicing Agreement and procure that such account is pledged to the Issuer pursuant to the Back-Up Servicer Collection Account Pledge Agreement.

Cash Manager

The Issuer has appointed the Cash Manager pursuant to the Security Trust Deed and Cash Management Agreement. Pursuant to the Security Trust Deed and Cash Management Agreement, the Cash Manager will agree to provide certain cash management and other services to the Issuer. The Cash Manager's principal functions will be effecting payments to and from the Transaction Account on behalf of the Issuer.

The Cash Manager may appoint any person as its sub-contractor to carry out all or part of the cash management services subject to certain conditions, including that the Cash Manager shall not be released or discharged from any liability whatsoever under the Security Trust Deed and Cash Management Agreement.

Following the occurrence of certain events (see the section entitled "*Triggers Tables – Non Rating Triggers Table*" for further information), the appointment of the Cash Manager will be terminated and the Issuer will appoint a successor Cash Manager in accordance with the terms of the Security Trust Deed and Cash Management Agreement.

Agent Bank and termination of appointment of Agent Bank

Under the Agency Agreement, Citibank Europe plc will be appointed to act as Agent Bank to undertake the following duties on behalf of the Issuer: (i) on each Interest Determination Date determine and notify

the Principal Paying Agent of the Note Rate applicable to the relevant Interest Period and the Interest Amount, if any, payable in respect of each Note so that the Principal Paying Agent can publish the Note Rate and Interest Amount for each Class of Notes for the relevant Interest Period; and (ii) notify the Principal Paying Agent of each determination of any Note Principal Payment, Principal Amount Outstanding and Pool Factor notified to it by the Cash Manager so that the Principal Paying Agent can notify the Noteholders accordingly.

Pursuant to the Agency Agreement the appointment of Citibank Europe plc as Agent Bank may be revoked by the Issuer (with the prior written approval of the Note Trustee) by not less than 60 days' notice to the Agent Bank or may be terminated by the resignation of the Agent Bank upon 60 days' notice to the Issuer (with a copy to the Note Trustee), subject in each case to certain other limitations, including that a successor agent bank has been duly appointed. The appointment of the Agent Bank will also be automatically terminated in the case of the occurrence of certain insolvency or credit events in respect of the Agent Bank.

The Issuer may (with the prior written approval of the Note Trustee) appoint a successor agent bank and give notice of such appointment, **provided that** if the Agent Bank gives notice of its resignation and no successor has been appointed by the tenth day prior to the expiration of the notice period, the Agent Bank may, with the prior written approval of the Note Trustee, itself appoint a successor.

KEY STRUCTURAL FEATURES

PORTFOLIO CONCENTRATION LEVELS

"Portfolio Concentration Levels" shall be the following:

- (a) the Weighted Average Yield, calculated in respect of Receivables within each of the following categories:
 - (i) in respect of Eligible Receivables relating to Point of Sale Loans is equal to or greater than 6 per cent.; and
 - (ii) in respect of Eligible Receivables relating to PIL Loans is equal to or greater than 19 per cent.,

unless any Requirement of Law imposes a maximum interest rate in respect of consumer finance products; and
- (b) the Weighted Average Remaining Terms, calculated in respect of Receivables within each of the following categories:
 - (i) in respect of Eligible Receivables relating to Point of Sale Loans, the Weighted Average Remaining Term is less than or equal to 30 months;
 - (ii) in respect of Eligible Receivables relating to PIL Loans, the Weighted Average Remaining Term is less than or equal to 60 months;
- (c) the aggregate Principal Balance of Receivables in the Eligible Receivables Pool:
 - (i) in respect of which Obligor are more than 80 years old at the date of the UPL Agreement in relation to such Receivable (except for UPL Agreements used to purchase hearing aids, for which there is no age limit) is less than or equal to 5 per cent.;
 - (ii) in respect of which Obligor are under temporary employment contracts is less than or equal to 6 per cent.;
 - (iii) in respect of which Obligor are self-employed at the date the UPL Agreement in relation to such Receivable was entered into is less than or equal to 6 per cent.;
 - (iv) in respect of which Obligor are not government employees, pensioners or permanent employees at the date the UPL Agreement in relation to such Receivable was entered into is less than or equal to 10 per cent.;
 - (v) in respect of which the relevant Obligor has declared (at origination) they are not a property owner is less than or equal to 25 per cent.;
 - (vi) which have arisen from Point of Sale Loans for which the related loan is a Service-Related Loan is less than or equal to 15 per cent.;
 - (vii) which have arisen from Point of Sale Loans for which the related loan is: (a) a Service-Related Loan; and (b) was originated less than 12 months from the relevant Cut-Off Date is less than or equal to 10 per cent.;
 - (viii) relating to Top Merchant Loans is less than or equal to 20 per cent.;
 - (ix) relating to Point of Sale Loans granted for the funding of an off-premises purchase of goods and which is not an on-line contract or a distance contract ("**Direct Sale**") is less than or equal to 30 per cent.;
 - (x) which have arisen from PIL Loans is less than or equal to 40 per cent.;
 - (xi) in respect of which Obligor have agreed in the relevant UPL Agreement to make monthly payments through Direct Debit is equal to or is greater than 95 per cent.; and

- (xii) in respect of which Obligors have agreed in the relevant UPL Agreement to make monthly payments through card payments is equal to or less than 5 per cent.

in each case, of the aggregate Principal Balance of Receivables in the Eligible Receivables Pool.

"Top Merchant Loan" means a Point of Sale Loan originated by the Transferor for the purpose of funding the goods or services provided by the merchant which has provided goods or services in connection with the highest amount of Receivables (by Principal Balance) in the Eligible Receivables Pool.

"Weighted Average Remaining Term" means, on any date of determination, the percentage obtained by the following calculation:

- (a) the sum of, for each Receivable in the Eligible Receivables Pool, the product of (i) the remaining term of such Receivable multiplied by (ii) the Principal Balance of such Receivable; divided by
- (b) the aggregate Principal Balance of all Receivables in the Eligible Receivables Pool;

provided that both numerator and denominator are calculated by reference only to the Receivables within each product category;

"Weighted Average Yield" means, on any date of determination, the percentage obtained by the following calculation:

- (a) the sum of, for each Receivable in the Eligible Receivables Pool, the product of (i) the Yield of such Receivable multiplied by (ii) the Principal Balance of such Receivable; divided by
- (b) the aggregate Principal Balance of all Receivables in the Eligible Receivables Pool;

provided that both numerator and denominator are calculated by reference only to the applicable product type;

Revolving Period, Amortisation Period

Revolving Period

The **"Revolving Period"** is the period commencing on the Closing Date and ending on the start of the Amortisation Period or the delivery of an Enforcement Notice, the triggers for which are described below.

During the Revolving Period, the aggregate of the Available Funds in respect of each Monthly Period and the related Payment Date will be applied on such Payment Date in accordance with the Interest Priority of Payments and the Revolving Period Principal Priority of Payments.

Amortisation Period

"Amortisation Period" shall mean the period commencing on the occurrence of the earlier of (i) the Specified Revolving Period End Date; and (ii) the occurrence of an Early Amortisation Event and ending on the earlier of (a) the delivery of an Enforcement Notice and (b) the date on which there are no amounts outstanding in respect of the Notes.

During the Amortisation Period, the aggregate of the Available Funds in respect of each Monthly Period will be applied on the related Payment Date in accordance with the Interest Priority of Payments and the Amortisation Period Principal Priority of Payments.

"Early Amortisation Event" means the occurrence of any of the following events:

- (a) *Insolvency*: the occurrence of an Insolvency Event in relation to the Transferor or the Servicer or Cash Manager in circumstances where the Servicer and the Cash Manager is Pepper Assets Services, S.L.U.;
- (b) *Failure to pay: Issuer*: the failure by the Issuer to make payment when due (which shall take into account any applicable grace period) in accordance with the Security Trust Deed and Cash Management Agreement;

- (c) *Failure to pay: Transferor:* the failure by the Transferor to make a payment when due in accordance with the Receivables Sale Agreement and such failure is not remedied within 3 Business Days after a written notice to or discovery of such failure by an officer of the Transferor;
- (d) *Breach of Obligations:* the failure by the Transferor to comply with its relevant obligations under the Transaction Documents which continues unremedied for a period of 5 Business Days after a written notice to or discovery of such failure by an officer of the Transferor;
- (e) *Breach of Representation:* any representation or warranty made by the Transferor in the Transaction Documents, or any information required to be delivered by the Transferor pursuant to the Transaction Documents: (i) shall prove to have been incorrect in any material respect when made or when delivered, which (if capable of being remedied) continues to be incorrect for a period of 20 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Transferor by the Issuer, or to the Transferor and the Issuer by the Most Senior Class, and (ii) as a result of which there is a Material Adverse Effect on the interests of the Most Senior Class which (if capable of being remedied) continues unremedied during such 20 day period; **provided, however, that** an Early Amortisation Event pursuant to clause 5 shall not be deemed to have occurred if the Transferor has complied with its obligations pursuant to clause 11 (*Breach of Warranty*) of the RSA, in respect of the related Receivable, or all of such Receivables, if applicable, during such period in accordance with the provisions of the RSA;
- (f) the occurrence of a Cash Manager Default or a Servicer Default and a replacement or back-up cash manager or servicer (as applicable) has not been appointed in accordance with the Transaction Documents;
- (g) the occurrence of a Portfolio Performance Trigger Event;
- (h) the occurrence of an Event of Default;
- (i) a failure to maintain the Cash Reserve Fund at the Cash Reserve Required Amount on any Payment Date;
- (j) the aggregate Principal Balance of all Eligible Receivables is less than €174,568,400.00;
- (k) on any Payment Date, a debit balance remains outstanding on any of the Principal Deficiency Ledgers following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Interest Priority of Payments and such debit balance is not cured on the next successive Payment Date.

A "**Portfolio Performance Trigger Event**" shall occur where any of (i) the Dynamic Delinquency Trigger; and/or (ii) the Cumulative Net Loss Triggers tests are failed.

"**Cumulative Net Loss**" shall mean the product of:

- (a) the aggregate Principal Balance (taking into account any Recoveries) of all Receivables which are more than four (4) instalments past due; divided by
- (b) the aggregate Purchase Price and Initial Consideration (as applicable) of all Receivables,

provided that for this purpose, Repurchased Receivables which were Defaulted Receivables on their repurchase date shall be deemed to remain Receivables.

"**Cumulative Net Loss Trigger**" shall be breached where the Cumulative Net Loss expressed as a percentage is equal to or greater than 7.5 per cent.;

"**Dynamic Delinquency Trigger**" shall mean, and the test shall be failed, where the aggregate Principal Balance of Receivables (excluding the Excess Concentration Receivables) that are recorded on the Servicer's systems (in accordance with the Guidelines and its usual and customary servicing procedures) as more than two (2) instalments past due and less than eight (8) instalments past due, expressed as a percentage of the aggregate Principal Balance of all of the Receivables, is equal to or more than 3.5 per cent.;

"Eligible Receivables" shall mean Receivables which comply with the Eligibility Criteria, in each case as of the Cut-Off Date in respect of such Receivables and which arise on a Designated Agreement which was an Eligible UPL Agreement on the Cut-Off Date relating to such UPL Agreement;

"Eligible Receivables Pool" shall mean those Receivables in the Securitised Portfolio which are Eligible Receivables; and

"Excess Concentration Receivables" means Receivables with an aggregate Principal Balance which is no less than the Excess Concentrations.

SUMMARY OF CREDIT ENHANCEMENT AND LIQUIDITY SUPPORT

The Notes are obligations of the Issuer only and will not be the obligations of, or the responsibility of, or guaranteed by, any other party. There are a number of features of the transaction which enhance the likelihood of timely receipt of payments by the Class A Noteholders, Class B Noteholders, Class C Notes and Class D Noteholders as follows:

- A Revenue Shortfall on any Payment Date may be funded by amounts standing to the credit of the Cash Reserve Fund;
- Payments of interest and principal on the Classes of Notes are made in Sequential Order and interest payments on a Class of Notes (other than the Most Senior Class of Notes) may be deferred where the Issuer has insufficient proceeds;
- A Remaining Revenue Shortfall on any Payment Date may be funded by applying Principal Available Funds as Interest Available Funds;
- Payments of principal on the Class J Notes are subordinated to payments of principal on the Class A Notes, Class B Notes, Class C Notes and Class D Notes;
- Amounts invested in the Transaction Account earn interest at a rate determined from time to time under the Account Bank Agreement; and
- Availability of the Cap Transaction provided by the Cap Counterparty to mitigate (but not eliminate) the variance between the fixed interest rates payable in respect of the fixed rate Receivables and the floating 1 month EURIBOR based interest rates payable in respect of the Notes

Each of these factors is considered in more detail below.

CREDIT ENHANCEMENT AND LIQUIDITY SUPPORT

Liquidity support provided to the Rated Notes by use of the Cash Reserve Fund to fund Revenue Shortfall

On each Determination Date, if following application of Interest Available Funds the Servicer determines that there would be a Revenue Shortfall, the Cash Manager on behalf of the Issuer will, on the relevant Payment Date, pay or provide for such Revenue Shortfall by applying amounts standing to the credit of the Cash Reserve Fund.

For more information about the application of (i) the Cash Reserve Fund to fund Revenue Shortfalls or (ii) Principal Available Funds as Interest Available Funds to fund Remaining Revenue Shortfalls, see the section entitled "*Cashflows and Cash Management*".

Payment of the Notes in Sequential Order and deferral of payments on the Notes

Payments of interest and principal on the Classes of Notes will be paid in Sequential Order such that payments on the Class J Notes will be subordinated to payments on the Class D Notes; payments on the Class D Notes will be subordinated to payments on the Class C Notes; payments on the Class C Notes will be subordinated to payments on the Class B Notes; payments on the Class B Notes will be subordinated to payments on the Class A Notes in accordance with the relevant Priorities of Payments.

Any shortfall in payments of interest on a Class of Notes (other than the Most Senior Class of Notes) will be deferred until the next Payment Date and this will not constitute an Event of Default. On the next

Payment Date, the amount of interest scheduled to be paid on such Class of Notes will be increased to take account of any deferral of such amounts for that relevant Class of Notes. The deferral process will continue until the Final Maturity Date of the Notes, at which point, all such deferred amounts (including interest thereon) will become due and payable. However, if there is insufficient money available to the Issuer to pay interest on any Class of Notes, then the relevant Noteholders may not receive all Interest Amounts.

Failure to pay any Interest Amount on the Most Senior Class of Notes within 5 Business Days following the due date for payment of such Interest Amount will constitute an Event of Default.

It is not intended that any surplus will be accumulated in the Issuer, other than the Issuer Profit Amount, amounts standing to the credit of the Cap Collateral Account (if applicable) and amounts standing to the credit of the Cash Reserve Fund.

ACCOUNTS AND CASH MANAGEMENT

Transaction Account

All monies received by the Issuer will be deposited in the Transaction Account. The Transaction Account is maintained with the Account Bank under the terms of the Account Bank Agreement. The Account Bank has agreed that the Transaction Account will bear interest at a rate agreed in writing between the Issuer and the Account Bank (which may be negative).

On the date on which the Account Bank ceases to be assigned an issuer default rating of at least the Required Rating, the Issuer shall use commercially reasonable endeavours to within 30 calendar days:

- (a) replace the Account Bank with a Qualified Institution and open a replacement Transaction Account with such entity; or
- (b) obtain a guarantee of the Account Bank's obligations from a Qualified Institution and/or take such other action as may be required by the Rating Agencies at such time.

Pledges over the Collection Accounts

The Collections due from Obligors under the Receivables are paid into several Collection Accounts in the name of Transferor or the Servicer.

Each of the Transferor or the Servicer has granted a first ranking pledge in favour of the Issuer over each Collection Account, as applicable.

The Delegate is required to open a collection account within 30 days of the execution of the Back-Up Servicing Agreement and to procure that such account is pledged to the Issuer. Upon the appointment of the Back-Up Servicer as Servicer, the Back-Up Servicer will make arrangements to advise Obligors of any changes in payment arrangements and the Servicer will provide assistance to procure that Obligors pay to the Back-Up Servicer Collection Account.

Interest Rate Cap Transaction

On or about the Closing Date, the Issuer will enter into the Cap Transaction with the Cap Counterparty under a 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the "**ISDA Master Agreement**"), together with a Schedule thereto (the "**Schedule**"), a 1995 ISDA credit support annex (the "**Credit Support Annex**") and a cap confirmation (the "**Cap Confirmation**" and each, together with the ISDA Master Agreement, the Schedule and the Credit Support Annex, the "**Cap Agreement**"). The Cap Agreement will be entered into in order to hedge against the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Rated Notes compared to the fixed rate of interest payable in respect of the Receivables.

Main features

The Cap Confirmation will specify a notional amount for each Monthly Period, being, for each Monthly Period in the Revolving Period € 220,000,000 and for each Monthly Period thereafter, as specified in Section D of the Cap Confirmation. The Issuer will pay to the Cap Counterparty, on the Closing Date, a

Fixed Amount of €695,000 and the Cap Counterparty will pay to the Issuer, on each Payment Date, an amount, if positive, equal to an amount equal to the product of:

- (a) Notional Amount (as such term is defined in the Cap Agreement) of the Cap Transaction for such relevant Calculation Period (as such term is defined in the Cap Agreement);
- (b) multiplied by the Floating Rate (as such term is defined in the Cap Agreement) (being the excess, if any, of (A) of EUR-EURIBOR-Reuters (as such term is defined in the Cap Agreement)) with a Designated Maturity (as such term is defined in the Cap Agreement) of one month over (B) the Cap Rate, if any) for such Calculation Period (as such term is defined in the Cap Agreement);
- (c) multiplied by the relevant Floating Rate Day Count Fraction (as such term is defined in the Cap Agreement).

If the Cap Counterparty (or its guarantor or credit support provider, as applicable) is downgraded below any of the required credit ratings set out in the Cap Agreement, the Cap Counterparty will be required to carry out, within the time frame specified in the Cap Agreement, one or more remedial measures at its own cost which include the following:

- (a) transfer all of its rights and obligations under the Cap Agreement to an appropriately rated entity;
- (b) arrange for an appropriately rated entity to become co-obligor or guarantor in respect of its obligations under the Cap Agreement; and
- (c) post collateral to support its obligations under the Cap Agreement.

The occurrence of certain termination events and events of default contained in the Cap Transaction may cause the termination of the Cap Agreement prior to its stated termination date. Such events include:

- (a) A failure to pay by either the Issuer or the Cap Counterparty and certain insolvency related events;
- (b) Certain tax related events, illegality and force majeure related events;
- (c) redemption of the Rated Notes pursuant to Condition 9.3 (*Optional Redemption in whole: Call Option Date*), Condition 9.4 (*Optional Redemption in whole: Clean Up Call*) or Condition 9.5 (*Optional Redemption in whole for taxation reasons*);
- (d) amendment of any Transaction Document without the prior written consent of the Cap Counterparty if such amendment affects the amount, timing or priority of any payments due from such Cap Counterparty to the Issuer or from the Issuer to such Cap Counterparty;
- (e) failure by the Cap Counterparty to take certain remedial measures required under the Cap Agreement following a Cap Counterparty Rating Event;
- (f) at any time the Reference Rate in respect of any Class of Notes is different to the EUR Floating Rate Option (as defined in the Cap Confirmation); and
- (g) acceleration of the Notes following service of an Enforcement Notice.

Upon the occurrence of any event of default or termination event specified in the Cap Agreement, the non-defaulting party (in case of an event of default) or the person(s) specified in the Cap Agreement as having such right (in case of a termination event) may, after a period of time set forth in the Cap Agreement, elect to terminate the Cap Agreement. If the Cap Agreement is terminated due to an event of default or a termination event, a termination payment may be due by one party to the other.

The termination payment will be calculated and made in Euro, with the termination payment being calculated in accordance with the terms of the Cap Agreement.

The Cap Counterparty will be required to make payments pursuant to the Cap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Cap Counterparty will, subject to certain conditions, be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount the Issuer would have received had no such withholding or deduction been required. Such a change in tax law

may result in the termination of the Cap Agreement. The Issuer will not be required to gross up under the Cap Agreement. Any Cap Tax Credit Amounts payable by the Issuer shall be paid directly to the Cap Counterparty following receipt without regard to the Cap Collateral Account Priority Payment or the Priorities of Payment and shall not form part of the Interest Available Funds.

Replacement of the Cap Agreement – Replacement upon early termination

In the event that the Cap Agreement is terminated prior to its scheduled termination date, and prior to the service of an Enforcement Notice or the redemption in full of all outstanding Notes, the Issuer) shall use its reasonable efforts to enter into a replacement Cap Agreement.

The Issuer may be liable to make a payment of a Replacement Cap Premium to any replacement Cap Counterparty in order to enter into a replacement Cap Transaction. The Issuer may not have sufficient funds standing to the credit of the Cap Collateral Account in order to make such payment and therefore may be unable to enter into a replacement Cap Agreement.

Credit Support Annex and Cap Collateral

On or around the Closing Date, the Cap Counterparty will enter into a 1995 ISDA Credit Support Annex (Bilateral Form – Transfer) with the Issuer (the "**Credit Support Annex**") in support of the obligations of the Cap Counterparty under the Cap Agreement. Pursuant to the terms of the Credit Support Annex, if at any time the Cap Counterparty is required to provide collateral in respect of any of its obligations under the Cap Agreement, the Cap Counterparty will, subject to the conditions specified in the Credit Support Annex and the Cap Agreement, make transfers of Cap Collateral to the Issuer in respect of its obligations under the Cap Agreement. The Issuer will be obliged to return such collateral in accordance with the terms of the Credit Support Annex.

Any Cap Collateral transferred by the Cap Counterparty will be credited to the Cap Collateral Account, together with any interest or distributions on, and any liquidation or other proceeds of, that collateral and will not be available for the Issuer to make payments to the Secured Creditors generally, but must be applied in accordance with the Cap Collateral Account Priority of Payment.

The Cap Collateral Account will be maintained with the Account Bank under the terms of the Account Bank Agreement. The Account Bank has agreed that the Cap Collateral Account will bear interest at a rate agreed in writing between the Issuer and the Account Bank (which may be negative).

Applicable law and jurisdiction

The Cap Agreement and any non-contractual obligation arising out of, or in connection with it are governed by and construed in accordance with English law. The courts of England shall have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

EMIR Reporting Agreement

Pursuant to an agreement to be entered on or about the Closing Date, between the Issuer and J.P. Morgan AG (the "**EMIR Reporting Agent**"), the EMIR Reporting Agent will agree, each pursuant to the EMIR reporting agreement to which is party, to carry out certain reporting obligations pursuant to EMIR on behalf of the Issuer (the "**EMIR Reporting Agreement**"). The EMIR Reporting Agreement is governed by English law.

CASHFLOWS AND CASH MANAGEMENT

Reserves

Cash Reserve Ledger

A ledger designated the "**Cash Reserve Ledger**" shall be established and maintained by the Issuer as part of the Transaction Account for the purpose of holding the Cash Reserve Fund. Any failure by the Issuer to maintain the Cash Reserve Fund at the Cash Reserve Required Amount on any Payment Date shall be an Early Amortisation Event.

On the Closing Date, the Issuer shall use part of the proceeds of the issuance of the Class J Notes to credit the Cash Reserve Ledger in an amount equal to the Cash Reserve Required Amount. Thereafter amounts of Interest Available Funds shall be credited to the Cash Reserve Ledger of the Transaction Account in accordance with the Priorities of Payments.

Prior to the delivery of an Enforcement Notice, amounts held in the Cash Reserve Ledger may be used by the Issuer on any Payment Date to fund Revenue Shortfalls:

"**Cash Reserve Fund**" means the cash reserve fund, operated and maintained by the Cash Manager on behalf of the Issuer in accordance with the Security Trust Deed and Cash Management Agreement and funded on the Closing Date by the Issuer in an amount equal to the Cash Reserve Required Amount using part of the proceeds of the issuance of the Class J Notes and thereafter from Interest Available Funds in accordance with the Pre-Enforcement Priorities of Payments.

"**Cash Reserve Release Amount**" means:

- (a) on any Payment Date before the earlier of the Final Redemption Date and the Final Maturity Date, an amount equal to the amount recorded on the Cash Reserve Ledger as the Cash Reserve Fund and standing to the credit of the Transaction Account, *less* the Cash Reserve Required Amount on the immediately preceding Determination Date; and
- (b) on the earlier of the Final Redemption Date and the Final Maturity Date, an amount equal to the amount recorded on the Cash Reserve Ledger as the Cash Reserve Fund and standing to the credit of the Transaction Account.

"**Cash Reserve Required Amount**" means:

- (a) on the Closing Date, an amount equal to €3,864,500;
- (b) on each Determination Date thereafter while any of the Class A Notes, Class B Notes, Class C Notes and Class D Notes are outstanding, an amount equal to 1.75 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class C Notes and Class D Notes on such date prior to deducting any repayments to be made on the related Payment Date; and
- (c) on each Determination Date after the Class A Notes, Class B Notes, Class C Notes and Class D Notes are fully repaid, zero.

Determinations

The Servicer shall, on each Determination Date, calculate the amounts payable by Issuer on the succeeding Payment Date in accordance with the Priorities of Payments. Among other things, the Cash Manager shall instruct the Account Bank on behalf of the Issuer to make withdrawals and payments from the Transaction Account in accordance with the Receivables Sale Agreement, Security Trust Deed and Cash Management Agreement and the Priorities of Payments.

Principal Deficiency Ledger

A Principal Deficiency Ledger comprising 5 sub-ledgers, being the Class A Notes Principal Deficiency Ledger, the Class B Notes Principal Deficiency Ledger, the Class C Notes Principal Deficiency Ledger, the Class D Notes Principal Deficiency Ledger and the Class J Notes Principal Deficiency Ledger respectively,

will be established in order to record Defaulted Amounts and/or the application of any Principal Available Funds to meet a Remaining Revenue Shortfall.

Any Defaulted Amounts and the application of any Principal Available Funds to meet a Remaining Revenue Shortfall shall firstly be debited from the Class J Notes Principal Deficiency Ledger (such debit items then being reccredited at item (j) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than or equal to €8,810,500, and shall then be debited from the Class D Notes Principal Deficiency Ledger (such debit items then being reccredited at item (i) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than or equal to the Principal Amount Outstanding of the Class D Notes, and shall then be debited from the Class C Note Principal Deficiency Ledger (such debit items being reccredited at item (g) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than or equal to the Principal Amount outstanding of the Class C Notes, and shall then be debited from the Class B Notes Principal Deficiency Ledger (such items to be reccredited at item (e) of the Interest Priority of Payments) so long as the debit balance on the sub-ledger is less than or equal to the Principal Amount Outstanding of the Class B Notes and shall then be debited from the Class A Notes Principal Deficiency Ledger (such items to be reccredited at item (c) of the Interest Priority of Payments, as applicable) so long as the debit balance on the sub-ledger is less than or equal to the Principal Amount Outstanding of the Class A Notes.

Priorities of Payments

On each Determination Date, the amount of Available Funds will be calculated in respect of the immediately preceding Monthly Period and will be applied in accordance with the applicable Priorities of Payments on the related Payment Date.

Interest Priority of Payments

On each Payment Date relating to a Monthly Period that falls during the Revolving Period and the Amortisation Period, the Cash Manager (on behalf of the Issuer) will apply and/or transfer the Interest Available Funds held in the Transaction Account in respect of such Monthly Period in the following order of priority, but in each case, only to the extent that all payments of a higher priority have been made in full (the "**Interest Priority of Payments**"):

- (a) *first*, in or towards satisfaction of, the Senior Expenses which are due on such Payment Date;
- (b) *second*, to pay or provide for the payment of any interest due and payable on the Class A Notes;
- (c) *third*, in or towards amounts to be credited to the Class A Notes Principal Deficiency Ledger until the balance of the Class A Notes Principal Deficiency Ledger has reached zero;
- (d) *fourth*, to pay or provide for the payment of any interest due and payable on the Class B Notes;
- (e) *fifth*, in or towards amounts to be credited to the Class B Notes Principal Deficiency Ledger until the balance of the Class B Notes Principal Deficiency Ledger has reached zero;
- (f) *sixth*, to pay or provide for the payment of any interest due and payable on the Class C Notes;
- (g) *seventh*, in or towards amounts to be credited to the Class C Notes Principal Deficiency Ledger until the balance of the Class C Notes Principal Deficiency Ledger has reached zero;
- (h) *eighth*, to pay or provide for the payment of any interest due and payable on the Class D Notes;
- (i) *ninth*, in or towards amounts to be credited to the Class D Notes Principal Deficiency Ledger until the balance of the Class D Notes Principal Deficiency Ledger has reached zero;
- (j) *tenth*, in or towards amounts to be credited to the Class J Notes Principal Deficiency Ledger until the balance of the Class J Notes Principal Deficiency Ledger has reached zero;
- (k) *eleventh*, to pay or provide for the payment of an amount equal to the shortfall between the amounts standing to the credit of the Cash Reserve Ledger of the Transaction Account and the Cash Reserve Required Amount, to be credited to the Cash Reserve Ledger of the Transaction Account;

- (l) *twelfth*, to pay or provide for the payment of any interest (other than Additional Class J Interest) due and payable on the Class J Notes; and
- (m) *thirteenth*, to pay or provide for the payment any Additional Class J Interest due and payable on the Class J Notes.

Revolving Period Principal Priority of Payments

On each Payment Date relating to a Monthly Period that falls during the Revolving Period, the Cash Manager (on behalf of the Issuer) will apply and/or transfer the Principal Available Funds held in the Transaction Account in respect of such Monthly Period in the following order of priority, but in each case, only to the extent that all payments of a higher priority have been made in full (the "**Revolving Period Principal Priority of Payments**"):

- (a) *first*, in or towards amounts to be applied to meet a Remaining Revenue Shortfall; and
- (b) *second*, to pay or, as determined by the Servicer, retain in the Transaction Account for the purposes of making payment of, the amount required to meet the obligation of the Issuer to pay the Purchase Price for further Receivables to be purchased by the Issuer prior to the immediately following Payment Date in accordance with the provisions of the RSA,

and, to the extent that Issuer (or the Servicer or Cash Manager on its behalf) does not exercise the payment or provision for payment or retention in the Transaction Account set out in paragraph (b) above, or there is excess Principal Available Funds following application of such paragraph, then:

- (c) *third*, to pay or provide for repayment of principal on the Class A Notes until redeemed in full;
- (d) *fourth*, to pay or provide for repayment of principal on the Class B Notes until redeemed in full;
- (e) *fifth*, to pay or provide for repayment of principal on the Class C Notes until redeemed in full;
- (f) *sixth*, to pay or provide for repayment of principal on the Class D Notes until redeemed in full; and
- (g) *seventh*, to pay or provide for repayment of principal on the Class J Notes until redeemed in full.

Amortisation Period Principal Priority of Payments

On each Payment Date falling after the occurrence of an Early Amortisation Event, the Cash Manager (on behalf of the Issuer), will apply and/or transfer the Principal Available Funds held in the Transaction Account in respect of such Payment Date in the following order of priority, but in each case, only to the extent that all payments of a higher priority have been made in full (the "**Amortisation Period Principal Priority of Payments**"):

- (a) *first*, in or towards amounts to be applied to meet a Remaining Revenue Shortfall;
- (b) *second*, to pay or provide for repayment of principal on the Class A Notes until redeemed in full;
- (c) *third*, to pay or provide for repayment of principal on the Class B Notes until redeemed in full;
- (d) *fourth*, to pay or provide for repayment of principal on the Class C Notes until redeemed in full;
- (e) *fifth*, to pay or provide for repayment of principal on the Class D Notes until redeemed in full;
- (f) *sixth*, to pay or provide for repayment of principal on the Class J Notes until redeemed in full; and
- (g) *seventh*, any remaining Principal Available Funds to be constituted as Interest Available Funds and applied in accordance with the Interest Priority of Payments.

Application following the Service of an Enforcement Notice

Following the service of an Enforcement Notice (which has not been revoked) on the Issuer, the Issuer or the Cash Manager will calculate all amounts received or recovered in respect of the Charged Property, such

amounts (including, for the avoidance of doubt, amounts received on enforcement or realisation of the Security) being the "**Post-Enforcement Amounts**".

Post-Enforcement Priority of Payments

The Post-Enforcement Amounts will be applied or provided for in accordance with the following order of priority (the "**Post-Enforcement Priority of Payments**" (only if and to the extent that payments or provisions of a higher priority have been made in full)):

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any remuneration, fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee, the Security Trustee and any Appointee under the provisions of the Trust Deed, the Security Trust Deed and Cash Management Agreement and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction according to the respective amounts thereof of in the following order of priority:
 - (i) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement together with (if payable) VAT thereon as provided therein;
 - (ii) any amounts then due and payable to the Account Bank and the Account Agent and any fees, costs, charges, liabilities and expenses then due or to become due and payable to the Account Bank and the Account Agent under the provisions of the Account Bank Agreement, together with VAT (if payable) thereon as provided therein;
 - (iii) any amounts due and payable to the Agents and any fees, costs, charges, liabilities and expenses then due or to become due and payable to the Agents under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
 - (iv) any amounts due and payable to the Servicer and any fees, costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein;
 - (v) any amounts due and payable to the Back-Up Servicer and any fees, costs, charges, liabilities and expenses then due and payable to the Back-Up Servicer under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein;
 - (vi) any amounts then due and payable to the Cash Manager and any fees, costs, charges, liabilities and expenses then due and payable to the Cash Manager under the provisions of the Security Trust Deed and Cash Management Agreement, together with (if payable) VAT thereon as provided therein; and
 - (vii) any tax for which the Issuer is primarily liable to the appropriate tax authority on any Payment Date and any other exceptional costs or expenses which are payable by the Issuer to third parties and which were incurred without breach by the Issuer of the Transaction Documents and which are not provided for elsewhere.
- (c) *third*, to pay:
 - (i) *first*, interest due and payable on the Class A Notes relating thereto; and
 - (ii) *second*, principal due and payable on the Class A Notes until the Principal Amount Outstanding thereof has been reduced to zero;
- (d) *fourth*, to pay:
 - (i) *first*, interest due and payable on the Class B Notes and any Additional Interest relating thereto; and

- (ii) *second*, principal due and payable on the Class B Notes until the Principal Amount Outstanding thereof has been reduced to zero;
- (e) *fifth*, to pay:
 - (i) *first*, interest due and payable on the Class C Notes and any Additional Interest relating thereto; and
 - (ii) *second*, principal due and payable on the Class C Notes until the Principal Amount Outstanding thereof has been reduced to zero;
- (f) *sixth*, to pay:
 - (i) *first*, interest due and payable on the Class D Notes and any Additional Interest relating thereto; and
 - (ii) *second*, principal due and payable on the Class D Notes until the Principal Amount Outstanding thereof has been reduced to zero;
- (g) *seventh*, in or towards payment to the Issuer of the Issuer Profit Amount;
- (h) *eighth*, to pay:
 - (i) *first*, interest due and payable on the Class J Notes (other than any Additional Class J Interest) and any Additional Interest relating thereto; and
 - (ii) *second*, principal due and payable on the Class J Notes until the Principal Amount Outstanding on the Class J Notes has been reduced to zero; and
- (i) *ninth*, to any Additional Class J Interest due and payable on the Class J Notes.

Disclosure of modifications to the priorities of payments

Any events which trigger changes in the Priorities of Payments and any change in the Priorities of Payments which will materially adversely affect the repayment of the Notes shall be disclosed without undue delay to the extent required under Article 21(9) of the EU Securitisation Regulation. Such disclosure shall be made by means of a securitisation repository (as defined in the EU Securitisation Regulation) or such other method as the Transferor deems appropriate from time to time. As at the date of this Prospectus, it is intended that such information will be made available via the website of the European Data Warehouse.

Cap Collateral Account Priority of Payment

Amounts standing to the credit of the Cap Collateral Account will not be available for the Issuer to make payments to the Noteholders and the other Secured Creditors generally, but shall be applied by the Cash Manager in accordance with the terms of the Security Trust Deed and Cash Management Agreement and the Account Bank Agreement) only in accordance with the following provisions:

- (a) prior to the occurrence or designation of an Early Termination Date in respect of the Cap Transaction and the then current Cap Counterparty, solely in or towards payment or transfer of:
 - (i) any Return Amounts (as defined in the Credit Support Annex);
 - (ii) any Interest Amounts (as defined in the Credit Support Annex);
 - (iii) any Cap Tax Credit Amount;
 - (iv) any return of collateral to the Cap Counterparty upon a novation of the Cap Counterparty's obligations under the Cap Transaction to a replacement cap counterparty on any day (whether or not such day is a Payment Date), directly to the Cap Counterparty in accordance with the terms of the Credit Support Annex;
- (b) upon or immediately following the occurrence or designation of an Early Termination Date (as defined in the Cap Agreement) in respect of the Cap Transaction with the then current Cap

Counterparty where (A) such Early Termination Date (as defined in the Cap Agreement) has been designated following an Event of Default (as defined in the Cap Agreement) in respect of which the Cap Counterparty is the Defaulting Party (as defined in the Cap Agreement) or an Additional Termination Event (as defined in the Cap Agreement) resulting from a Cap Counterparty Rating Event and in respect of which the Cap Counterparty is the Affected Party (as defined in the Cap Agreement) and (B) the Issuer enters into a replacement Cap Transaction in respect of such Cap Transaction on or after the Early Termination Date of such Cap Transaction, on the later of the day on which such replacement Cap Transaction is entered into and the day on which the Replacement Cap Premium (if any) payable to the Issuer has been received (in each case, whether or not such day is a Payment Date), in the following order of priority:

- (i) *first*, in or towards payment of any Replacement Cap Premium (if any) payable by the Issuer to a replacement cap counterparty in order to enter into a replacement Cap Transaction with the Issuer with respect to the Cap Transaction being novated or terminated;
 - (ii) *second*, in or towards payment of any termination payment due to the outgoing Cap Counterparty pursuant to the Cap Transaction *plus* any Cap Tax Credit Amount (if any); and
 - (iii) *third*, the surplus (if any) (a "**Cap Collateral Account Surplus**") on such day to be transferred to the Transaction Account for an amount equal to the relevant Cap Collateral Account Surplus and deemed to form part of the Interest Available Funds;
- (c) following the occurrence or designation of an Early Termination Date in respect of the Cap Transaction where (A) such Early Termination Date has been designated following an Event of Default (as defined in the Cap Agreement) in respect of which the Cap Counterparty is the Defaulting Party (as defined in the Cap Agreement) or an Additional Termination Event (as defined in the Cap Agreement) resulting from a Cap Counterparty Rating Event and in respect of which the Cap Counterparty is the Affected Party (as defined in the Cap Agreement) and (B) the Issuer is unable to or elects not to enter into a replacement Cap Transaction on or after the Early Termination Date of such Cap Transaction, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the Cap Counterparty pursuant to the Cap Transaction *plus* any Cap Tax Credit Amount (if any);
- (d) following the occurrence or designation of an Early Termination Date in respect of the Cap Transaction where such Early Termination Date has been designated otherwise than as a result of one of the events specified at items (b) and (c) above, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Cap Counterparty pursuant to the Cap Transaction *plus* any Cap Tax Credit Amount (if any); and
- (e) following payment of any amounts due pursuant to (c) and (d) above, if amounts remain standing to the credit of the Cap Collateral Account, such amounts may be applied on any day (whether or not such day is a Payment Date) only in accordance with the following provisions:
- (i) *first*, in or towards payment of any Replacement Cap Premium (if any) payable by the Issuer to a replacement cap counterparty in order to enter into a replacement Cap Transaction with the Issuer with respect to the Cap Transaction being terminated; and
 - (ii) *second*, (but only following the Issuer electing to not enter into a replacement Cap Transaction), the surplus (if any) (a "**Cap Collateral Account Surplus**") remaining after payment of such Replacement Cap Premium to be transferred to the Transaction Account and deemed to form part of the Interest Available Funds,

provided that if the Issuer has not entered into a replacement Cap Transaction with respect to the Cap Transaction on or prior to the earlier of:

- (A) the day that is 10 (ten) Business Days prior to the date on which the Principal Amount Outstanding of all Classes of Notes is reduced to zero (other than following the occurrence of an Event of Default to Condition 13 (*Events of Default and Enforcement*)); or

(B) the day on which an Enforcement Notice is given pursuant to Condition 14 (*Enforcement*),

then the Collateral Amount on such day shall be transferred to the Transaction Account as Cap Collateral Account Surplus and deemed to form part of the Interest Available Funds (and, for the avoidance of doubt, for the purposes of the above the Issuer will be deemed to have elected not to enter into a replacement Cap Transaction). The Cap Collateral Account Priority of Payment may not be amended without the Cap Counterparty's express consent.

DESCRIPTION OF THE NOTES IN GLOBAL FORM

The Conditions and the Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes which apply when in definitive form. The following is a summary of certain of those provisions:

1. **Form**

All Notes will be issued in fully registered form and will be represented, on issue, by the Global Notes. The Notes are not issuable in bearer form.

The Notes are intended to be held in a manner which would allow Eurosystem eligibility, that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

2. **Nominal Amount**

The nominal amount of the Global Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg or any alternative clearing system approved by the Note Trustee (each a relevant "**Clearing System**").

The Notes will be issued in the form of registered global notes. The Global Notes will be issued and held under the new safekeeping structure and are intended upon issue to be deposited with, and registered in the nominee name of, a common safekeeper on behalf of one of the ICSDs.

The records of such relevant Clearing System shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such relevant Clearing System at any time shall be conclusive evidence of the records of that relevant Clearing System at that time. The Note Trustee will not 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.

3. **Issuance of Definitive Notes**

Holders of Book-Entry Interests in the Global Notes will be entitled to receive certificates evidencing definitive notes in registered form ("**Definitive Notes**") in exchange for their respective holdings of Book-Entry Interests if:

- (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business; or
- (b) as a result of any amendment to, or change in, the laws or regulations of Ireland or of any political sub-division therein or thereof having power to tax or in the interpretation or administration of such legislation which becomes effective on or after the Closing Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding for or on account of Tax from any payment in respect of the Notes which would not be required were the Notes in definitive form.

In order to receive a Definitive Note a person having an interest in a Global Note must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Notes.

Any Definitive Notes issued in exchange for Book-Entry Interests in a Global Note will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their Participants with respect to ownership of the relevant Book-Entry Interests. Holders of Definitive Notes issued in exchange for Book-Entry Interests in a Global Note, as the case may be, will not be entitled to exchange such Definitive Note, for Book-Entry Interests in a Global Note.

Any Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set forth under Condition 4 (*Title and Transfer*) **provided that** no transfer shall be registered for a period of 15 calendar days immediately preceding any due date for payment in respect of the Note or, as the case may be, the due date for redemption. Definitive Notes will not be issued in a denomination that is not an integral multiple of the Minimum Denomination or for any amount in excess thereof, in integral multiples of €1,000. As the Notes have a denomination consisting of the Minimum Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €1,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the Minimum Denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be issued) and would need to purchase a principal amount of Notes such that its holding amounts to the Minimum Denomination.

4. **Payments**

Payments of principal and interest in respect of Notes represented by the Global Note will be made to its holder. The Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant Clearing System and, in the case of payments of principal, the nominal amount of the Notes will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant Clearing System shall not affect such discharge. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the Common Safekeeper or its nominees in respect of those Book-Entry Interests.

For the purpose of any payments made in respect of a Global Note, Condition 11.6 (*Payments on Business Days*) shall apply, and all such payments shall be made on a day which is a Business Day.

5. **Book-Entry Interests**

Book-Entry Interests in respect of Global Notes will be recorded in denominations of €100,000 (the "**Minimum Denomination**") and, for so long as the rules of Euroclear or Clearstream, Luxembourg so permit integral multiples of €1,000 in excess thereof. Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg or ("**Participants**") or persons that hold interests in the Book-Entry Interests through Participants ("**Indirect Participants**"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg will credit the Participants' accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the Arranger. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants).

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each record date, Euroclear and Clearstream, Luxembourg will determine the identity of the Noteholders for the purposes of making payments to the Noteholders. The record date, in respect of the Notes shall be one Clearing System Business Day prior to the relevant Payment Date where "**Clearing System Business Day**" means a day on which each clearing system for which the Notes are being held is open for business. The Issuer expects that payments by 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 and will be the responsibility of such Participants or Indirect Participants.

None of the Issuer, any agent of the Issuer, the Arranger, the Lead Manager or the Note Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

So long as a nominee of the Common Safekeeper, as applicable, is the registered holder of the respective Global Notes underlying the Book-Entry Interests, the nominee of the Common Safekeeper will be considered the sole Noteholder of the relevant Global Note for all purposes under the Trust Deed and the Agency Agreement. Except as set forth under "*Issuance of Definitive Notes*" above, Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes under the Trust Deed. See "*Action in Respect of the Global Note and the Book-Entry Interests*" below.

Unlike legal owners or holders of the Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Global Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg, as the case may be, unless and until Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear or Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Unless and until Book-Entry Interests in the Global Notes are exchanged for Definitive Notes, the Global Notes registered in the name of a nominee of the Common Safekeeper may not be transferred except as a whole by the Common Safekeeper to a successor of the Common Safekeeper. Purchasers of Book-Entry Interests in a Global Note will hold Book-Entry Interests in the respective Global Notes relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg, if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in each respective Global Note, as the case may be, on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

6. Transfer

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. Each purchaser of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 4 (*Title and transfer*).

7. **Action in Respect of the Global Note and the Book-Entry Interests**

Not later than 10 calendar days after receipt by the Issuer of any notices in respect of the Global Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Notes, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear and Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Notes in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under "*Book-Entry Interests*" above, with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

8. **Trading between Clearing System participants**

Secondary market sales of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds and euro denominated bonds.

9. **Notices**

So long as the Notes are in global form and held on behalf of a relevant Clearing System, notices to Noteholders may be given by delivery of the relevant notice to that relevant Clearing System for communication by it to entitled accountholders in substitution for publication as required by the Conditions.

10. **Purchase and Cancellation**

On cancellation of any Note required by the Conditions to be cancelled following its purchase, the Issuer shall procure that details of such cancellation shall be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by a Global Note shall be reduced by the aggregate nominal amount of the Notes so cancelled.

11. **Note Trustee's Powers**

In considering the interests of Noteholders while a Global Note is held on behalf of a relevant Clearing System, the Note Trustee may have regard to any information provided to it by such relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders with entitlements to a Global Note and may consider such interests as if such accountholders were the holder of a Global Note.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form in which they will be set out in the Trust Deed (subject to completion and amendment). If the Notes were to be represented by Definitive Notes, the Conditions set out on the reverse of each of such Definitive Notes would be as follows. While the Notes are represented by Global Notes, they will be governed by the same terms and conditions except to the extent that such terms and conditions are appropriate only to securities in definitive form or are expressly varied by the terms of such Global Notes. These terms and conditions are subject to the detailed provisions of the Trust Documents and the other Transaction Documents (each as defined below).

1. General

- 1.1 The €166,900,000 Class A Asset Backed Floating Rate Notes due 2028 (the "**Class A Notes**"), the €10,900,000 Class B Asset Backed Floating Rate Notes due 2028 (the "**Class B Notes**"), the €9,800,000 Class C Asset Backed Floating Rate Notes due 2028 (the "**Class C Notes**"), the €21,800,000 Class D Asset Backed Floating Rate Notes due 2028 (the "**Class D Notes**") and the €14,000,000 Class J Asset Backed Fixed Rate Notes due 2028 (the "**Class J Notes**" and, together with the Class A Notes, the Class B Notes and the Class C Notes and the Class D Notes, the "**Notes**") will be issued by Pepper Iberia Unsecured 2019 DAC (registered number 654680) (the "**Issuer**") on the Closing Date.
- 1.2 The Issuer has agreed to issue the Notes subject to and with the benefit of the terms of the Trust Documents and the Agency Agreement.
- 1.3 The security for the Notes is created pursuant to, and on the terms set out in, the Security Trust Deed and Cash Management Agreement.
- 1.4 The Agency Agreement records certain arrangements in relation to the payment of interest and principal in respect of the Notes.
- 1.5 Certain provisions of these Conditions are summaries of the Trust Documents and the Agency Agreement and are subject to their detailed provisions.
- 1.6 The Noteholders are bound by the terms of the Trust Documents and are deemed to have notice of all of the provisions of the Transaction Documents.
- 1.7 Copies of the Transaction Documents are available for inspection by Noteholders during normal business hours at the Specified Office of the Principal Paying Agent and in electronic form at the following website: European Data Warehouse (<https://editor.eurodw.eu/>).

2. Definitions

- 2.1 In these Conditions, capitalised words and expressions shall, unless otherwise defined below or the context requires otherwise, have the same meanings as those given in to them in the Master Framework Agreement dated on or about 10 October 2019 between the Issuer and, among others, the Note Trustee.

- 2.2 **Interpretation:** Any reference in the Conditions to:

a "**class**" or "**Class**" shall be a reference to a class of the Notes being each or any of the Class A Notes, Class B Notes, Class C Notes and Class D Notes or the Class J Notes and "**classes**" shall be construed accordingly;

"**continuing**", in respect of an Event of Default, shall be construed as a reference to an Event of Default which has not been waived or remedied in accordance with the terms of the Conditions or, as the case may be, the relevant Transaction Document;

"**including**" shall be construed as "**including without limitation**", so that any list of items or matters appearing after the word "**including**" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "**including**";

"indebtedness" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a **"law"** shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;

a **"person"** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

"principal" shall, where applicable, include premium;

"redeem" and **"pay"** shall each include both of the others and **"redeemed"**, **"redeeming"**, **"redeemable"** and **"redemption"** and **"paid"**, **"payable"** and **"payment"** shall be construed accordingly;

a reference to any person defined as a **"Transaction Party"** in the Conditions shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests; and

a **"successor"** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

- 2.3 ***Transaction Documents and other agreements:*** Any reference to any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated, supplemented or replaced.
- 2.4 ***Statutes and Treaties:*** Any reference to a statute or treaty shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.
- 2.5 ***Schedules:*** Any Schedule of, or Appendix to a Transaction Document forms part of such Transaction Document and shall have the same force and effect as if the provisions of such Schedule or Appendix were set out in the body of such Transaction Document. Any reference to a Transaction Document shall include any such Schedule or Appendix.
- 2.6 ***Headings:*** Condition headings are for ease of reference only.
- 2.7 ***Sections:*** Except as otherwise specified in a Condition, reference in the Conditions to:
- (a) a **"Section"** of a Transaction Document shall be construed as a reference to a Section of such Transaction Document;
 - (b) a **"Part"** of a Transaction Document shall be construed as a reference to a Part of such Transaction Document;
 - (c) a **"Schedule"** of a Transaction Document shall be construed as a reference to a Schedule of such Transaction Document;
 - (d) a **"Clause"** of a Transaction Document shall be construed as a reference to a clause of a Part or Section (as applicable) of such Transaction Document; and
 - (e) a **"Paragraph"** of a Transaction Document shall be construed as a reference to a Paragraph of a Schedule of such Transaction Document.

2.8 **Number**

In any Transaction Document, save where the context otherwise requires, words importing the singular number include the plural and *vice versa*.

3. **Form and Denomination**

3.1 The Notes are in fully registered form and serially numbered in Authorised Denominations. Notes in registered form are issued without coupons attached.

3.2 The Principal Amount Outstanding of the Notes of each Class will be represented on issue by one or more global notes in fully registered form (each a "**Global Note**") without coupons attached.

3.3 Definitive registered Notes in an aggregate principal amount equal to the Principal Amount Outstanding of each Global Note (the "**Definitive Notes**") will be issued in registered form and serially numbered in the circumstances referred to Condition 3.4 below.

3.4 If, while any Notes are represented by a Global Note:

- (a) in the case of a Global Note held in Euroclear or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does so cease business and no alternative clearing system satisfactory to the Note Trustee is available; or
- (b) as a result of any amendment to, or change in, the laws or regulations of Ireland (or any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation by a revenue authority or a court of, or in the administration of, such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were in definitive registered form and a certificate to such effect signed by an authorised director of the Issuer is delivered to the Note Trustee,

the Issuer will issue Definitive Notes to Noteholders whose accounts with the relevant clearing systems are credited with interests in that Global Note in exchange for those interests within 30 calendar days of the relevant event but not earlier than the Exchange Date. Definitive Notes, if issued, will be issued in Authorised Denominations. The Global Note will not be exchangeable for Definitive Notes in any other circumstances.

4. **Title and transfer**

4.1 The person registered in the Register as the holder of any Note will (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon or, if more than one person, the first named of such persons will be treated as the absolute owner of such Note.

4.2 The Issuer shall cause to be kept at the Specified Office of the Registrar, the Register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers and redemptions of the Notes.

4.3 No transfer of a Note will be valid unless and until entered on the Register.

4.4 Transfers and exchanges of beneficial interests in the Global Notes and any Definitive Notes and any entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Notes, the detailed regulations concerning transfers of such Notes contained in the Agency Agreement, the Trust Deed and the legend appearing on the face of the Notes. In no event will the transfer of a beneficial interest in a Global Note or the transfer of a Definitive Note be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void *ab initio* and will not be honoured by the Issuer or the Note Trustee. The regulations referred to above may be changed by the Issuer with the prior written

approval of the Registrar and the Note Trustee. A copy of the current regulations will be sent by the Principal Paying Agent in Ireland or the Registrar to any holder of a Note who so requests and will be available upon request at the Specified Office of the Registrar or the Principal Paying Agent.

- 4.5 A Definitive Note may be transferred in whole or in part upon the surrender of the relevant Definitive Note, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar or the Principal Paying Agent. In the case of a transfer of part only of a Definitive Note, new Definitive Notes in respect of both the balance transferred and the balance remaining will be issued to each of the transferee and the transferor by or by order of the Registrar (subject to the relevant new Definitive Notes each being issued in Authorised Denominations in accordance with Condition 3.4 above).
- 4.6 Each new Definitive Note to be issued upon a transfer of Definitive Notes will, within five Business Days of receipt of such request for transfer, be available for delivery at the Specified Office of the Registrar or the Principal Paying Agent stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Note to such address as may be specified in such request.
- 4.7 Registration of Definitive Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any Tax or other governmental charges which may be imposed in relation to it.
- 4.8 No holder of a Definitive Note may require the transfer of such Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Note.

5. **Status and Ranking**

- 5.1 **Status:** The Notes of each class constitute direct, secured, limited recourse and unconditional obligations of the Issuer.
- 5.2 **Ranking:** The Class A Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class B Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class C Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class D Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class J Notes will at all times rank without preference or priority *pari passu* amongst themselves.
- 5.3 **Sole Obligations:** The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other Transaction Parties.
- 5.4 **Priority of Interest Payments:** Payments of interest on the Class A Notes will at all times rank in priority to payments of interest on the Class B Notes, payments of interest on the Class B Notes will at all times rank in priority to payments of interest on the Class C Notes, payments of interest on the Class C Notes will at all times rank in priority to payments of interest on the Class D Notes and payments of interest on the Class D Notes will at all times rank in priority to payments of interest on the Class J Notes, in accordance with the relevant Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments;
- 5.5 **Priority of Principal Payments:** Payments of principal on the Class A Notes will rank at all times in priority to payments of principal on the Class B Notes, payments of principal on the Class B Notes will rank at all times in priority to payments of principal on the Class C Notes, payments of principal on the Class C Notes will rank at all times in priority to payments of principal on the Class D Notes and payments of principal on the Class D Notes will rank at all times in priority to payments of principal on the Class J Notes in accordance with the relevant Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments.
- 5.6 **Priority of Payment:** Prior to the delivery of an Enforcement Notice, on each Payment Date, the Issuer is required to apply an amount equal to the Available Funds in accordance with the applicable Pre-Enforcement Priority of Payments. Following service of an Enforcement Notice, the Issuer is required to apply the Post-Enforcement Amounts in accordance with the Post-Enforcement Priority of Payments.

6. **Security**

6.1 **Security:** The Notes are secured by the Security.

6.2 **Enforceability:** The Security will become enforceable upon the delivery by the Security Trustee of an Enforcement Notice in accordance with Condition 13 (*Events of Default*) and subject to the matters referred to in Condition 14 (*Enforcement*).

7. **Issuer Covenants**

The Issuer makes the Issuer Covenants in favour of the Security Trustee and Note Trustee which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness (save as permitted in the Trust Deed), dispose of assets or change the nature of its business, without the prior written consent of the Security Trustee and the Note Trustee. So long as any Note remains outstanding, the Issuer will comply with the Issuer Covenants.

8. **Interest**

8.1 **Accrual of Interest:** Each Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date.

8.2 **Cessation of Interest:** Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of any amount of principal required to redeem the Note on such date is improperly withheld or refused or default is otherwise made in respect of the payment, in which case, it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of:

- (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
- (b) the seventh calendar day after notice has been given to the relevant Noteholder in accordance with Condition 22 (*Notices*) that the full amount (together with interest accrued to that date) has been received by the relevant Paying Agent or the Note Trustee, except to the extent that there is a default in the subsequent payment thereof to the Noteholders (as the case may be) under the Conditions.

8.3 **Interest Payments:** Interest on each Note is payable in Euros in arrear on the First Payment Date and, thereafter, monthly in arrear on each Payment Date in an amount equal to the Interest Amount in respect of such Note for the Interest Period ending on the day immediately preceding such Payment Date. The Class J Notes shall also carry a right to the Additional Class J Interest.

8.4 **Calculation of Interest Amount:** Upon or as soon as practicable after each Interest Determination Date, the Issuer shall calculate (or shall cause the Agent Bank to calculate) the Interest Amount payable on each Note and the Additional Class J Interest (if any) payable on the Class J Notes for the related Interest Period in accordance with Condition 8.5 (*Determination of Note Rate, Interest Amount and Payment Date*).

8.5 **Determination of Note Rate, Interest Amount and Payment Date:** The Agent Bank will, on each Interest Determination Date, determine:

- (a) the Note Rate for each of the relevant classes of Notes for the related Interest Period;
- (b) the Interest Amount in respect of the Principal Amount Outstanding for each class of Notes for the related Interest Period;
- (c) the Additional Class J Interest (if any) due and owing in respect of the class J Notes or the related Interest Period; and
- (d) the Payment Date next following the related Interest Period,

and notify the Issuer, the Servicer, the Cash Manager, the Note Trustee, the Registrar, the Cap Counterparty and the Paying Agents.

- 8.6 **Publication of Note Rate, Interest Amount and Payment Date:** As soon as practicable after receiving notification of the Note Rate, the Interest Amount and the Payment Date in accordance with Condition 8.5 (*Determination of Note Rate, Interest Amount and Payment Date*) and in any event no later than the second Business Day thereafter, the Principal Paying Agent on behalf of the Issuer will cause the Note Rate and the Interest Amount for each class and the next following Payment Date to be published in accordance with Condition 22 (*Notices*).
- 8.7 **Amendments to Publications:** The Note Rate, Interest Amount in respect of the Principal Amount Outstanding for each class and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.
- 8.8 **Notifications to be final:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 (*Interest*), whether by the Paying Agents, the Registrar or the Agent Bank (in the absence of manifest error) be binding on the Issuer and all Noteholders and (in the absence of any Breach of Duty) no liability to the Noteholders shall attach to the Agents in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 8 (*Interest*).
- 8.9 **Reference Banks and Agents:** The Issuer shall ensure that, so long as any of the Notes remain outstanding there shall at all times be three Reference Banks, a Registrar, an Agent Bank, a Paying Agent and a Principal Paying Agent. In the event of an Agent or a Reference Bank being unable or unwilling to continue to act as an Agent or as a Reference Bank (as applicable), the Issuer shall appoint such other person as may be previously approved in writing by the Note Trustee to act as such in its place. The Agent Bank may not resign until a successor agent bank is appointed in accordance with the Agency Agreement. Notice of any change in any of the Reference Banks or Agents or in their Specified Offices shall promptly be given by the Issuer to the Noteholders in accordance with the Notices Condition.
- 8.10 **Interest Deferred:**
- (a) To the extent that funds available to the Issuer to pay Interest Amounts due and payable on the Notes of any class (other than the Most Senior Class of Notes) on any Payment Date are insufficient to pay the full amount of such Interest Amounts, payment of the shortfall in respect of such Interest Amounts ("**Deferred Interest**") will not then fall due but will instead be deferred until the first Payment Date thereafter on which funds are available to the Issuer (after allowing for the Issuer's liabilities of higher priority and subject to and in accordance with these Conditions) to fund the payment of some or all of the Deferred Interest, and will fall due on such Payment Date to the extent of such available funds.
 - (b) Deferred Interest or any other amounts which are due and payable in respect of the Notes and not paid on the relevant Payment Date will accrue interest ("**Additional Interest**") at the rate of interest applicable from time to time to such Notes. Payment of Additional Interest will also be deferred until the first Payment Date after such Additional Interest is accrued on which funds are available (subject to and in accordance with these Conditions) to the Issuer to pay some or all of such Additional Interest, to the extent of such available funds.
 - (c) Payment of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date or beyond any earlier date on which the Notes fall to be redeemed in full in accordance with Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation*). Any amounts of Deferred Interest or Additional Interest which have not then been paid shall thereupon become due and payable in full.

9. **Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation**

9.1 **Final Redemption:** Unless previously redeemed or purchased and cancelled as provided in this Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation*), the Issuer shall redeem the Notes of each class at their Principal Amount Outstanding on the Final Maturity Date together with any accrued (and unpaid) interest up to (and including) the Final Maturity Date.

9.2 **Mandatory Redemption in part:**

On each Payment Date during the Revolving Period or the Amortisation Period prior to the delivery of an Enforcement Notice, the Issuer is required to apply an amount equal to the Principal Available Funds which is available for such purposes in accordance with the relevant Priorities of Payments in and towards redemption of the Notes.

9.3 **Optional Redemption in whole: Call Option Date:**

(a) **Provided that:**

(A) the Issuer delivers to the Note Trustee a certificate signed by two directors of the Issuer stating that it will on the date for redemption have the necessary funds as would be required to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest on such Notes, (II) pay amounts required under the relevant Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Payment Date; and (III) pay any other costs associated with the exercise of the optional call; and

(B) no Enforcement Notice has been served,

the Issuer may redeem the Notes in whole, but not in part, on the Call Option Date or any Payment Date thereafter, on giving not less than 15 nor more than 30 days' notice to the Noteholders (with a copy to the Cap Counterparty) in accordance with Condition 22 (*Notices*) (which notice shall be irrevocable).

(b) Any Note redeemed pursuant to this Condition 9.3 will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption.

9.4 **Optional Redemption in whole: Clean Up Call:**

(a) **Provided that:**

(A) the aggregate Principal Amount Outstanding of the Rated Notes is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Rated Notes upon issue;

(B) the Issuer delivers to the Note Trustee a certificate signed by two directors of the Issuer stating that it will on the date for redemption have the necessary funds as would be required to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest on such Notes, (II) pay amounts required under the relevant Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Payment Date; and (III) pay any other costs associated with the exercise of the optional call; and

(C) no Enforcement Notice has been served,

the Issuer may redeem the Notes in whole, but not in part, on any Payment Date, on giving not less than 15 nor more than 30 days' notice to the Noteholders (with a copy to the Cap Counterparty) in accordance with Condition 22 (*Notices*) (which notice shall be irrevocable).

- (b) Any Note redeemed pursuant to this Condition 9.4 will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption.

9.5 ***Optional Redemption in whole for taxation reasons:*** The Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding, on any Payment Date together with any accrued (and unpaid) interest up to (and including) such Payment Date, on or before the date on which, by virtue of a change in Tax law (or the application or official interpretation of Tax law):

- (a) the Issuer is to make any payment in respect of the Notes and the Issuer would be required to make a Tax Deduction in respect of such payment; or
- (b) the Issuer would be subject to Irish corporation tax in an accounting period on an amount which materially exceeds the aggregate Issuer Profit Amount retained during that accounting period;

subject to the following:

- (i) no Enforcement Notice has been delivered by the Security Trustee prior to such Payment Date;
- (ii) the Issuer has given not more than 60 nor less than 30 calendar days' notice to the Note Trustee (with a copy to the Cap Counterparty) and the Noteholders in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes; and
- (iii) prior to giving any such notice, the Issuer has provided to the Note Trustee:
 - (A) a legal opinion (in form and substance satisfactory to the Note Trustee) from a firm of lawyers (approved in writing by the Note Trustee) in the applicable jurisdiction, opining on the relevant change in Tax law (or the application of the official interpretation of Tax law) and confirming that the circumstance set out in either paragraph (a) or (b) above is applicable; and
 - (B) a certificate signed by the Issuer or, as the case may be, the Cap Counterparty, to the effect that the events set out in paragraphs (a) and (b) above cannot be avoided; and
 - (C) a certificate signed by the Issuer to the effect that it will have the funds on the relevant Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Enforcement Priority of Payments.

9.6 ***Calculation of Note Principal Payment, Principal Amount Outstanding and Pool Factor:*** On each Determination Date, the Issuer shall calculate (or cause the Servicer to calculate):

- (a) the aggregate of any Note Principal Payment due in relation to each class on the Payment Date immediately succeeding such Determination Date;
- (b) the Principal Amount Outstanding of each Note of each class on the Payment Date immediately succeeding such Determination Date (after deducting any Note Principal Payment due to be made on that Payment Date in relation to such class); and
- (c) the fraction expressed as a decimal to the sixth point (the "**Pool Factor**"), of which the numerator is the Principal Amount Outstanding of a Note of that class (as referred to in Condition 9.5(b) above) and the denominator is the Principal Amount Outstanding of such class of Notes as at the Closing Date,

and notify the Note Trustee, the Paying Agents, the Agents and, for so long as the Notes are listed on the Stock Exchange, the Stock Exchange thereof in accordance with Condition 9.10 (*Notice of Calculation*).

- 9.7 ***Calculations final and binding:*** Each calculation by or on behalf of the Issuer of any Note Principal Payment, the Principal Amount Outstanding of a Note of each class and the Pool Factor shall in each case (in the absence of manifest error) be final and binding on all persons.
- 9.8 ***Note Trustee may determine amounts in case of Issuer default:*** If the Issuer does not at any time for any reason calculate (or cause the Servicer to calculate) any Note Principal Payment, the Principal Amount Outstanding in relation to each Note of each class or the Pool Factor in accordance with this Condition, such amounts may be calculated by the Note Trustee or by an agent or expert appointed by the Note Trustee at the expense of the Issuer (without, in the absence of fraud, any liability accruing to the Note Trustee as a result) in accordance with this Condition (based on information supplied to it by the Issuer, the Cash Manager or the Servicer) and each such calculation shall be deemed to have been made by the Issuer.
- 9.9 ***Conclusiveness of certificates and legal opinions:*** Any certificate or legal opinion given by or on behalf of the Issuer or, as the case may be, the Cap Counterparty pursuant to Condition 9.3 (*Optional Redemption in whole: Call Option Date*), Condition 9.4 (*Optional Redemption in whole: Clean Up Call*) or Condition 9.5 (*Optional Redemption in whole for taxation reasons*) may be relied on by the Note Trustee without further investigation and shall be conclusive and binding on the Noteholders and on the other Secured Creditors.
- 9.10 ***Notice of Calculation:*** The Issuer will cause each calculation of a Note Principal Payment, Principal Amount Outstanding in relation to each Note of each class and the Pool Factor to be notified immediately after calculation to the Note Trustee, the Agents and, for so long as the Notes are listed on the Stock Exchange, the Stock Exchange and will, as soon as practicable after their determination but in any event not later than two Business Days prior to each Payment Date, cause details of each calculation of a Note Principal Payment, Principal Amount Outstanding in relation to each Note of each class and the Pool Factor to be published in accordance with the Notices Condition.
- 9.11 ***Notice irrevocable:*** Any notice referred to in Condition 9.3 (*Optional Redemption in whole: Call Option Date*), Condition 9.4 (*Optional Redemption in whole: Clean Up Call*) or Condition 9.5 (*Optional Redemption in whole for taxation reasons*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes to which such notice relates at their Principal Amount Outstanding.
- 9.12 ***Restrictions on purchase price:*** The Issuer may not purchase any Note of any Class if the purchase price for such Note (after deducting the accrued (and unpaid) interest and expenses in relation to such purchase) would be more than the Principal Amount Outstanding of such Note as at the date of purchase of such Note.
- 9.13 ***Cancellation of purchased or redeemed Notes:*** All Notes purchased by the Issuer or redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold. The Issuer shall give notice to the Note Trustee of such cancellation.

10. **Limited Recourse**

If at any time following:

- (a) the occurrence of either:
 - (i) the Final Maturity Date or any earlier date upon which all of the Notes of each Class are due and payable; or
 - (ii) the service of an Enforcement Notice; and
- (b) Realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priorities of Payment,

the proceeds of such Realisation are insufficient, after the same have been allocated in accordance with the applicable Priorities of Payment as Available Funds or as Post- Enforcement Amounts (as applicable), 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 (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 to in (b) above, cease to be due and payable by the Issuer.

For the purposes of this Condition 10, "**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.

11. **Payments**

11.1 **Principal and interest:** Payments of principal and interest shall be made by cheque drawn in Euros or, upon application by a Noteholder to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for payment, by transfer to an account in Euros, maintained by the payee with a bank in London and (and in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Notes at the Specified Office of any Paying Agent in accordance with the terms of the Agency Agreement.

11.2 **Cheques:** Cheques sent to the nominated address of a Noteholder will be taken to have been received by the Noteholder on the relevant payment date and no further amount will be payable by the Issuer in respect of the Notes as a result of the Noteholder not receiving payment on the due date.

11.3 **Record date:** Each payment in respect of a Note will be made to the person shown as the Noteholder in the Register at the opening of business in the place of the Registrar's Specified Office as at the close of the Business Day before the due date for such payment (the "**Record Date**"). The person shown in the Register at the opening of business on the relevant Record Date in respect of a Note shall be the only person entitled to receive payments in respect of Notes represented by such Note and the obligations of the Issuer will be discharged by payment to, or to the order of, such person in respect of each amount so paid.

11.4 **Payments subject to fiscal laws:** All payments in respect of the Notes are subject to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments. Neither the Issuer, the Registrar, nor any Paying Agent shall be liable to any Noteholder or any other person for any commissions, costs, losses or expenses in relation to or resulting from such payments.

11.5 **Partial Payments:** If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note.

11.6 **Payments on Business Days:** If the due date for payment of any amount in respect of any Note is not a Business Day, then the holder shall not be entitled to payment until the next succeeding Business Day and no payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Note as a result.

11.7 **Payment after due date:** If any payment of principal or interest in respect of the Notes is made after the due date, payment shall be deemed not to have been made until the earlier of:

- (a) the date on which the full amount is paid to the relevant Noteholders; and
- (b) the seventh day after notice has been given to the relevant Noteholders in accordance with the Notices Condition that the full amount (together with interest accrued to that date) has been received by the relevant Paying Agent or the Note Trustee except to the extent there is a default in the subsequent payment thereof to the Noteholders (as the case may be) under the Conditions.

11.8 ***Payments to Noteholders:***

Subject to Condition 11.7 (*Payment after due date*), every payment of principal or interest in respect of the Notes made to the Principal Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in the Trust Deed, except, in the case of payment to the Principal Paying Agent, to the extent that there is a default in the subsequent payment thereof to the Noteholders under the Conditions.

12. **Taxation**

12.1 ***Payments free of Tax:*** (Subject to Condition 12.3 below) all payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any Taxes unless the Issuer or the Paying Agents (as the case may be) are required by law to make any payment in respect of the Notes subject to any Tax Deduction. In that event, the Issuer or the Paying Agents (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

12.2 ***No payment of additional amounts:*** Neither the Issuer nor the Paying Agents will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.

12.3 Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to the implementing legislation adopted in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder or any other person for any FATCA withholding deducted or withheld by the Issuer, the Principal Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

13. **Events of Default**

13.1 ***Events of Default:*** Each of the following events shall be an "**Event of Default**":

- (a) ***Non-payment of principal:*** the Issuer fails to pay any amount of principal in respect of the Notes within 5 Business Days following the due date for payment of such principal to the Principal Paying Agent;
- (b) ***Non-payment of Interest:*** the Issuer fails to pay any Interest Amount on the Most Senior Class within 5 Business Days following the due date for payment of such Interest Amount to the Principal Paying Agent (as applicable);
- (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, the Issuer Covenants, the Trust Deed, the Security Trust Deed and Cash Management Agreement or any of the other Transaction Documents and the Note Trustee certifies in writing that such default is, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of the Most Senior Class and is either: (a) in the opinion of the Note Trustee, incapable of remedy; or (b) in the opinion of the Note Trustee, capable of remedy, but remains unremedied for 30 calendar 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) ***Misrepresentation:*** any of the representations and warranties made by the Issuer under any of the Transaction Documents proves to be untrue, incorrect or misleading when made or repeated in any respect which is material for the interests of the Most Senior Class and the Note Trustee certifies in writing that such misrepresentation is, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of the Most Senior Class and is either: (a) in the opinion of the Note Trustee, incapable of remedy; or (b) in the opinion of the Note Trustee, capable of remedy, but remains unremedied for 30 calendar 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;

- (e) *Security interest*: any Security granted by the Issuer under the Transaction Documents becomes invalid, unenforceable or unlawful;
 - (f) *Insolvency Event*: an Insolvency Event occurs in relation to the Issuer; or
 - (g) *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 Trust Documents or any of the other Transaction Documents.
- 13.2 ***Delivery of Enforcement Notice***: Subject to Condition 13.3 (*Conditions to delivery of Enforcement Notice*), if an Event of Default occurs and is continuing, the Security Trustee may, at its discretion, and shall if directed by the Note Trustee:
- (a) if so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes; or
 - (b) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of outstanding Notes,
- deliver an Enforcement Notice to the Issuer.
- 13.3 ***Conditions to delivery of Enforcement Notice***: Notwithstanding Condition 13.2 (*Delivery of Enforcement Notice*) the Security Trustee shall not be obliged to deliver an Enforcement Notice unless it and the Note Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may become liable or which it may incur by so doing.
- 13.4 ***Consequences of delivery of Enforcement Notice***: Upon the delivery of an Enforcement Notice, the Notes of each class shall become immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with any accrued (and unpaid) interest. If the Notes become immediately due and payable, interest payable on the Notes will continue to be calculated in accordance with Condition 8 (*Interest*).
- 13.5 ***Notification following an Event of Default***: The Issuer shall cause any Enforcement Notice delivered in accordance with this Condition 13.5 to be notified to the Noteholders and the other Secured Creditors in accordance with the Notices Condition and the Transaction Documents as soon as practicable after receipt thereof.
14. **Enforcement**
- 14.1 ***Proceedings***: At any time after the delivery of an Enforcement Notice the Note Trustee may, subject to it being indemnified, prefunded and/or secured to its satisfaction, at its discretion and without notice, institute such proceedings or take such other steps or actions as it thinks fit to enforce and/or to exercise its rights under the Trust Deed in respect of the Notes of each class (including these Conditions), the Security Trust Deed and Cash Management Agreement or under the other Transaction Documents (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, after the occurrence of an Event of Default, to take steps to enforce the security constituted by the Security Trust Deed and Cash Management Agreement), but it shall not be bound to do so unless:
- (a) so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes; or
 - (b) so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of outstanding Notes, and in such case, only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may become liable or which it may incur in so doing.
- 14.2 ***Action by the Note Trustee***: If the Note Trustee shall take any action described in Condition 14.1 (*Proceedings*) it may take such action without having regard to the effect of such action on individual Noteholders or any other Secured Creditor.

14.3 **Third Party Rights:** No person shall have any right to enforce any Condition or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999 or any equivalent law under applicable jurisdictions.

15. **No action by Noteholders or any other Secured Creditor**

Only the Security Trustee may pursue the remedies available under the general law or under the Trust Documents and/or enforce the Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer in respect of the Trust Documents or to enforce the Security. In particular, none of the Noteholders or any other Secured Creditor (nor any person on its or their behalf, other than the Note Trustee where appropriate) are entitled:

- (a) otherwise than as permitted by these Conditions, to direct the Security Trustee to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- (b) to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due by the Issuer to the Noteholders or any other Secured Creditors;
- (c) to initiate or join any person in initiating any insolvency proceeding in relation to the Issuer; or
- (d) to take or join in the taking of any steps or proceedings which would result in the Priorities of Payments not being observed.

16. **Meetings of Noteholders**

16.1 **Convening:** The Trust Deed contains "**Provisions for Meetings of Noteholders**" for convening separate or combined meetings of Noteholders of any class or classes to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed, which modification may be made if sanctioned by an Extraordinary Resolution. Every Meeting shall be held on a date, and at a time and place in the United Kingdom (or, if applicable, the European Union), approved by the Note Trustee.

16.2 **Separate and combined meetings:** The Trust Deed provides that, except in the case of an Extraordinary Resolution relating to a Reserved Matter (which must be proposed separately to each Class of Noteholders) and subject to Condition 16.5 (*Relationship between Classes*):

- (a) an Extraordinary Resolution which in the opinion of the Note Trustee affects the Notes of only one class shall be transacted at a separate meeting of the Noteholders of that class;
- (b) an Extraordinary Resolution which in the opinion of the Note Trustee affects the Noteholders of more than one class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one class of Notes and the holders of another class of Notes shall be transacted either at separate meetings of the Noteholders of each relevant class or at a single meeting of the Noteholders of all such classes of Notes as the Note Trustee shall determine in its absolute discretion; and
- (c) an Extraordinary Resolution which in the opinion of the Note Trustee affects the Noteholders of more than one class and gives rise to any actual or potential conflict of interest between the Noteholders of one class of Notes and the Noteholders of any other class of Notes shall be transacted at separate meetings of the Noteholders of each relevant class.

16.3 **Request from Noteholders:** A meeting of Noteholders of a particular class may be convened by the Note Trustee or the Issuer at any time and must be convened by the Note Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders of a particular class holding not less than ten per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes of that class. However, so long as no Event of Default has occurred and is continuing, the Noteholders are not entitled to instruct or direct the Issuer to take any action, either directly or indirectly through the Note Trustee and/or the Security Trustee as the case may be, without consent of the Issuer and, if applicable, certain other transaction

parties pursuant to any relevant Transaction Documents, unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

16.4 ***Quorum:*** The quorum at any meeting convened to vote on:

- (a) an Extraordinary Resolution, other than regarding a Reserved Matter, relating to a meeting of a particular class or classes of the Notes will be two or more persons holding or representing in aggregate a majority of the Principal Amount Outstanding of the outstanding Notes of that class or those classes or, at any adjourned meeting, two or more persons being or representing Noteholders of that class or those classes, whatever the Principal Amount Outstanding of the outstanding Notes so held or represented by such persons; and
- (b) an Extraordinary Resolution relating to a Reserved Matter (which must be proposed separately to each class of Noteholders) will be two or more persons holding or representing in aggregate not less than 75 per cent. of the Principal Amount Outstanding of the outstanding Notes of the relevant class or, at any adjourned meeting, two or more persons holding or representing not less than in aggregate 25 per cent. of the Principal Amount Outstanding of the outstanding Notes of the relevant class.

16.5 ***Relationship between Classes:***

In relation to each class of Notes:

- (a) no Extraordinary Resolution involving a Reserved Matter that is passed by the holders of one class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the other class of Notes (to the extent that there are outstanding Notes of such other class);
- (b) no Extraordinary Resolution to approve any matter other than a Reserved Matter shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes ranking senior to such class (to the extent that there are outstanding Notes ranking senior to such Class) unless the Note Trustee considers that the interests of the holders of the Most Senior Class would not be materially prejudiced by the implementation of such first mentioned Extraordinary Resolution;
- (c) any resolution passed at a Meeting of Noteholders of two or more classes of Notes duly convened and held in accordance with the Trust Deed shall be binding upon all Noteholders of such class, whether or not present at such Meeting and whether or not voting; and
- (d) except in the case of a meeting relating to a Reserved Matter, any resolution passed at a meeting of the holders of the Most Senior Class of Notes duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes then outstanding.

16.6 ***Resolutions in writing:*** A Written Resolution shall take effect as if it were an Extraordinary Resolution.

17. **Modification and Waiver**

17.1 ***Modification:*** The Note Trustee may at any time and from time to time, without the consent or sanction of the Noteholders or any other Secured Creditors, concur (or direct the Security Trustee to concur) with the Issuer and any other relevant parties in making:

- (a) any modification to these Conditions, the Trust Documents, the Notes or the other Transaction Documents (other than in respect of a Reserved Matter) which, in the opinion of the Note Trustee, will not be materially prejudicial to the interest of the holders of the Most Senior Class; and

- (b) any modification to these Conditions, the Trust Documents, the Notes or the other Transaction Documents, if, in the opinion of the Note Trustee, such modification: (i) is of a formal, minor or technical nature; or (ii) is made to correct a manifest error.

The Issuer shall in relation to any proposed modification (for the avoidance of doubt, including any modification effected in accordance with Condition 17.2 (*Additional Right of Modification*) below) provide a certificate to the Note Trustee certifying that (i) it has notified the Cap Counterparty of such proposed modification and (ii) either the Cap Counterparty has given its prior written consent to such modification or the prior written consent of the Cap Counterparty is not required for such modification.

Notwithstanding anything to the contrary herein and in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any Transaction Document without the prior written consent of the Cap Counterparty if such amendment affects the amount, timing or priority of any payments due from the Issuer to the Cap Counterparty, including but not limited to Clause 15 (*Priorities of Payments and Cap Collateral Account Priority of Payments*) in the Security Trust Deed and Cash Management Agreement.

17.2 ***Additional Right of Modification:*** Notwithstanding the provisions of Condition 17.1 (*Modification*), the Note Trustee shall be obliged and shall be obliged to direct the Security Trustee, without any consent or sanction of the Noteholders, or, save as provided in this Condition 17.2 (*Additional Right of Modification*), any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to these Conditions or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents 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:**
 - (i) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
 - (ii) in the case of any modification to a Transaction Document proposed by any of the Cap Counterparty or 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):
 - (A) the Issuer, certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above; and
 - (B) either:
 - (1) the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency and would not result in any Rating Agency placing the Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer, the Note Trustee and the Security Trustee; or
 - (2) the Issuer 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 (x) a downgrade, withdrawal or suspension of the then current ratings assigned to

the Rated Notes by such Rating Agency or (y) such Rating Agency placing the Rated Notes on rating watch negative (or equivalent); and

- (iii) the Issuer 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 and/or the Cap Counterparty to comply with:
 - (i) any obligation which applies to it under Articles 9, 10 and 11 of Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) ("**EMIR**"); or
 - (ii) any other obligation which applies to it under EMIR,

provided that the Issuer or the Cap Counterparty, as appropriate, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;

- (c) for the purpose of complying with any changes in the requirements of (i) Article 6 of the EU Securitisation Regulation, after the Closing Date, including as a result of the adoption of additional regulatory technical standards in relation to the EU Securitisation Regulation or any other risk retention legislation or regulations or official guidance in relation thereto applicable to the Issuer or the Transferor or (ii) any other provision of the EU Securitisation Regulation, including Articles 19, 20, 21 or 22 of the EU Securitisation Regulation, or Article 243 of the Capital Requirements Regulation, including as a result of the adoption of regulatory technical standards in relation thereto, or any equivalent securitisation legislation or regulations or official guidance applicable to the Issuer or the Transferor, **provided that** in each case the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (d) for the purposes of enabling the Notes to remain listed on the Stock Exchange, **provided that** the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (e) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA and/or CRS (or any voluntary agreement entered into with a taxing authority in relation thereto), **provided that** the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (f) for the purpose of complying with any changes in the requirements of the CRA Regulation after the Closing 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, **provided that** the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (g) for the purpose of changing the Screen Rate or the base rate that then applies in respect of the Notes and/or any consequential amendments to any related Cap Agreement to an alternative base rate (any such rate, which may include an alternative Screen 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 17.2(g):

- (i) the Cash Manager (whilst Pepper Assets Services S.L.U. is the Cash Manager, otherwise the Issuer) certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(A) such Base Rate Modification is being undertaken due to:

- (1) an alternative manner of calculating a EURIBOR based base rate is introduced and becomes the standard means of calculating interest in the publicly used asset backed floating rate notes market and is utilised in a material number of publicly listed new issues of asset backed floating rate notes denominated in the same currency as the Notes prior to the effective date of such Base Rate Modification (for these purposes 5 such issues shall be considered material);
- (2) a material disruption to EURIBOR, a material change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;
- (3) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed);
- (4) 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);
- (5) 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;
- (6) 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
- (7) it being the reasonable expectation of the Servicer or the Cash Manager that any of the events specified in sub-paragraphs (1) to (6) (inclusive) above will occur or exist within six months of the proposed effective date of such Base Rate Modification;

(B) such Alternative Base Rate is:

- (1) a base rate published, endorsed, approved or recognised as a replacement to the Screen Rate by the European Central Bank, any regulator in the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing) (which, for the avoidance of doubt, may be an Screen Rate together with a specified adjustment factor which may increase or decrease the relevant Screen Rate);
- (2) a base rate utilised in a material number of publicly-listed new issues of asset backed floating rate notes denominated in euro in the six months prior to the proposed effective date of such Base Rate Modification; or
- (3) such other base rate as the Issuer (or the Servicer on its behalf) reasonably determines, **provided that** this option may only be used if the Issuer or the Servicer, as applicable certifies to the Note Trustee and the Security Trustee that, in the reasonable

opinion of the Issuer neither paragraph (a) nor (b) above are applicable and/or practicable in the context of the Transaction, and sets out the rationale in the Base Rate Modification Certificate for choosing the proposed Alternative Base Rate;

and, for the avoidance of doubt, the Cash Manager (whilst Pepper Assets Services S.L.U. is the Cash Manager, otherwise the Issuer) may propose an Alternative Base Rate on more than one occasion **provided that** the conditions set out in this Condition 17.2(g)(i) are satisfied; and

- (ii) the Issuer pays all fees, costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee or any other Transaction Party in connection with such modification,
- (h) for the purpose of changing the base rate that then applies in respect of the Cap Agreement to an Alternative Base Rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Cash Manager (whilst Pepper Assets Services S.L.U. is the Cash Manager, otherwise the Issuer) on its behalf) and the Cap Counterparty solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Cap to the base rate of the Rated Notes following such Base Rate Modification (a "**Cap Rate Modification**"), **provided that** the Cash Manager on behalf of the Issuer (whilst Pepper Assets Services S.L.U. is the Cash Manager, otherwise the Issuer) certifies to the Note Trustee and the Security Trustee in writing (upon which certificate the Note Trustee and the Security Trustee may rely absolutely and without enquiry or liability) that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Cap Rate Modification Certificate**"),

(the Base Rate Modification Certificate or the Cap Rate Modification Certificate (as applicable) or other certificate to be provided by the Issuer, the Cap Counterparty, the Account Bank or the relevant Transaction Party, as the case may be, pursuant to paragraphs (a) to (h) above being a "**Modification Certificate**"), **provided that:**

- (A) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;
- (B) the Modification Certificate in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee is notified of the proposed modification and on the date that such modification takes effect; and
- (C) the consent of each Transaction Party which is party to the relevant Transaction Document has been obtained,

and **provided further that**, other than in the case of a modification pursuant to Condition 17.2(b)(i):

- (A) other than in the case of a modification pursuant to Condition 17.2(a)(ii), either:
 - (1) the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); or
 - (2) the Issuer (or the Cash Manager on behalf of the Issuer) certifies in the Modification Certificate 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 (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes, Class B Notes, Class C Notes and Class D Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes, Class B Notes,

Class C Notes and Class D Notes on rating watch negative (or equivalent); and

- (B) (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 22 (*Notices*) and by publication in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcements Office of Euronext Dublin, and (II) the Note Trustee has not been contacted in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) by Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class within such notification period notifying the Note Trustee that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class have notified the Note Trustee 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 of the Most Senior Class is passed in favour of such modification in accordance with Condition 16 (*Meetings of Noteholders*).

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

Other than where specifically provided in this Condition 17.2 (*Additional Right of Modification*) or any Transaction Document when implementing any modification pursuant to this Condition 17.2 (*Additional Right of Modification*) each of the Note Trustee and the Security Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 17.2 (*Additional Right of Modification*) 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.

Each of the Note Trustee and the Security Trustee shall not 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 pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee or the Security Trustee (as applicable) in the Transaction Documents and/or these Conditions.

Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

- (1) so long as any of the Notes rated by the Rating Agencies remains Outstanding, each Rating Agency;
- (2) the Secured Creditors; and
- (3) the Noteholders in accordance with Condition 22 (*Notices*).

17.3 ***Negative consent***

In relation to an Extraordinary Resolution (other than an Extraordinary Resolution relating to a Reserved Matter) of the Noteholders of any Class of Noteholders, such Extraordinary Resolution

is duly passed and shall be binding on all of the Noteholders or the Noteholders of such Class in accordance with its terms where:

- (a) notice of such Extraordinary Resolution (including the full text of the same) has been given by the Issuer or the Note Trustee, to the Noteholders or the Noteholders of such Class in accordance with the provisions of Condition 22 (*Notices*);
- (b) such notice contains a statement requiring such Noteholders to inform the Note Trustee via the Clearing Systems in writing if they object to such Extraordinary Resolution stating that unless holders of 10 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class makes such objection, the Extraordinary Resolution (other than an Extraordinary Resolution relating to a Reserved Matter) will be deemed to be passed by the Noteholders or the Noteholders of such Class and specifying the requirements for the making of such objections (including addresses, email addresses and deadlines) further as set out in the following paragraph; and
- (c) holders of 10 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class have not informed the Note Trustee via the Clearing Systems in writing of their objection to such Extraordinary Resolution within 40 days of the date of the relevant notice.

Upon the Note Trustee receiving objections from Noteholders of 10 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes of the relevant Class or Classes, the Note Trustee shall give notice to the relevant Class or Classes of Noteholders in accordance with the provisions of Condition 22 (*Notices*) that the relevant Extraordinary Resolution has not passed. In such circumstance, a meeting of Noteholders may be called in accordance with the provisions of Condition 16 (*Meetings of Noteholders*) and the Trust Deed in order to pass the relevant Extraordinary Resolution in accordance with the provisions of Condition 16 (*Meetings of Noteholders*).

- 17.4 **Waiver:** The Note Trustee may at any time and from time to time in its sole discretion, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the holders of the Most Senior Class would not be materially prejudiced thereby:

- (a) authorise or waive (and direct the Security Trustee to authorise or waive), on such terms and subject to such conditions (if any) as it may decide, any proposed breach or any breach of any of the covenants or provisions contained in the Trust Documents, the Notes or any of the other Transaction Documents; or
- (b) determine, on such terms and subject to such conditions (if any) as it may decide, that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Trust Documents, the Notes or any of the other Transaction Documents,

without any consent or sanction of the Noteholders or any other Secured Creditor.

- 17.5 **Restriction on power to waive:** The Note Trustee shall not exercise any powers conferred upon it by Condition 17.4 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class, but so that no such direction or request shall: (a) affect any authorisation, waiver or determination previously given or made; or (b) require or authorise the Note Trustee to exercise its discretion to authorise or waive any proposed breach or any breach relating to a Reserved Matter unless the holders of each class of outstanding Notes have, by Extraordinary Resolution, authorised such exercise by the Note Trustee of its discretion.

- 17.6 **Notification:** Unless the Note Trustee otherwise agrees, the Issuer shall cause any authorisation, waiver, modification or determination given or made in accordance with this Condition 17 (*Modification and Waiver*) to be notified to the Noteholders and the other Secured Creditors in accordance with the Notices Condition and the Transaction Documents, and to the Rating Agencies, as soon as practicable after it has been made.

17.7 ***Binding Nature:*** Any authorisation, waiver, determination or modification referred to in Condition 17.1 (*Modification*), Condition 17.2 (*Additional Right of Modification*), Condition 17.3 (*Negative Consent*) or Condition 17.4 (*Waiver*) shall be binding on the Noteholders and the other Secured Creditors.

18. **Prescription**

18.1 ***Principal:*** Claims for principal in respect of Notes shall become void where application for payment is made more than ten years after the due date therefor.

18.2 ***Interest:*** Claims for interest in respect of Notes, shall become void where application for payment is made more than five years after the due date therefor.

19. **Replacement of Notes**

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and Stock Exchange requirements, upon payment by the holder of such Note of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

20. **Trustees and Agents**

20.1 ***Trustee's right to Indemnity:*** Under the Transaction Documents, each of the Note Trustee and the Security Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed for any Liabilities incurred by it in priority to the claims of the Noteholders. In addition, each of the Note Trustee and the Security Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

20.2 ***Trustee not responsible for loss or for monitoring:*** Neither of the Note Trustee nor the Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of the Charged Property or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Servicer or by any person on behalf of the Security Trustee. Neither of the Note Trustee nor the Security Trustee shall be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents.

20.3 ***Regard to classes of Noteholders:*** In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Note Trustee will:

- (a) have regard to the interests of each class of Noteholders as a class and will not be responsible for any consequence for individual Noteholders, including, without limitation, as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction; and
- (b) in the event of a conflict of interests between holders of different classes of Notes, have regard only to the holders of the Most Senior Class, save in respect of a Reserved Matter, and will not have regard to any lower ranking class of Notes nor to the interests of the other Secured Creditors.

20.4 ***Agents solely agents of Issuer:*** In acting under the Agency Agreement and in connection with the Notes, the Paying Agents, the Agent Bank and the Registrar act solely as agents of the Issuer and (to the extent provided therein) the Security Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders (other than as expressly set out in the Transaction Documents).

20.5 ***Initial Agents:*** The Issuer reserves the right (with the prior written approval of the Security Trustee) to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent, registrar or agent bank and additional or successor paying agents, registrars or agent banks at any time, having given not less than 30 calendar days' notice to such Agent.

21. **Substitution of Issuer**

21.1 **Substitution of Issuer:** The Note Trustee may, without the consent of the Noteholders or any other Secured Creditor and subject to:

- (a) the request of the Issuer; and
- (b) such further conditions as are specified in the Trust Deed,

agree to the substitution of a Substituted Obligor in place of the Issuer as the principal debtor in respect of the Trust Documents, the Notes and the Secured Amounts.

21.2 **Notice of Substitution of Issuer:** Not later than fourteen calendar days after any substitution of the Issuer in accordance with this Condition has effect, the Substituted Obligor shall cause notice of such substitution to be given to the Noteholders and the other Secured Creditors in accordance with the Notices Condition and the other relevant Transaction Documents, and to the Rating Agencies.

21.3 **Change of Law:** In the case of a substitution pursuant to this Condition, the Note Trustee may in its absolute discretion agree, without the consent of the Noteholders or the other Secured Creditors, to a change of the law governing the Notes and/or any of the Transaction Documents **provided that** such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the holders of the Most Senior Class and **provided that** each of the Rating Agencies have been notified of such change in governing law and none of the Rating Agencies have indicated within 21 Business Days of such notification that such change in governing law will result in the downgrading or withdrawal of the then current rating of the Notes.

21.4 **No indemnity:** No Noteholder shall, in connection with any such substitution, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders.

22. **Notices**

22.1 **Valid Notices:** Any notice to Noteholders shall be validly given if such notice is either:

- (a) published in the Financial Times or, if such newspaper shall cease to be published or timely publication therein shall not be practicable, in such newspaper or newspapers as the Note Trustee shall approve having a general circulation in Europe;
- (b) prior to the issue of any Definitive Notes and so long as the Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg upon delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to Noteholders; or
- (c) published on the Screen.

22.2 **Date of publication:** Any notice which is published pursuant to paragraph (a) or (c) of Condition 22.1 shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required or on the Screen. Any notice which is delivered to Euroclear and/or Clearstream, Luxembourg pursuant to paragraph (b) of Condition 22.1 shall be deemed to have been given on the first date of delivery of the relevant notice to Euroclear and Clearstream, Luxembourg (as applicable).

22.3 **Other Methods:** The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the Stock Exchange on which the Notes are then listed and the clearing system through which the Notes are cleared and **provided that** notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

23. **Governing Law and Jurisdiction**

23.1 **Governing law:** The Transaction Documents (other than the Spanish Law Documents and the Irish Law Document) and the Notes (the "**English Law Documents**") and all non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, English law. The Receivables Sale Agreement, the Servicing Agreement, and the Collection Account Pledge Agreements and the Transferor Power of Attorney (the "**Spanish Law Documents**") are governed by and in accordance with Spanish Law and the Corporate Services Agreement (the "**Irish Law Document**") is governed by and in accordance with Irish Law.

23.2 **Jurisdiction:**

- (a) Subject to Condition 23.2(d), the Courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the English Law Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the English Law Documents or the consequences of their nullity), and accordingly any legal action or proceedings arising out of or in connection with the English Law Documents shall be brought in such Courts. The Issuer has in each of the English Law Documents irrevocably submitted to the jurisdiction of the Courts of England.
- (b) Subject to Condition 23.2(d), the Courts of Ireland are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Irish Law Document (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of the Irish Law Document or the consequences of their nullity), and accordingly any legal action or proceedings arising out of or in connection with the Irish Law Document shall be brought in such Courts. The Issuer has in the Irish Law Document irrevocably submitted to the jurisdiction of the Courts of Ireland.
- (c) Subject to Condition 23.2(d), the Courts of the city of Madrid are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Spanish Law Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Spanish Law Documents or the consequences of their nullity), and accordingly any legal action or proceedings arising out of or in connection with the Spanish Law Documents shall be brought in such Courts. The Issuer has in each of the Spanish Law Documents irrevocably submitted to the jurisdiction of the Courts of the city of Madrid.
- (d) Conditions 23.2(a) to (c) are for the benefit of the Note Trustee and the Security Trustee and notwithstanding anything contained in Conditions 23.2(a) to (c) the Note Trustee and the Security Trustee may take any legal action or proceedings in any other courts with jurisdiction and to the extent allowed by law, may take concurrent proceedings in any number of jurisdictions.

TAX TREATMENT ON THE NOTES

PROSPECTIVE PURCHASERS ARE WHOLLY RESPONSIBLE FOR DETERMINING THEIR OWN TAX POSITION IN RESPECT OF THE NOTES. PROSPECTIVE PURCHASERS WHO ARE IN ANY DOUBT ABOUT THEIR TAX POSITION ON PURCHASE, OWNERSHIP, TRANSFER OR EXERCISE OF ANY NOTE SHOULD CONSULT THEIR OWN TAX ADVISORS. IN PARTICULAR, NO REPRESENTATION IS MADE AS TO THE MANNER IN WHICH PAYMENTS UNDER THE NOTES WOULD BE CHARACTERISED BY ANY RELEVANT TAXING AUTHORITY. PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THE RELEVANT FISCAL RULES OR THEIR INTERPRETATION MAY CHANGE, POSSIBLY WITH RETROSPECTIVE EFFECT, AND THAT THIS SUMMARY IS NOT EXHAUSTIVE. THIS SUMMARY DOES NOT CONSTITUTE LEGAL OR TAX ADVICE OR A GUARANTEE TO ANY PROSPECTIVE PURCHASER OF THE TAX CONSEQUENCES OF INVESTING IN THE NOTES.

Ireland Taxation

The following is a summary based on the laws and practices currently in force in Ireland at the date of this Prospectus of certain Irish tax consequences for investors on the purchase, ownership, transfer, disposal, redemption or sale of the Notes. Such laws and practices are subject to change, which changes may apply with retrospective effect. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant. The summary only relates to the tax position of investors beneficially owning the Notes. Particular rules may apply to certain classes of taxpayers holding Notes. 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, transfer, redemption, disposal or sale of the Notes and the receipt of interest thereon under the laws of Ireland as well as under the laws of their country of residence, citizenship or domicile.

This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

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 (Section 246 (as amended) of the TCA). However, an exemption from withholding on interest payments exists under Section 64 of the TCA for certain interest bearing securities issued by a body corporate (such as the Issuer) which are quoted on a recognised stock exchange in the jurisdiction where it is established (which would include Euronext Dublin) ("**quoted Eurobonds**").

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

1. the person by or through whom the payment is made is not in Ireland; or
2. the payment is made by or through a person in Ireland, and either:
 - (a) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (e.g. Euroclear or Clearstream, Luxembourg), or
 - (b) 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 an appropriate 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, or Clearstream, Luxembourg (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, for any reason, the quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax provided it is a qualifying company within the meaning of Section 110 of the TCA (a "**Qualifying Company**") and provided the interest is paid to a person resident in either (i) a member state of the European Union (other than Ireland) or (ii) a country with which Ireland has signed a comprehensive double taxation agreement (such a country mentioned in either (i) or (ii) being a relevant territory). For this purpose, residence is determined by reference to the law of the

country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain limited circumstances a payment under the Notes, other than a payment equal to the amount subscribed for the Notes which is considered dependent on the results of the Issuer's business or which represents more than a reasonable commercial return can be re characterised as a distribution subject to dividend withholding tax.

A payment of profit dependent or excessive interest on the Notes will not be re characterised as a distribution to which dividend withholding tax could apply where, broadly,

- (i) the Noteholder is an Irish tax resident person;
- (ii) the Noteholder is a person subject to tax in a relevant territory which generally applies to profits, income or gains received from sources outside that territory without any reduction computed by reference to the amount of the payment;
- (iii) for so long as the Notes remain quoted Eurobonds, neither a person which is a company which directly or indirectly controls the Issuer or which is controlled by a third company which directly or indirectly controls the Issuer nor is a person (including any connected persons) (a) from whom the Issuer has acquired assets, (b) to whom the Issuer has made loans or advances, or (c) with whom the Issuer has entered into a return agreement (as defined in Section 110(1) of the TCA) where the aggregate value of such assets, loans, advances or agreements represents 75% or more of the assets of the Issuer (such a person falling within this category of person being a specified person);
- (iv) the Noteholder is an exempt pension fund, government body or other person resident in a relevant territory (which is not a specified person); or
- (v) the Issuer deducts from the payment an amount as interest withholding tax under Section 246(2) of the TCA.

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank or other agent in Ireland on behalf of any Noteholder.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax in accordance with the summary outlined above the Noteholder may still be liable to pay Irish income tax in respect of that interest. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax, social security contributions and the universal social charge. A Note issued by the Issuer may be regarded as property situated in Ireland (and be treated as Irish source income) on the grounds that the debt is deemed to be situate where the debtor resides. Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope. Persons who are resident in Ireland are liable to Irish tax on their worldwide income.

Any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within the scope of Irish income and levies. Persons who are resident in Ireland are liable to tax on their worldwide income.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a relevant territory provided either (i) the Notes are quoted Eurobonds and are exempt from withholding tax as set out above and the recipient is not a resident of Ireland (ii) in the event of the Notes not being or ceasing to be quoted Eurobonds exempt from withholding tax, if the Issuer is a Qualifying Company and the interest is paid out of the assets of the Issuer, (iii) if the Issuer has ceased to be a Qualifying Company, the recipient of the interest is a company and the jurisdiction concerned imposes a tax that generally applies to interest receivable in that jurisdiction by companies from sources outside that jurisdiction, or (iv) the interest is exempt from income tax under the provisions of a double taxation

agreement that was then in force when the interest was paid or would have been exempt had a double taxation agreement that was signed at the date the interest was paid been in force at that date.

In addition, **provided that** the Notes are quoted Eurobonds and are exempt from withholding tax as set out above, the interest on the Notes will be exempt from Irish income tax if the recipient of the interest is (i) a company under the control, directly or indirectly, of persons who by virtue of the law of a relevant territory are resident in that country and that person or persons are not themselves under the control whether directly or indirectly of a person who is not resident in such a country and the interest is paid out of the assets of the Issuer or (ii) a company, the principal class of shares of such company, or a company of which the recipient company is a 75% subsidiary or a company wholly owned by two or more such companies, is substantially or regularly traded on a recognised stock exchange in Ireland or a relevant territory or in a territory or on a stock exchange approved by the Irish Minister for Finance.

For the purposes of the exemptions described above, the residence of the recipient in a relevant territory is determined by reference to:

- (i) the relevant treaty between Ireland and the relevant territory, where such treaty has been entered into and has the force of law;
- (ii) under the laws of that territory, where there is no relevant treaty which has the force of law.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Noteholders receiving interest on the Notes which do not fall within any of the above exemptions may be liable to Irish income tax and the universal social charge on such interest.

Encashment Tax

Irish tax will be required to be withheld at the standard rate of income tax (currently 20%) from interest on any Notes 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.

Capital Gains Tax

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is resident or ordinarily resident in Ireland or carries on a trade in Ireland through a branch or agency in respect of which the Notes are used or held or to which or to whom the Notes are attributable.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland.

Bearer Notes are generally regarded as situated where they are physically located at any particular time. Registered Notes are generally regarded as situated where the principal register of Noteholders is maintained or is required to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

Stamp Duty

Provided the Issuer remains a Qualifying Company no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes provided the money raised on the issue of the Notes is used

in the course of the Issuer's business (on the basis of an exemption provided in section 85(2)(c) of the Stamp Duties Consolidation Act, 1999).

Automatic exchange of information

Irish reporting financial institutions, which may include the Issuer have reporting obligations in respect of a Noteholder under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and/or the OECD's Common Reporting Standard (see below).

Information exchange and the implementation of FATCA in Ireland

On 21 December 2012 Ireland signed an Intergovernmental Agreement the ("**IGA**") with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and *vice versa*. The IGA is of a type commonly known as a "model 1" agreement. In July 2014, Ireland enacted Financial Accounts Reporting (United States of America) Regulations 2014 (the "**Irish FATCA Regulations**") which came into operation on 1 July 2014.

Under the IGA and the Irish FATCA Regulations implementing the information disclosure obligations Irish reporting financial institutions are required to report certain information with respect to U.S. account holders to the Irish Revenue Commissioners. The Irish Revenue Commissioners will automatically provide that information annually to the IRS. The Issuer expects to be treated as a "reporting financial institution" for FATCA purposes and intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA pursuant to the terms of the IGA and the Irish FATCA Regulations. Unless an exemption applies, the Issuer shall be required to register with the US Internal Revenue Service as a "reporting financial institution" for FATCA purposes. In order for the Issuer to comply with its FATCA obligations it will be required to report certain information to the Irish Revenue Commissioners relating to Noteholders who, for FATCA purposes, are specified US persons, non participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Any information reported by the Issuer to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Issuer or its agents shall be entitled to require Noteholders to provide any information regarding their FATCA status, identity or residency required by the Issuer to satisfy its FATCA obligations. Noteholders will be deemed, by their subscription for or holding of Notes to have authorised the automatic disclosure of such information by the Issuer or any other authorised person to the relevant tax authorities.

The Issuer should not generally be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. However, FATCA withholding tax may arise on US source payments to the Issuer if the Issuer does not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service specifically identified the Issuer as being a 'non participating financial institution' for FATCA purposes. In addition, the Issuer may be unable to comply with its FATCA obligations if Noteholders do not provide the required certifications or information.

If an amount in respect of FATCA withholding were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. It should be noted that Irish regulations require the collection of information and filing of returns with the Irish Revenue Commissioners regardless as to whether the Issuer holds any U.S. assets or has any U.S. investors. However to the extent that the Notes are listed on a recognised stock exchange and regularly traded (i.e. listed with the intention that the interests may be traded) and/or are held in a recognised clearing system the Issuer should have no reportable accounts in a tax year. In that event the Issuer, if an Irish reporting financial institution, should make a nil return for that year to the Irish Revenue Commissioners. Where the Notes do not satisfy the 'regularly traded' requirement and are not, or are no longer held, in a clearing system then the Issuer will need to report annually on its

US reportable accounts to the extent it has any. In this regard it will need to have a way of having the requisite information collected on its behalf.

Noteholders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

Common Reporting Standard (CRS)

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard (the "**CRS**"). The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implemented the CRS in a European context and created a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year (or from 2018 in the case of Austria).

Ireland has provided for the implementation of CRS through Sections 891F and 891G of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015. Irish Financial Institutions are obliged to make a single return in respect of CRS and DAC II. CRS has applied in Ireland since 1 January 2016. The Issuer is expected to constitute a Financial Institution for CRS purposes.

For the purposes of complying with its obligations under CRS and DAC II, an Irish FI (such as the Issuer) shall be entitled to require Noteholders to provide certain information regarding their Noteholders and, in certain circumstances, their controlling persons' tax status, identity or residence in order to satisfy any reporting requirements which the Issuer may have as a result of CRS and DAC II and Noteholders will be deemed, by their holding to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) or any other person to the Irish Revenue Commissioners. The information will be provided to the Irish Revenue Commissioners who will then exchange the information with the tax or governmental authorities of other participating jurisdictions, as applicable. To the extent that the Notes are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year. Provided the Issuer complies with these obligations, it should be deemed compliant for CRS and DAC II purposes. Failure by an Irish FI to comply with its CRS and DAC II obligations may result in the Issuer being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed on a non-compliant FI under Irish legislation.

Further information in relation to CRS can be found on the Automatic Exchange of Information webpage on www.revenue.ie.

SUBSCRIPTION AND SALE

The Lead Manager and Pepper Finance Corporation S.L.U. as note purchaser (the "**Note Purchaser**") have, pursuant to a note purchase agreement dated on or about the date of this Prospectus between Pepper Finance Corporation S.L.U., (as the Transferor and as Note Purchaser), Citigroup Global Markets Limited (as Arranger and Lead Manager) and the Issuer (the "**Note Purchase Agreement**"), together agreed with the Issuer (subject to certain conditions) in the case of the Lead Manager to subscribe and pay for (i) 100 per cent. of the Class A Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class A Notes (ii) 100 per cent. of the Class B Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class B Notes, (iii) 100 per cent. of the Class C Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class C Notes, (iv) 100 per cent. of the Class D Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class D Notes and in the case of the Note Purchaser to subscribe and pay for 100 per cent. of the Class J Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class J Notes, as at the Closing Date.

The Issuer has agreed to indemnify the Lead Manager and the Note Purchaser under the Note Purchase Agreement, and to pay certain costs and expenses in connection with the issue of the Notes.

The Note Purchase Agreement is subject to a number of conditions and may be terminated by the Lead Manager and the Note Purchaser in certain circumstances prior to the payment to the Issuer for the Notes. Other than having applied for the admission of the Notes to the Official List and admission to trading on Euronext Dublin, no action has been taken by the Issuer or any other party 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.

United States

The Notes have not been and will not be registered under the Securities Act or any securities laws of any state or any other relevant jurisdiction of the United States and, therefore, 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, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, the Notes are being offered and sold only outside the United States in "offshore transactions" to non-U.S. Persons (as defined in Regulation S) in reliance on Regulation S.

The Arranger and Lead Manager have each represented, warranted and agreed that except as permitted by the Note Purchase Agreement, it will not offer or sell the Notes as part of its distribution at any time or otherwise until 40 calendar days after the later of the commencement of the offering and the Closing Date (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), and it will have sent to each affiliate, dealer or other person receiving a selling commission, fee or other remunerations (if any) to which it sells Notes during the Distribution Compliance Period a confirmation or other notice to substantially the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the securities covered hereby are first offered to persons other than distributors in reliance on Regulation S and (b) the Closing Date, except in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

In addition, until the expiration of the Distribution Compliance Period, an offer or sale of the Notes within the United States by the Lead Manager may violate the registration requirements of the Securities Act. Terms used in this section that are defined in Regulation S under the Securities Act are used herein as defined therein.

Except with the prior written consent of the Transferor in the form of a U.S. Risk Retention Consent and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any Risk Retention U.S. Persons. Under the U.S. Risk Retention Rules, and subject to limited exceptions, "Risk Retention U.S. Person" means any of the following:

- any natural person resident in the United States;
- 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;
- any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- any agency or branch of a foreign entity located in the United States;
- 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);
- 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
- any partnership, corporation, limited liability company, or other organization or entity if:
 - (1) organized or incorporated under the laws of any foreign jurisdiction; and
 - (2) 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 material difference between such definitions is that (1) a "U.S. person" under Regulation S includes any partnership or corporation that is organized or incorporated under the laws of any foreign jurisdiction formed by one or more "U.S. persons" (as defined in Regulation S) principally for the purpose of investing in securities that are otherwise offered within the United States pursuant to an applicable exemption under the Securities Act unless it is organized or incorporated and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts, while (2) any organization or entity described in (1) is treated as a "U.S. person" under the U.S. Risk Retention Rules, regardless of whether it is so organized and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

Each purchaser 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 Lead Manager and the Transferor that it (1) is not a Risk Retention U.S. Person (unless it has obtained the prior written consent of the Transferor), (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note, and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules. See "*Certain Legal and Regulatory Matters Affecting the Receivables and the Notes – Legal and Regulatory Matters Affecting the Notes – U.S. Risk Retention*".

See also "*Transfer Restrictions and Investor Representations*", below.

Ireland

The Lead Manager has represented and agreed that it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of:

- (a) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) of Ireland ("**MiFID Regulations**"), including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions concerning MTFs and OTFs)) thereof, or any rules or codes

of conduct made under the MiFID Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);

- (b) the Irish Central Bank Acts 1942 – 2018 (as amended) of Ireland and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) the European Union (Prospectus) Regulations 2019 of Ireland, the Companies Act and any rules and guidance issued by the Central Bank under Section 1363 of the Companies Act; and
- (d) Regulation (EU) No 596/2014 (as amended) of the European Parliament and of the Council of 16 April 2014 on market abuse, the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued by the Central Bank pursuant to Section 1370 of the Companies Act.

United Kingdom

The Lead Manager has represented, warranted and agreed with the Issuer that:

- (a) they have 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) they have 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.

Spain

The Lead Manager has represented and agreed that the Notes have not been offered or sold in Spain other than by institutions authorised under the Spanish Securities Market Law approved by Royal Legislative Decree 4/2015, of 23 October (the "**Spanish Securities Market Law**"), and related legislation, to provide investment services in Spain, and as agreed between the Issuer and the Lead Manager, offers of the Note in Spain have only been directed specifically at or made to professional clients (*clientes profesionales*) as defined in Article 205 of the Spanish Securities Market Law and Article 58 of Royal Decree 217/2008, of 15 February, and eligible counterparts (*contrapartes elegibles*) as defined in Article 207 of the Spanish Securities Market Law.

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 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
- (c) not a qualified investor as defined in the Prospectus Regulation; and

the expression "offer" includes 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 for the Notes.

General

Each of the Lead Manager and the Note Purchaser has acknowledged that, save for having obtained the approval of the Prospectus as a prospectus by the Central Bank of Ireland, having applied for the admission of the Notes to the Official List and admission to trading on Euronext Dublin, no further action has been or will be taken in any jurisdiction 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.

Under the Subscription Agreement, the Lead Manager has agreed to comply with all applicable laws and regulations in each jurisdiction in or from which it may offer or sell the Notes or have in its possession or distribute the Prospectus (in preliminary or in final form) or any amendment or supplement thereto or any other offering material.

Attention is drawn to the information set out on the inside front cover of this Prospectus.

TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

Offers and Sales by the Purchasers

The Notes (including interests therein represented by a Global Note, a Definitive Note or a Book-Entry Interest) may only be offered, sold, resold, delivered or transferred: (i) outside the United States to a non U.S. person (as defined in Regulation S) in an offshore transaction in reliance on Rule 903 or 904 of Regulation S; or (ii) following the expiration of the Distribution Compliance Period, pursuant to an applicable exemption from the registration requirements of the Securities Act and in accordance with any applicable securities law of any state of the United States.

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 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 Transferor (a "**U.S. Risk Retention Consent**"), (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Notes 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);
- (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; and (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 Registrar, the Arranger, 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 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 TRANSFEROR (A "**U.S. RISK RETENTION CONSENT**") 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) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF PEPPER FINANCE CORPORATION S.L.U.), (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (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.

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.

LISTING AND GENERAL INFORMATION

- (a) It is expected that the admission of the Notes to the Official List and the admission of the Notes to trading on Euronext Dublin will be granted on or around 10 October 2019.
- (b) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), since 6 August 2019 (being the date of incorporation of the Issuer) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer.
- (c) So long as the Notes are admitted to trading on Euronext Dublin, the most recently published audited annual accounts of the Issuer from time to time shall be available at the Specified Office of the Principal Paying Agent in London. The Issuer does not publish interim accounts.
- (d) So long as the Notes are admitted to the Official List and to trading on Euronext Dublin, the Issuer shall maintain a paying agent.
- (e) The total expenses to be paid in relation to the admission of the Notes to the Official List and to trading on Euronext Dublin are approximately €10,000.
- (f) The auditors of the Issuer are Ernst & Young, S.L. The financial year end of the Issuer is 31 December. The first statutory financial statements of the Issuer will be prepared for the period ended 31 December 2020.
- (g) The credit ratings included or referred to in this Prospectus have been issued by the Rating Agencies, each of which is established in the European Union, and is registered under the CRA Regulation.
- (h) Since the date of its incorporation, the Issuer has not prepared any accounts and has not entered into any contracts or arrangements not being in the ordinary course of its business.
- (i) Save as disclosed in this Prospectus, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or given any charges or guarantees.
- (j) Since the date of its incorporation, there has been: (a) no material adverse change in the financial position or prospects of the Issuer; and (b) no significant change in the financial or trading position of the Issuer.
- (k) The issue of the Notes was authorised pursuant to a resolution of the Board of Directors of the Issuer passed on 1 October 2019.
- (l) The following Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISIN, CFI, FISN and Common Code:

<u>Class of Notes</u>	<u>ISIN</u>	<u>FISN</u>	<u>CFI</u>	<u>Common Code</u>
Class A Notes	XS2048591916	PEPPER IBERIA U/VARASST BKD 2200123	DAVNFR	204859191
Class B Notes	XS2048592484	PEPPER IBERIA U/VARASST BKD 2200123	DAVXFR	204859248
Class C Notes	XS2048592997	PEPPER IBERIA U/VARASST BKD 2200123	DAVXFR	204859299
Class D Notes	XS2048593375	PEPPER IBERIA U/VARASST BKD 2200123	DAVXFR	204859337
Class J Notes	XS2048593615	PEPPER IBERIA U/VARASST BKD 2200123	DAVXFR	204859361

- (m) For so long as this Prospectus is in effect, copies of the constitution of the Issuer may be inspected at the registered office of the Principal Paying Agent during usual business hours, on any weekday (public holidays excepted).

- (n) Copies of the Transaction Documents are available for inspection by Noteholders during normal business hours at the Specified Office of the Principal Paying Agent and in electronic form at the following website: European Data Warehouse (<https://editor.eurodw.eu/>).
- (o) The Issuer will make available: (i) post issuance information in relation to each Receivable; and (ii) post issuance transaction information in the form of the Monthly Servicer and Cash Manager Reports via the website of the European Data Warehouse. This website and the contents thereof do not form part of this Prospectus.
- (p) The Transferor has made available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to the Receivables, and the sources of those data and the basis for claiming similarity in accordance with Article 22(1) of the EU Securitisation Regulation. Such data covers a period of at least five years and has been made available via the website of the European Data Warehouse. This website and the contents thereof do not form part of this Prospectus.
- (q) Upon request, the Transferor will also make available certain loan-by-loan data to investors prior to pricing of the Notes. Such data will be made available via the website of the European Data Warehouse (<https://editor.eurodw.eu/>). This website and the contents thereof do not form part of this Prospectus.
- (r) The Monthly Servicer and Cash Manager Reports produced by the Servicer on behalf of the Issuer will contain information as set out in the Servicing Agreement including, but not limited to information in respect of the Receivables, a confirmation of the Transferor's retained economic interest in the securitisation as required by the EU Risk Retention Requirements, details relating to any repurchases of Receivables by the Transferor pursuant to the Receivables Sale Agreement and details with respect to the rates of interest, Note principal and interest payments and other payments by the Issuer.
- (s) **Reporting under the EU Securitisation Regulation**

The Transferor as originator will procure the simultaneous publication of certain loan-by-loan and other information in relation to the Securitised Portfolio to the extent required by and in accordance with Article 7(1)(a) and 7(1)(e) of the EU Securitisation Regulation, (which shall be by the Servicer's provision of the Monthly Servicer and Cash Manager Report), in each case (to the extent required under Article 7(1) of the EU 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 EU 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 EU Securitisation Regulation. For the avoidance of doubt, this website and the contents thereof do not form part of this prospectus.

The Transferor will also procure:

- (i) the publication of any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the EU Securitisation Regulation without delay;
- (ii) that the information required to be provided under Article 7(1)(d) of the EU Securitisation Regulation shall be made available to potential investors prior to the pricing of the Notes; and
- (iii) that copies of the documents required pursuant to Article 7(1)(b) of the EU Securitisation Regulation (including the Transaction Documents, this Prospectus and any supplements thereto) are made available (in draft form, if applicable) prior to the pricing of the Notes (and in final form within 15 days following the Closing Date (other than the Back-Up Servicer Collection Account Pledge Agreement, which shall be made available in final form as soon as practicable following execution thereof)),

in each case by publication on the website of the European Data Warehouse or other securitisation repository (as defined in the EU Securitisation Regulation) or such other method as the Transferor deems appropriate from time to time.

The Transferor 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 EU Securitisation Regulation and to any Regulatory Direction.

- (t) The Transferor will make available a liability cashflow model, either directly or indirectly through one or more entities which provide such liability cashflow models to investors generally (being, as at the date of this Prospectus, Intex), which precisely represents the contractual relationship between the loans and the payments flowing between the Transferor, investors in the Notes, other third parties and the Issuer (i) prior to pricing of the Notes to potential investors and (ii) on an ongoing basis to investors in the and to potential investors in the Notes upon request. As at the date of this Prospectus, it is intended that such information will be made available via the website of the European Data Warehouse. This website and the contents thereof do not form part of this Prospectus.
- (u) Other than as outlined in paragraphs (o), (r), (s) and (t) above, the Issuer does not intend to provide post-issuance transaction information regarding the Notes or the Receivables.
- (v) **STS Requirements**

The Transferor, as originator, has submitted an STS notification to ESMA, in accordance with Article 27 of the EU Securitisation Regulation, that the STS criteria have been satisfied with respect to the Transaction. 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-and-standardised-sts-securitisation>).

For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus.

The Transferor has 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 EU Securitisation Regulation in connection with an assessment of the compliance of the Transaction with the STS requirements and PCS has prepared an STS Verification. PCS has no material interest in the Issuer. The STS Verification is 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 is 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 constitutes legal advice in any jurisdiction. PCS is authorised by the Autorité des Marchés Financiers (AMF) in France, pursuant to Article 28 of the EU 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 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 must read the information set out in <http://pcsmarket.org>. In the provision of the STS Verification, PCS has based its decision on information provided directly and indirectly by the Transferor. 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 is not a confirmation or implication that the information provided by or on behalf of the Transferor as part of the STS Verification is accurate or complete.

In completing an STS Verification, PCS bases its analysis on the STS criteria appearing in Articles 20 to 26 of the EU 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 EU Securitisation Regulation. In addition, Article 19(2) of the EU 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 EU 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 EU 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 PCS. PCS has no obligation and does not undertake to update any PCS 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 prepared by PCS, together with detailed explanations of its scope, will be available on the website of such agent (<https://www.pcsmarket.org/sts-verification-transactions/>). For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus.

- (w) The Issuer confirms that the Receivables 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 this Prospectus together with any amendments or supplements thereto.
- (x) The Issuer's Legal Entity Identifier number is 635400IBZZU2D3H64609.

GLOSSARY OF DEFINED TERMS

"Account Agent"	means Citibank N.A., London Branch in its capacity as account agent under the Account Bank Agreement or its successor.
"Account Bank"	means Citibank Europe plc in its capacity as account bank under the Account Bank Agreement or its successor.
"Account Bank Agreement"	means the agreement so named dated on or about the Closing Date between the Issuer, the Account Agent, the Cash Manager, the Account Bank and the Security Trustee.
"Additional Class J Interest"	means on each Payment Date an amount equal to the aggregate of the excess (if any) of any Interest Available Funds remaining after paying or providing for items (a) to (l) (inclusive) of the Interest Priority of Payments.
"Additional Interest"	has the meaning ascribed to it in Condition 8.10 (<i>Interest Deferred</i>).
"Affiliate"	means in respect of any Person, any other Person controlling, controlled by or under common control with such Person;
"Agency Agreement"	means the agreement so named dated on or about the Closing Date between the Issuer, Agent Bank, the Principal Paying Agent, the Registrar and the Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time).
"Agent Bank"	means Citibank Europe plc in its capacity as agent bank pursuant to the Agency Agreement.
"Agents"	means the Agent Bank, the Registrar and the Paying Agents (or any successors duly appointed) and " Agent " means any one of them.
"Aggregate Outstanding Amount of Receivables"	means in respect of all Receivables on any date of calculation the aggregate Principal Balance of Eligible Receivables.
"Alternative Base Rate"	has the meaning given to it in Condition 17.2 (<i>Additional Right of Modification</i>).
"Amortisation Period" ..	means the period commencing on the occurrence of the earlier of (i) the Specified Revolving Period End Date; and (ii) the occurrence of an Early Amortisation Event and ending on the earlier of (a) the delivery of an Enforcement Notice and (b) the date on which there are no amounts outstanding in respect of the Notes.
"Amortisation Period Principal Priority of Payments"	means the provisions relating to the order of priority of payments from the Transaction Account, set out in clause 15 (<i>Priorities of Payments and Cap Collateral Account Priority of Payments</i>) of the Security Trust Deed and Cash Management Agreement.
"Appointee"	means any delegate, agent, nominee, custodian, attorney or manager appointed or employed by the Note Trustee or the Security Trustee pursuant to the provisions of the Trust Documents.
"Arranger"	means Citigroup Global Markets Limited in its capacity as the arranger.

"Associated Rights"	means any and all accessory or ancillary rights attached to each Receivable, it being specified that, without affecting the generality of the foregoing, Associated Rights shall include, in relation to such Receivable:
	<ul style="list-style-type: none"> (a) the right of the Transferor under a UPL Agreement which permits the Transferor to make a demand for immediate payment of all amounts payable by an Obligor to the Transferor and the right to make demands, bring proceedings or take any other action in respect thereof; (b) the right to serve a notice to pay or repay, to recover and/or to grant a discharge in respect of the whole or part of the amounts due or to become due in connection with such Receivable from the relevant Obligor (or from any other person having granted any security interest); (c) the benefit of any and all undertakings assumed by the relevant Obligor (or by any other person having granted any security interest) in connection with such Receivable pursuant to the relevant UPL Agreement or otherwise; and (d) the benefit of any legal and contractual rights, actions and claims that the Transferor may have against the relevant Obligor.
"Authorised Denomination"	means the Minimum Denomination and, for so long as Euroclear and Clearstream, Luxembourg so permit, any amount in excess thereof in integral multiples of €1,000.
"Available Funds"	means Interest Available Funds and Principal Available Funds.
"Back-Up Servicer"	means Link Financial Outsourcing Limited in its capacity as back-up servicer in accordance with the Back-Up Servicing Agreement or any successor duly appointed.
"Back-Up Servicer Collection Account" ...	means the account opened at the Back-Up Servicer Collection Account Operating Bank by the Delegate pursuant to clause 3.1 of the Back-Up Servicing Agreement.
"Back-Up Servicer Collection Account Operating Bank"	means Banco Santander S.A. or any other bank approved in writing by the Issuer from time to time.
"Back-Up Servicer Collection Account Pledge Agreement"	means the collection account pledge agreement in relation to the Back-Up Servicer Collection Account between, <i>inter alios</i> , the Back-Up Servicer, the Delegate and the Issuer.
"Back-Up Servicing Agreement"	means the back-up servicing agreement between, <i>inter alios</i> , the Back-Up Servicer, the Issuer and the Transferor.
"Back-Up Servicing Fee"	has the meaning given to it in clause 7 of the Back-Up Servicing Agreement.
"Base Rate Modification"	has the meaning given to it in Condition 17.2 (g) (<i>Additional Right of Modification</i>).
"Book-Entry Interests".	means the beneficial interests in the Global Notes recorded by Euroclear and Clearstream, Luxembourg.

"Breach of Duty"	means:
	(a) in relation to the Note Trustee, the Security Trustee, any Appointee, the Paying Agents, the Principal Paying Agent, the Agent Bank, the Registrar, the Account Bank and the Account Agent gross negligence, wilful default and fraud; and
	(b) in relation to any person (other than one mentioned at (a) above) a wilful default, fraud, negligence or breach of trust or material breach of any agreement by such person.
"BRRD"	means EU bank recovery and resolution directive adopted in 2014.
"Business Day"	means a day on which the TARGET2 system is operating and on which commercial banks and foreign exchange markets settle payments generally in London, United Kingdom, Dublin, Ireland, and Madrid, Spain.
"Call Option Date"	means the Payment Date falling in October 2022.
"Call Option Completion Date"	means the Call Option Date or any Payment Date thereafter.
"Cap Agreement"	means the Original Cap Agreement or any other agreement in the form of a 1992 ISDA Master Agreement (including a schedule thereto, a Credit Support Annex and one or more confirmations) between the Issuer and a Cap Counterparty (as the same may be amended, restated, supplemented, replaced and/or novated from time to time).
"Cap Collateral"	means any cash (and any interest thereon) transferred by the Cap Counterparty to the Issuer on any date pursuant to the terms of the Credit Support Annex that has not been returned to the Cap Counterparty pursuant to the terms of the Cap Agreement.
"Cap Collateral Account"	means the account or accounts so named in the name of the Issuer held with the Account Bank or any replacement bank account designated as such.
"Cap Collateral Account Priority of Payment "	has the meaning ascribed to such term in the Security Trust Deed and Cash Management Agreement.
"Cap Collateral Account Surplus"	has the meaning ascribed to such term it in the Cap Collateral Account Priority of Payment.
"Cap Confirmation"	means the cap confirmation evidencing the Cap Transaction.
"Cap Counterparty"	means J.P. Morgan AG, in its capacity as cap counterparty, or its permitted successors or assigns from time to time or any other person for the time being acting as Cap Counterparty pursuant to the Cap Agreement.
"Cap Counterparty Rating Event"	means any event which permits the Issuer to terminate the Original Cap Transaction, as set out in Part 6 of the Schedule to the Original Cap Agreement or the equivalent provisions of any other Cap Agreement.
"Cap Rate"	means the cap rate specified in Section D of the Cap Confirmation.
"Cap Tax Credit Amount"	means any amount received by the Issuer and attributable to a Tax Credit (as defined in the Cap Agreement) payable by the Issuer to the Cap Counterparty pursuant to the Cap Agreement.
"Cap Transaction"	means the Original Cap Transaction and any other cap transaction to be entered into by and between the Issuer and a Cap Counterparty for purposes of hedging

	the Issuer's floating interest rate exposure in relation to the Rated Notes and any replacement thereto.
"Capital Requirements Regulation"	means Regulation (EU) No 575/2013.
"Cash Management Fee"	has the meaning given to it in clause 21.2 of the Security Trust Deed and Cash Management Agreement.
"Cash Manager"	means Pepper Assets Services S.L.U., in its capacity as Cash Manager or any successor Cash Manager appointed in accordance with the terms of the Security Trust Deed and Cash Management Agreement.
"Cash Manager Default"	has the meaning given to it on page 67.
"Cash Reserve Fund" ...	means the reserve fund established on the Closing Date by the Issuer which will be initially funded using part of the proceeds from the issue of the Class J Notes in an amount equal to the Cash Reserve Required Amount and which will subsequently be funded on each Payment Date from Interest Available Funds in accordance with the Interest Priority of Payments.
"Cash Reserve Ledger"	means the ledger designated as the "Cash Reserve Ledger" and established as part of the Transaction Account for the purpose of holding the Cash Reserve Fund.
"Cash Reserve Release Amount"	means: <ul style="list-style-type: none"> (a) on any Payment Date before the earlier of the Final Redemption Date and the Final Maturity Date, an amount equal to the amount recorded on the Cash Reserve Ledger as the Cash Reserve Fund and standing to the credit of the Transaction Account, less the Cash Reserve Required Amount; and (b) on the earlier of the Final Redemption Date and the Final Maturity Date, an amount equal to the amount recorded on the Cash Reserve Ledger as the Cash Reserve Fund and standing to the credit of the Transaction Account.
"Cash Reserve Required Amount"	means: <ul style="list-style-type: none"> (a) on the Closing Date, an amount equal to €3,864,500; (b) on each Determination Date thereafter while any of the Class A Notes, Class B Notes, Class C Notes and Class D Notes are outstanding, an amount equal to 1.75 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class C Notes and Class D Notes on such date prior to deducting any repayments to be made on the related Payment Date; and (c) on each Determination Date after the Class A Notes, Class B Notes, Class C Notes and Class D Notes are fully repaid, zero.
"Charged Property"	means all the property rights and assets of the Issuer which is subject to the Security.
"Class" or "class"	means, in relation to the Notes, each or any of the Class A Notes Class B Notes, Class C Notes, Class D Notes and the Class J Notes, as the context may require.
"Class A Notes"	means the €166,900,000 Class A asset backed floating rate Notes due 2028. (whether represented by Definitive Notes or a Global Note).

"Class A Notes Principal Deficiency"	means a deficiency of principal amounts to make payment on the Class A Notes.
"Class A Notes Principal Deficiency Ledger"	means sub ledger of such name created for the purpose of recording the Class A Notes Principal Deficiency and maintained by the Cash Manager as a sub ledger of the Principal Deficiency Ledger.
"Class A Noteholders" ..	means the persons who for the time being are holders of the Class A Notes.
"Class B Notes"	means the €10,900,000 Class B asset backed floating rate Notes due 2028. (whether represented by Definitive Notes or a Global Note).
"Class B Notes Principal Deficiency"	means a deficiency of principal amounts to make payment on the Class B Notes.
"Class B Notes Principal Deficiency Ledger"	means sub ledger of such name created for the purpose of recording the Class B Notes Principal Deficiency and maintained by the Cash Manager as a sub ledger of the Principal Deficiency Ledger.
"Class B Noteholders" ..	means the persons who for the time being are holders of the Class B Notes.
"Class C Notes"	means the €9,800,000 Class C asset backed floating rate Notes due 2028. (whether represented by Definitive Notes or a Global Note).
"Class C Notes Principal Deficiency" .	means a deficiency of principal amounts to make payment on the Class C Notes.
"Class C Notes Principal Deficiency Ledger"	means sub ledger of such name created for the purpose of recording the Class C Notes Principal Deficiency and maintained by the Cash Manager as a sub ledger of the Principal Deficiency Ledger.
"Class C Noteholders" ..	means the persons who for the time being are holders of the Class C Notes.
"Class D Notes"	means the €21,800,000 Class D asset backed floating rate Notes due 2028. (whether represented by Definitive Notes or a Global Note).
"Class D Notes Principal Deficiency" .	means a deficiency of principal amounts to make payment on the Class D Notes.
"Class D Notes Principal Deficiency Ledger"	means sub ledger of such name created for the purpose of recording the Class D Notes Principal Deficiency and maintained by the Cash Manager as a sub ledger of the Principal Deficiency Ledger.
"Class D Noteholders" ..	means the persons who for the time being are holders of the Class D Notes.
"Class J Notes"	means the €14,000,000 Class J asset backed floating rate Notes due 2028. (whether represented by Definitive Notes or a Global Note).
"Class J Notes Principal Deficiency"	means a deficiency of principal amounts to make payment on the Class J Notes.
"Class J Notes Principal Deficiency Ledger"	means sub ledger of such name created for the purpose of recording the Class J Notes Principal Deficiency and maintained by the Cash Manager as a sub ledger of the Principal Deficiency Ledger.
"Class J Noteholders" ...	means the persons who for the time being are holders of the Class J Notes.
"Clearing System"	means each of Euroclear and Clearstream, Luxembourg.
"Clearstream, Luxembourg"	Clearstream Banking, S.A. and any successor to its business.

"Closing Date"	means the date on which the Notes are to be, or as the case may be, have been, issued which shall be on or about 10 October 2019, or such other date as the Issuer and the Arranger may agree.
"Collateral Amount"	means any amounts standing to the credit of the Cap Collateral Account, which were paid into such account by the Cap Counterparty in accordance with the Cap Agreement and the Credit Support Annex, together with interest and other amounts accrued thereon.
"Collection Account Banks"	means each of the Direct Debit Collection Account Banks, the Special Collection Account Bank and the Back-Up Servicer Collection Account Operating Bank (or any of them as the context requires) or any eligible successor or replacement thereof and any reference to the "Collection Account Bank" shall mean any of them.
"Collection Accounts" ...	means the Direct Debit Collection Accounts, the Special Collection Accounts, and any other collection account opened by the Transferor or the Servicer for the purpose of receiving Collections from Obligor and paying Collections to the Issuer and any other account which replaces any of the foregoing (which may include when the Back-Up Servicer becomes the Servicer, the Back-Up Servicer Collection Account).
"Collection Account Pledge Agreements" ...	means each Direct Debit Collection Account Pledge Agreement, the Special Collection Account Pledge Agreement and the Back-Up Servicer Collection Account Pledge Agreement (once entered into) and any such further or replacement pledge agreement entered into in respect of any additional or other Collection Account.
"Collections"	means: <ul style="list-style-type: none"> (a) all payments received by the Servicer and the Transferor in respect of Receivables and their Related Rights in the form of cash, cheques, SWIFT payments, wire transfers, direct debits or any other form of payment in accordance with the Designated Agreements in effect from time to time in relation thereto; (b) any amounts paid in cash by the Transferor to the Issuer pursuant to Clause 7 (<i>Repurchase of Receivables</i>), Clause 8 (<i>Call Option</i>), Clause 10 (<i>Reductions in Receivables, Early Collections and Refinancings</i>) or Clause 11 (<i>Breach of Warranty</i>) of the Receivables Sale Agreement; and (c) all payments received by the Servicer and the Transferor in respect of the Designated Agreements arising from the exercise by the relevant Obligor of its right of withdrawal (<i>derecho de desistimiento</i>).
"Common Safekeeper" .	means the common safekeeper for Euroclear and Clearstream, Luxembourg.
"Conditions"	means the terms and conditions of the Notes in, or substantially in, the form set out in Schedule 3 (<i>Terms and Conditions</i>) of the Trust Deed, as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly.
"Corporate Services Agreement"	means the agreement so named dated on or about the Closing Date between the Corporate Services Provider and the Issuer.
"Corporate Services Provider"	means Intertrust Management Ireland Limited (registered number 441725), a private limited company incorporated under the laws of Ireland, whose registered office is at 2 nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland or such other person or persons for the time being

	acting as corporate services provider to the Issuer under the Corporate Services Agreement.
"CRA Regulation"	means Regulation (EC) No 1060/2009, as amended, of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.
"Credit Support Annex"	means the 1995 ISDA Credit Support Annex supplementing and forming part of the Cap Agreement.
"Cumulative Net Loss"	shall mean the product of: <ul style="list-style-type: none"> (a) the aggregate Principal Balance (taking into account any Recoveries) of all Receivables which are more than four (4) instalments past due; divided by (b) the aggregate Purchase Price and Initial Consideration (as applicable) of all Receivables, <p>provided that for this purpose, Repurchased Receivables which were Defaulted Receivables on their repurchase date shall be deemed to remain Receivables.</p>
"Cumulative Net Loss Trigger"	shall be breached where the Cumulative Net Loss expressed as a percentage is equal to or greater than 7.5 per cent.
"Cut-Off Date"	means: <ul style="list-style-type: none"> (a) in relation to the Closing Date, the Initial Cut-Off Date; (b) in relation to an Offer, one Business Day prior to the Offer Date; (c) in relation to a breach of a Transferor Asset Warranty under clause 11 (<i>Breach of Warranty</i>) of the Receivables Sale Agreement, the Deemed Collection Cut-Off Date (as defined in the Receivables Sale Agreement); or (d) in relation to a Repurchased Receivable repurchased or to be repurchased in accordance with clause 7 (<i>Repurchase of Receivables</i>) or clause 8 (<i>Call Option</i>) of the Receivables Sale Agreement, the Repurchase Cut-Off Date or the Defaulted Option Completion Date (each as defined in the Receivables Sale Agreement).
"Day Count Fraction"...	means, in respect of an Interest Period, the actual number of days in such period divided by 360.
"DBRS"	means DBRS Ratings Limited or DBRS Ratings GmbH and in each case, any successor to their rating activity.

"DBRS Equivalent Chart"

means:

DBRS	S&P	Fitch	Moody's
AAA	AAA	AAA	Aaa
AA(high)	AA+	AA+	Aa1
AA	AA	AA	Aa2
AA(low)	AA-	AA-	Aa3
A(high)	A+	A+	A1
A	A	A	A2
A(low)	A-	A-	A3
BBB(high)	BBB+	BBB+	Baa1
BBB	BBB	BBB	Baa2
BBB(low)	BBB-	BBB-	Baa3
BB(high)	BB+	BB+	Ba1
BB	BB	BB	Ba2
BB(low)	BB-	BB-	Ba3
B(high)	B+	B+	B1

B	B	B	B2
B(low)	B-	B-	B3
CCC	CCC+		Caa1
	CCC	CCC	Caa2
	CCC-		Caa3
CC	CC		Ca
C	C		
D	D	D	D

"DBRS Equivalent Rating" in the context of the Cap Agreement, has the meaning given to it in the Cap Agreement, and in any other context means

- (a) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the senior unsecured debt of a certain entity (each, a **"Public Long Term Rating"**) are all available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (**provided that** if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch). For this purpose, if more than one Public Long Term Rating has the same highest or same lowest DBRS rating as shown in the DBRS Equivalent Chart, then in each case only one of such Public Long Term Ratings shall be so disregarded in accordance with requirements of the previous sentence and the DBRS Equivalent Rating will be the remaining rating;
- (b) if the DBRS Equivalent Rating cannot be determined under (a) above, but Public Long Term Ratings of a certain entity by any two of Fitch, Moody's and S&P are available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of the lower of such Public Long Term Rating (**provided that** if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch); and
- (c) if the DBRS Equivalent Rating cannot be determined under (a) and (b) above, but a Public Long Term Rating by any one of Fitch, Moody's and S&P is available at such date, then the DBRS rating as shown in the DBRS Equivalent Chart will be such Public Long Term Rating (**provided that** if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch),

provided that, if at any time the DBRS Equivalent Rating cannot be determined under paragraphs (a) to (c) above, then the relevant entity will be deemed to have a DBRS rating of "C" at such time.

"Deemed Collection" has the meaning given to this term on page 96.

"Deemed Collection Amount" has the meaning given to this term on page 96.

"Deemed Collection Cut-Off Date" has the meaning given to this term on page 96.

"Defaulted Call Repurchase Price" has the meaning given to this term on page 100.

"Defaulted Amounts"	means, as at the end of each Monthly Period, in respect of a Receivable which has become a Defaulted Receivable during such Monthly Period, the Principal Balance of such Defaulted Receivable.
"Defaulted Receivable".	means each Receivable in respect of which, in accordance with the Guidelines or the Servicer's customary and usual servicing procedures, the Servicer has recorded in its system that such Receivable is more than four (4) instalments past due.
"Defaulted Option Completion Date"	has the meaning given to this term on page 100.
"Defaulted Option Notice"	has the meaning given to this term on page 100.
"Deferred Interest"	has the meaning ascribed to it in Condition 8.10 (<i>Interest Deferred</i>).
"Definitive Notes"	means any definitive note representing any of the Notes in, or substantially in the form set out in the Trust Deed.
"Delegate"	means Link Finanzas S.L., a company incorporated under the laws of Spain and registered in the Madrid Commercial Registry in Volume 19661, Folio 72, Section 8, Sheet numbered M-345760, Entry 1 and with Tax Code B83888461 in its capacity as the delegate under the back-up servicing agreement, and all other persons or companies for the time being acting as the delegate under the back-up servicing agreement.
"Designated Agreement"	means a UPL Agreement identified by a specific number specific to such UPL Agreement, being the customer account ID, and which is in each case a UPL Agreement some or all of the Receivables arising under which have been assigned to the Issuer as a result of acceptance of an Offer in accordance with the Receivables Sale Agreement.
"Determination Date" ...	means the 5 th (fifth) calendar day of each month or, if such date is not a Business Day, the preceding Business Day.
"Direct Debit"	means any arrangement between an Obligor and a Direct Debit Collection Account Bank pursuant to which a third party may transfer money from such Obligors bank account on agreed dates.
"Direct Debit Collection Accounts"	means the collection accounts held in the name of Pepper Assets Services, S.L.U. with IBAN number ES83 2038 1560 0660 0027 0816, IBAN number ES14 0128 7706 7101 0000 7851 and IBAN number ES92 2100 8673 7202 0003 8724 and any further or replacement bank accounts opened by the Transferor (or the Servicer on its behalf, whether or not in the Transferor's name) for the purpose of receiving payments from Obligors via Direct Debit.
"Direct Debit Collection Account Bank Qualified Institution".	means a bank or financial institution which has: (a) a long-term, unsecured, unguaranteed and unsubordinated debt rating of at least BBB by S&P; and (b) a long-term issuer rating, long-term senior unsecured debt rating or long-term deposit rating of at least BBB(low) by DBRS, provided that if the relevant institution is not rated by DBRS, a DBRS Equivalent Rating at least equal to BBB(low) by DBRS.
"Direct Debit Collection Account Banks"	means Bankia S.A., Bankinter S.A., CaixaBank, S.A. and any further or other banks providing a Direct Debit Collection Account in accordance with the terms of the Receivables Sale Agreement.
"Direct Debit Collection Account Pledge Agreements"	means the collection account pledge agreements in relation to the Direct Debit Collection Accounts dated the Closing Date between the Servicer, the Transferor and the Issuer.

"Discount Receivable" ..	means a Receivable arising under a UPL Agreement expressed to be interest free for an Obligor for the life of the UPL Agreement.
"Dynamic Delinquency Trigger"	shall mean, and the test shall be failed, where the aggregate Principal Balance of Receivables (excluding the Excess Concentration Receivables) that are recorded on the Servicer's systems (in accordance with the Guidelines and its usual and customary servicing procedures) as more than two (2) instalments past due and less than eight (8) instalments past due, expressed as a percentage of the aggregate Principal Balance of all of the Receivables, is equal to or more than 3.5 per cent.;
"Early Amortisation Event"	has the meaning given to this term on page 121.
"Early Termination Date"	means the Early Termination Date (as defined in the Cap Agreement).
"ECB"	means the European Central Bank.
"EEA"	means the European Economic Area.
"Eligibility Criteria"	has the meaning given to this term on page 93.
"Eligible Receivables"...	means Receivables which comply with the criteria set out in paragraph 1 of Schedule 8 (<i>Eligibility Criteria</i>) of the Receivables Sale Agreement, in each case as of the Cut-Off Date in respect of such Receivables and which arise on a Designated Agreement which was an Eligible UPL Agreement on the Cut-Off Date relating to such UPL Agreement.
"Eligible Servicer"	shall mean an entity which, at the time of its appointment as Servicer, (a) is servicing a portfolio of unsecured personal loans, (b) is legally qualified and has the capacity to service the UPL Agreements and (c) is qualified (or licensed) to use the software that the Servicer is then currently using to service the UPL Agreements or obtains the right to use, or has its own, software which is adequate to perform its duties under the Servicing Agreement.
"Eligible UPL Agreement"	<p>A UPL Agreement will be an "Eligible UPL Agreement" if, as at the close of business on the relevant Cut-Off Date, it is a UPL Agreement:</p> <ul style="list-style-type: none"> (a) where the Obligor is not an employee of the Transferor; (b) which was in existence and maintained with the Transferor prior to or at the time of any Receivables arising thereunder being the subject of an Offer; (c) which is documented by means of a Standard Form; (d) which creates legal, valid and binding obligations between the Transferor and the relevant Obligor and is enforceable against the relevant Obligor subject to applicable bankruptcy laws, other similar laws affecting creditors' rights, general equitable principles and other limitations on enforcement in the jurisdiction of the relevant Obligor and was otherwise created and complies with all other applicable laws; (e) where the Obligor's most recent address known to the Transferor is located in Spain; (f) which is governed by Spanish law; and (g) which is not revolving and does not include an obligation to make further advances.

"EMIR"	means Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) as amended from time to time.
"EMIR Reporting Agent"	means J.P. Morgan AG in the capacity of EMIR reporting agent.
"EMIR Reporting Agreement"	means the client delegated reporting agreement entered into between the Issuer and the EMIR Reporting Agent.
"Encumbrance"	means any mortgage, charge, pledge, lien or other security interest or encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having similar effect.
"Enforcement Notice" ...	means a notice issued by the Security Trustee to the Issuer declaring the Notes to be due and repayable pursuant to Condition 13 (<i>Events of Default</i>).
"ESMA"	means the European Securities and Markets Authority.
"EU Risk Retention Requirements"	means the requirements set out in Article 6 of the EU Securitisation Regulation.
"EU Securitisation Regulation"	means EU Securitisation Regulation (Regulation (EU) 2017/2402).
"euro", "Euro" or "€"	means the lawful currency of Member States of the European Union that adopt the single currency introduced in accordance with the Treaty.
"Euroclear"	means Euroclear Bank SA/NV and any successor to such business.
"Event of Default"	means any one of the events specified in Condition 13 (<i>Events of Default</i>) of the Notes.
"Excess Concentration Receivables"	means Receivables with an aggregate Principal Balance which is no less than the Excess Concentrations.
"Excess Concentrations"	means the amount by which the Aggregate Outstanding Amount of Receivables exceeds the aggregate Principal Balance of Receivables which fall within the Portfolio Concentration Levels set out in the definition thereof.
"Exchange Date"	means the first day following the expiry of forty days after the Closing Date.
"Excluded Assets"	means any Issuer Profit Amount standing to the credit of the Issuer Profit Ledger, the Issuer's rights under the Corporate Services Agreement, and the any issued share capital of the Issuer.
"Extraordinary Resolution"	means: <ul style="list-style-type: none"> (a) a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Noteholders by a majority of not less than three quarters of the votes cast; (b) a Written Resolution; or (c) a resolution passed by negative consent in the circumstances set out in Condition 17.3 (<i>Negative Consent</i>).
"FATCA"	means Sections 1471 through 1474 of the U.S. Internal Revenue Code.

"Final Maturity Date" ..	means the Payment Date falling in April 2028.
"Final Redemption Date"	means the date on which the Security Trustee notifies the Issuer and the Secured Creditors that it is satisfied that all the Secured Amounts and/or all other monies and other Liabilities due or owing by the Issuer have been paid or discharged in full.
"Finance Charge Collections"	means Collections and other monies in respect of Finance Charge Receivables and shall also include Recoveries provided, however, that the amount of Finance Charge Collections shall be reduced for the purposes of any calculation hereunder on any date of determination by the amount of any Incorrect Payments previously incorrectly allocated as Finance Charge Collections which are to be repaid on such date of determination.
"Finance Charge Receivables"	means, in relation to Receivables which are not Discount Receivables: <ul style="list-style-type: none"> (a) amounts relating to Transaction Fees and Periodic Finance Charges; and (b) charges for credit or payment protection insurance, and in relation to Discount Receivables shall mean an amount equal to the aggregate amount of the Receivables payable under the relevant UPL Agreement less the Synthetic Principal Balance.
"First Payment Date" ...	means the Payment Date falling in November 2019.
"Fitch"	means Fitch Ratings Limited.
"FPO"	means the Financial Services and Markets Act (Financial Promotion) Order 2005.
"FSMA"	means the Financial Services and Markets Act 2000 (as amended).
"GDPR"	means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.
"Global Note"	has the meaning ascribed to it in Condition 3.2.
"Governmental Authority"	means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.
"Guidelines"	means the Transferor's usual policies, procedures and practices relating to the operation of its Point of Sale Loan and PIL Loan business including, without limitation, the usual policies, procedures and practices adopted by it as the grantor of credit in relation to Receivables from originated UPL Agreements and/or (as the case may be) its usual policies, procedures and practices for dealing with matters relating to its obligations and liabilities with regard to the applicable Spanish laws, for determining the creditworthiness of its customers, the extension of credit to customers, and relating to the maintenance of accounts, as such policies, procedures and practices may be amended or varied from time to time.
"holder"	means the registered holder of a Note as entered in the Register in respect of that Note and the words "holders" and related expressions shall (where appropriate) be construed accordingly.
"ICSDs"	means Clearstream, Luxembourg and Euroclear.
"Incorrect Payments" ...	has the meaning specified in clause 17.2 (<i>Application of Monies in the Transaction Account</i>) of the Security Trust Deed and Cash Management Agreement.

- "Initial Consideration"** . means an amount equal to the aggregate of the Principal Balance of each Receivable as at the Initial Cut-Off Date.
- "Initial Cut-Off Date"** ... has the meaning given to this term on page 81.
- "Insolvency Act"** means the Insolvency Act 1986.
- "Insolvency Event"** shall mean:
- (a) in respect of the Transferor, the Servicer, the Cash Manager or the Delegate:
 - (i) the Transferor, the Servicer, the Cash Manager or the Delegate (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;
 - (ii) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) a declaration of insolvency (*concurso*), winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Transferor, the Servicer, the Cash Manager or the Delegate (as applicable);
 - (B) a composition, compromise, assignment or arrangement with any creditor of the Transferor, the Servicer or the Cash Manager or the Delegate (as applicable), by reason of actual or anticipated financial difficulties and such proceedings are not being disputed in good faith with a reasonable prospect of success; or
 - (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Transferor, the Servicer, the Cash Manager or the Delegate (as applicable) or any of its assets;
 - (iii) or any analogous procedure or step is taken in any jurisdiction;
 - (b) in respect of the Issuer or the Account Bank:
 - (i) in relation to the Issuer only, a duly authorised officer of the Issuer admits in writing that the Issuer is unable to pay its debts as they fall due within the meaning of Sections 509 (excluding Section 509(3)(b)) and 570 of the Companies Act 2014 of Ireland (the "**Companies Act**") or the Issuer makes a general assignment or trust for the benefit of or a composition with its creditors or voluntarily suspends payments of its obligations with a view to the general readjustment or rescheduling of its indebtedness;
 - (ii) in relation to the Account Bank only, a duly authorised officer of the Account Bank admits that it is unable to pay its debts when they fall due within the meaning of Section 123(1) of the Insolvency Act or the company makes a general assignment or trust for the benefit of or a composition with its

creditors or voluntarily suspends payments of its obligations with a view to the general readjustment or rescheduling of its indebtedness

- (iii) the Issuer or the Account Bank, as applicable, consents to or takes any corporate action relating to the appointment of a receiver, examiner, administrator, administrative receiver, trustee, liquidator or similar officer of it or relating to all or substantially all of its revenues and assets;
 - (iv) proceedings are initiated against the Issuer or the Account Bank, as applicable, under any applicable liquidation, insolvency, composition, re-organisation or similar laws for its winding-up, dissolution, administration, examinership or reorganisation (except for solvent reorganisation) and the proceedings are not frivolous or vexatious;
 - (v) a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of the Issuer or relating to all or substantially all of its revenues and assets is legally and validly appointed; or
 - (vi) any execution, distress or diligence is levied or enforced against, or an encumbrancer takes possession of, the whole or any part of the property, undertaking or assets of the Issuer or any event occurs which under the laws of any jurisdiction has a similar or analogous effect;
- (c) in respect of the Back-Up Servicer:
- (i) an order is made or an effective resolution passed for winding-up of the Back-Up Servicer, except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction; or
 - (ii) the Back-Up Servicer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (i) above, ceases or threatens to cease to carry on its business or a substantial part of its business or stops payment or threatens to stop payment of any amounts due to its creditors generally or becomes unable to pay its debts as they fall due or otherwise becomes insolvent; or
 - (iii) an order is made against the Back-Up Servicer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or a receiver, administrator or other similar official is appointed in relation to the Back-Up Servicer or in relation to the whole or any substantial part of the undertaking or assets of the Back-Up Servicer or an encumbrancer or other security holder shall take possession of the whole or any substantial part of the undertaking or assets of the Back-Up Servicer, and in any of the foregoing cases it shall not be discharged within 30 Business Days; or if the Back-Up Servicer shall initiate or consent to judicial proceedings relating to itself (other than in the case of a reorganisation) under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment or assignation for the benefit of its creditors generally or if a petition is presented to wind up the Back-Up Servicer (other than any

	petition which is frivolous or vexatious and is not withdrawn within five Business Days); or
	(iv) any event occurs which, under English law or any applicable law, has an analogous effect to any of the events referred to in paragraphs (i), (ii) or (iii) above.
"Insolvency Law"	means Law 22/2003 of 9 July on insolvency (Ley 22/2003, de 9 de julio, Concursal).
"Insurance Proceeds" ...	means, in relation to Receivables, any amounts recovered by the Transferor or the Servicer pursuant to any credit or payment protection insurance policies covering any Obligor with respect to Receivables under that Obligor's UPL Agreement.
"Interest Amount"	means in respect of a Note for any Interest Period the amount of interest calculated on the related Interest Determination Date in respect of such Note for such Interest Period by: <ul style="list-style-type: none"> (a) multiplying the Principal Amount Outstanding of such Note on the Payment Date coinciding with such Interest Determination Date by the relevant Note Rate; and (b) then multiplying the amount so calculated in paragraph (a) above by the relevant Day Count Fraction and rounding the resultant figure down to the nearest one cent.
"Interest Available Funds"	has the meaning given to this term on page 50
"Interest Determination Date"	means with respect to the first Interest Period, the date falling on the second TARGET2 business day immediately preceding the Closing Date and with respect to each subsequent Interest Period, the date falling on the second TARGET2 business day immediately preceding the Payment Date at the beginning of such Interest Period and an Interest Determination Date shall relate to an Interest Period (and such date shall be the " related Interest Determination Date " in respect of such Interest Period).
"Interest Period"	means the period from (and including) a Payment Date to but excluding the next succeeding Payment Date (except in the case of the first Interest Period, where it shall be the period from (and including) the Closing Date to (but excluding) the First Payment Date).
"Interest Priority of Payments"	means the provisions relating to the order of priority of payments from the Transaction Account, set out in clause 15 (<i>Priorities of Payments and Cap Collateral Account Priority of Payments</i>) of the Security Trust Deed and Cash Management Agreement.
"Issuer"	means Pepper Iberia Unsecured 2019 DAC (registered number 654680), a public limited company incorporated under the laws of Ireland, whose registered office is at 1-2 Victoria Buildings, Haddington Road, Dublin 4, D04 XN32, Ireland.
"Issuer Accounts"	means the Transaction Account and any Cap Collateral Account and " Issuer Account " means any of them and any additional or replacement bank accounts held in the name of the Issuer from time to time with the prior written consent of the Security Trustee.
"Issuer Costs and Expenses"	means the costs and expenses of the Issuer arising in respect of the purchase of the initial Securitised Portfolio on the Closing Date and the issuance of the Notes.

"Issuer Covenants"	means the covenants of the Issuer set out in Schedule 7 (<i>Issuer Covenants</i>) of the Trust Deed.
"Issuer Jurisdiction"	means Ireland or such other jurisdiction in which the Issuer or any Substituted Obligor (as contemplated by Condition 21 (<i>Substitution of Issuer</i>)) is incorporated and/or subject to taxation.
"Issuer Profit Amount"	means €100 on each Payment Date to be credited to Issuer Profit Ledger of the Transaction Account and to be retained by the Issuer as profit in respect of the business of the Issuer.
"Issuer Profit Ledger" ..	means the ledger of the Transaction Account so named in the books of the Issuer and maintained by the Cash Manager on behalf of the Issuer.
"LCR Regulation"	Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing Regulation (EU) 575/2013 with regard to the Liquidity Coverage Requirement for Credit Institutions, as amended.
"Lead Manager"	means Citigroup Global Markets Limited.
"Liabilities"	means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including, without limitation, properly incurred legal fees and expenses and any Taxes and penalties incurred by that person.
"Markets in Financial Instruments Directive"	means the EU Directive 2004/39/EC.
"Master Framework Agreement"	means the agreement so named dated on or about the Closing Date and signed for the purpose of identification by each of the Transaction Parties.
"Material Adverse Effect"	means, as the context specifies: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 Related Rights, a material adverse effect on the interests of the Issuer or the Security Trustee in the Related Rights, 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 Security.
"Meeting"	means a meeting of Noteholders of any class or classes (whether originally convened or resumed following an adjournment).
"MiFID II"	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.
"MiFIR"	means Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 in markets in financial instruments.

" Minimum Denomination "	means €100,000.
" Modification Certificate "	has the meaning given to it in Condition 17.2 (<i>Additional Right of Modification</i>).
" Monthly Payment "	means the amount which the relevant UPL Agreement require an Obligor to pay on each monthly payment date in respect of that Obligor's loan.
" Monthly Period "	means the period from and including the first day of a calendar month to and including the last day of the same calendar month provided that the first Monthly Period commences on the Closing Date and ends on and includes 31 October 2019.
" Monthly Servicer and Cash Manager Report "	means a report substantially in the form attached as Schedule 1 (<i>Monthly Servicer and Cash Manager Report</i>) to the Servicing Agreement with such changes as the Servicer or the Cash Manager may determine to be necessary from time to time.
" Moody's "	means Moody's Investor Services Limited.
" Most Senior Class "	means: <ul style="list-style-type: none"> (a) the Class A Notes whilst they remain outstanding; (b) once Class A Notes are fully amortised, the Class B Notes whilst they remain outstanding; (c) once Class A Notes and Class B Notes are fully amortised, the Class C Notes whilst they remain outstanding; (d) once Class A Notes, Class B Notes and Class C Notes are fully amortised, the Class D Notes whilst they remain outstanding; and (e) once Class A Notes, Class B Notes, Class C Notes and Class D Notes are fully amortised, the Class J Notes.
" Notification Event "	has the meaning given to it on page 95.
" Notices Condition "	means Condition 22 (<i>Notices</i>).
" Notices Details "	means the provisions set out in Schedule 3 (<i>Notices Details</i>) of the Master Framework Agreement.
" Note Principal Payment "	means on any Payment Date in respect of a Note, an amount equal to the lesser of the amount of Principal Available Funds available to be applied in or towards redeeming the relevant Class of Notes in accordance with the applicable Priority of Payments and the Principal Amount Outstanding of the relevant Class of Notes, each determined as at the related Determination Date, multiplied by the quotient of the Minimum Denomination and the Principal Amount Outstanding of the relevant Class of Notes, in each case rounded down, if necessary, to the nearest cent.
" Note Purchase Agreement "	means the agreement so named between the Issuer, the Transferor, the Arranger and the Lead Manager.

"Note Rate"	for each Interest Period means in respect of:
	(a) each of the Class A Notes, the Class B Notes, Class C Notes and the Class D Notes, the Reference Rate determined as at the related Interest Determination Date plus the Relevant Margin in respect of such Class, provided that , if the resulting Note Rate would be less than zero, the Note Rate shall be zero; and
	(b) the Class J Notes, 7.00 per cent. p.a.
"Note Trustee"	means Citibank Europe plc, acting through its principal office at 1 North Wall Quay, Dublin 1, Ireland and acting in its capacity as Note Trustee under the terms of the Trust Documents, or such other person as may from time to time be appointed as Note Trustee (or co-trustee) pursuant to the Trust Documents.
"Noteholders"	means the Class A Noteholders, Class B Noteholders, Class C Noteholders, Class D Noteholders and the Class J Noteholders or, where the context otherwise requires, the holders of Notes of a particular class or classes.
"Notes"	means the Class A Notes, Class B Notes, Class C Notes, Class D Notes and the Class J Notes and "Note" means any of them.
"Obligor"	means with respect to any UPL Agreement, the person or persons obliged directly or indirectly to make repayments in respect of Receivables generated on that UPL Agreement.
"Offer Date"	means the date on which the Transferor makes an Offer in accordance with clause 2 (<i>Offer of Receivables</i>) of the Receivables Sale Agreement and which may be (i) the Closing Date in respect of the sale of Receivables on the Closing Date; or (ii) any Business Day during the Revolving Period provided that there shall not be more than two Offer Dates per calendar week.
"Offer"	means an offer made by the Transferor to assign Receivables to the Issuer in accordance with clause 2 (<i>Offer of Receivables</i>) of the Receivables Sale Agreement.
"Official List"	means the Official List of Euronext Dublin.
"Original Cap Agreement"	means an agreement in the form of a 1992 ISDA Master Agreement (including a schedule thereto, a Credit Support Annex and one or more confirmations) dated on or about the Closing Date between the Issuer and the Cap Counterparty (as the same may be amended, restated, supplemented, replaced and/or novated from time to time).
"Original Cap Transaction"	means the cap transaction to be entered into by and between the Issuer and the Cap Counterparty on or about the Closing Date for purposes of hedging the Issuer's floating interest rate exposure in relation to the Rated Notes.
"outstanding"	means, in relation to the Notes, all the Notes other than:
	(a) those which have been redeemed in full and cancelled in accordance with the Conditions;
	(b) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to the Note Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions;

- (c) those which have been purchased and cancelled, (including Notes surrendered for cancellation), as provided in Condition 9.13 (*Cancellation of purchased or redeemed Notes*) and notice of the cancellation of which has been given to the Note Trustee;
- (d) those which have become void under the Conditions;
- (e) those mutilated or defaced Notes which have been surrendered or cancelled and those Notes which are alleged to have been lost, stolen or destroyed, in each case in respect of which replacement Notes have been issued pursuant to the Conditions; and

any Global Note, to the extent that it shall have been exchanged for Definitive Notes pursuant to the provisions contained therein and the Conditions;

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of clause 15 (*Waiver*), clause 16 (*Modifications*), clause 20 (*Proceedings and Actions by the Note Trustee*), clause 29 (*Appointment of Note Trustees*) and clause 30 (*Notice of New Trustee*) of the Trust Deed and Condition 13 (*Events of Default*), Condition 14 (*Enforcement*) and Condition 16 (*Meetings of Noteholders*) and the Provisions for Meetings of Noteholders; and
- (iii) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Note Trustee is required to exercise in or by reference to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Transferor, the Issuer, any holding company of the Transferor or the Issuer or any other subsidiary of such holding company or of the Transferor (the "**Relevant Persons**"), in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except where all of the Notes of any class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such class of Notes (the "**Relevant Class of Notes**") shall be deemed to remain outstanding except that, if there is any other class of Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes and one or more Relevant Persons are not the beneficial owners of all the Notes of such class, then the Relevant Class of Notes shall be deemed not to remain outstanding

"p.a."	means per annum.
"Participants"	has the meaning given to this term on page 135.
"Paying Agents"	means the principal paying agent and the paying agents named in the Agency Agreement together with any successor or additional paying agents appointed from time to time in connection with the Notes under the Agency Agreement.
"Payment Date"	means the 7 th (seventh) calendar day of each calendar month commencing on the First Payment Date, provided that if any such day is not a Business Day, the Payment Date shall be the immediately succeeding Business Day.
"Performing Receivable"	means any Receivable that is not a Defaulted Receivable.

"Periodic Finance Charges"	means, in respect of a Designated Agreement, the finance charges (due to periodic rate) or any similar term as specified or defined in such Designated Agreement.
"PIL Loan"	means a further consumer loan originated by the Transferor for the purposes of financing general needs of the relevant Obligor (but not linked to a specific product or service), (i) advanced under an existing Point of Sale Loan or PIL Loan of that Obligor and which is used only in part to refinance in full all outstanding amounts under such existing Point of Sale Loan or PIL Loan or (ii) to whom the Transferor has not previously granted a Point of Sale Loan or a PIL Loan in the past.
"Point of Sale Loan"	means a point of sale loan originated by the Transferor for the purposes of financing the purchase by the relevant Obligor of a specific product or service from a supplier.
"Portfolio Concentration Levels"	has the meaning given to this term on page 120.
"Post-Enforcement Amounts"	means all amounts received or recovered in respect of the Charged Property, such amounts (including, for the avoidance of doubt, amounts received on enforcement or realisation of the Security).
"Post-Enforcement Priority of Payments"	means the provisions relating to the order of priority of payments from the Transaction Account, set out in clause 15 (<i>Priorities of Payments and Cap Collateral Account Priority of Payments</i>) of the Security Trust Deed and Cash Management Agreement.
"Portfolio Performance Trigger Event"	shall occur where any of (i) the Dynamic Delinquency Trigger; and/or (ii) the Cumulative Net Loss Trigger tests are failed.
"Potential Event of Default"	means any event which may 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 Priority of Payments"	means the Interest Priority of Payments, the Revolving Period Principal Priority of Payments and the Amortisation Period Principal Priority of Payments.
"Principal Amount Outstanding"	means, on any day: <ul style="list-style-type: none"> (a) in relation to a Note, the principal amount outstanding of that Note as at the Closing Date, less the aggregate of any principal payments in respect of that Note which have been paid on or prior to that day; (b) in relation to a class, the aggregate of the amount in (a) in respect of all Notes outstanding in such class; and (c) in relation to the Notes outstanding at any time, the aggregate of the amount in (a) in respect of all Notes outstanding, regardless of class.
"Principal Available Funds"	has the meaning given to this term on page 51.
"Principal Collections"	means an amount equal to the portion of Collections not attributable to Finance Charge Collections, as determined by the Servicer.
"Principal Balance"	means in respect of a Receivable which is not a Discount Receivable, the principal balance of such Receivable (being that portion that does not relate to

Finance Charge Receivables) and in relation to a Discount Receivable, shall mean the Synthetic Principal Balance.

"Principal Deficiency Ledger"	means, collectively, the Class A Notes Principal Deficiency Ledger, the Class B Notes Principal Deficiency Ledger, the Class C Notes Principal Deficiency Ledger, the Class D Notes Principal Deficiency Ledger and the Class J Notes Principal Deficiency Ledger.
"Principal Paying Agent"	means Citibank Europe plc in its capacity as principal paying agent in accordance with the terms of the Agency Agreement or any successor appointed from time to time in connection with the Notes under the Agency Agreement.
"Priorities of Payments"	means the Interest Priority of Payments, the Revolving Period Principal Priority of Payments, the Amortisation Period Principal Priority of Payments and the Post-Enforcement Priority of Payments.
"Prospectus"	means this prospectus of the Issuer for the purposes of the Prospectus Regulation.
"Prospectus Regulation"	means Regulation (EU) 2017/1129.
"Provisional Securitised Portfolio"	has the meaning given to this term on page 81.
"Provisions for Meetings of Noteholders"	means the provisions contained in Schedule 4 (<i>Provisions for Meetings of Noteholders</i>) of the Trust Deed.
"Purchase Price"	means: <ul style="list-style-type: none"> (a) in respect of any Receivable (other than a Discount Receivable), the Principal Balance of such Receivable; and (b) in respect of any Discount Receivable, the Synthetic Principal Balance of such Discount Receivable, <p>in each case, as at the Cut-Off Date for the relevant Receivable.</p>
"Purchaser"	has the meaning given to this term on page 170.
"Qualified Institution" ..	means any reputable and experienced financial institution which at all times has the Required Rating.
"Rated Notes"	means the Class A Notes, Class B Notes, Class C Notes and Class D Notes.
"Rating Agencies"	means DBRS and S&P and "Rating Agency" means either one of them.
"Rating Confirmation" ..	has the meaning given to this term on page 13.
"Realisation"	has the meaning given to this term in Condition 10 (<i>Limited Recourse</i>).
"Receivables"	shall mean all amounts owing by an Obligor to the Transferor under a UPL Agreement from time to time, including (without limitation): <ul style="list-style-type: none"> (a) amounts owing for payment in respect of principal balances; and (b) amounts relating to Transaction Fees, interest charges and charges for credit or payment protection insurance, <p>and which have been sold and assigned to the Issuer pursuant to the Receivables Sale Agreement and have not been retransferred to or</p>

repurchased by, the Transferor or a third party as permitted or contemplated by the Transaction Documents.

"Receivables Sale Agreement" or "RSA"	shall mean the receivables sale agreement dated on or about Closing Date and as amended and restated from time to time and between the Transferor and the Issuer and all amendments thereof and supplements thereto, from time to time.
"Receiver"	means any receiver, manager, receiver or manager or administrative receiver appointed in respect of the Issuer by the Security Trustee in accordance with clause 4.2 (<i>Appointment of Receiver</i>) of the Security Trust Deed and Cash Management Agreement.
"Record Date"	has the meaning given to this term in Condition 11.3 (<i>Record Date</i>).
"Recoveries"	means all amounts recovered in respect of Defaulted Receivables.
"Reference Banks"	means three major banks offering EURIBOR quotations, selected by the Issuer or the Servicer on its behalf at the relevant time.
"Reference Rate"	means, on any Interest Determination Date, the floating rate determined by the Agent Bank by reference to the Screen Rate on such date or if, on such date, the Screen Rate is unavailable: <ul style="list-style-type: none"> (a) the Rounded Arithmetic Mean of the offered quotations as at or about 11:00 a.m. (Brussels time) on that date of the Reference Banks to major banks for Euro deposits for the Relevant Period in the Eurozone interbank market in the Representative Amount determined by the Agent Bank after request of each of the Reference Banks; (b) if, on such date, two or three only of the Reference Banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those Reference Banks providing such quotations; or (c) if, on such date, one only or none of the Reference Banks provide such a quotation, the Reserve Reference Rate.
"Register"	means the register on which the names and addresses of the holders of the Notes and the particulars of the Notes shall be entered and kept by the Issuer at the Specified Office of the Registrar.
"Registrar"	means the party responsible for the registration of the Notes, which at the Closing Date is Citibank Europe plc acting in such capacity pursuant to the Agency Agreement.
"Regulation S" or "Reg S"	means Regulation S under the Securities Act.
"Regulatory Direction"	means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person is accustomed to comply.
"Related Assets"	means, in relation to Receivables, any payments under guarantees obtained by the Transferor in respect of the obligations of the Obligor to make payments on the UPL Agreements, and any Insurance Proceeds in respect of the UPL Agreements.
"Related Rights"	means Related Assets and Associated Rights.
"Relevant Information"	means any other or ancillary information related to the Receivables and/or relating to any Transaction Party and/or the transactions contemplated by the

Transaction Documents and/or the Notes which may or may not be available either publicly or individually to any or all potential investors.

"Relevant Margin"	means in respect of an Interest Period: <ul style="list-style-type: none"> (a) for the Class A Notes, 0.51 per cent. per annum; (b) for the Class B Notes, 1.00 per cent. per annum; (c) for the Class C Notes, 1.30 per cent. per annum; and (d) for the Class D Notes, 1.80 per cent. per annum;
"Relevant Matter"	means any amendment, variation, supplement, modification, consent, waiver, indulgence (including the grant of any grace period), release or failure or omission to exercise any right, composition, compounding or other similar arrangement.
"Relevant Period"	means, in relation to the first Interest Determination Date, the linear interpolation of one week and one month and, in relation to each subsequent Interest Determination Date, the length in months of the related Interest Period.
"Remaining Revenue Shortfall"	means for each Determination Date, the amount, if any, by which Interest Available Funds (including amounts to be released from the Cash Reserve Fund to remedy a Revenue Shortfall but excluding item (c) of the definition of Interest Available Funds) is insufficient to pay the Senior Expenses and Interest Amounts due and owing on the Most Senior Class in full (other than the Class J Notes).
"Repayment Plan"	means a repayment plan provided by the Servicer for customers experiencing financial difficulties.
"Replacement Cap Premium"	means the amount payable by the Issuer to the replacement cap counterparty or by the replacement cap counterparty to the Issuer (as the case may be) in order to enter into a replacement cap agreement to replace or novate the Cap Agreement.
"Representative Amount"	means an amount that is representative for a single transaction in the relevant market at the relevant time.
"Repurchase Completion Date"	has the meaning given to this term on page 99.
"Repurchase Cut-Off Date"	has the meaning given to this term on page 99.
"Repurchase Notice"	has the meaning given to this term on page 99.
"Repurchased Receivable"	means a Receivable which has been repurchased by the Transferor pursuant to clause 7 (<i>Repurchase of Receivables</i>) or clause 8 (<i>Call Option</i>) of the Receivables Sale Agreement.
"Required Rating"	means: <ul style="list-style-type: none"> (a) a long-term, unsecured and unsubordinated debt or counterparty ratings of at least A by S&P; (b) the higher of (i) one rating notch below the Account Bank's long-term critical obligations rating ("COR") being at least A by DBRS, and (ii) the Account Bank's issuer rating or long-term senior unsecured debt or deposit rating being at least A by DBRS provided that if the

Account Bank is not rated by DBRS, the required rating is at least a DBRS Equivalent Rating; and

- (c) alternatively to each of the above, such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Most Senior Class.

"Requirement of Law" .. for any Person shall mean a requirement of the memorandum of association or articles of association or other organisational or governing documents of such Person, and any law, treaty, rule, requirement or regulation, or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or to which such Person is subject.

"Reserve Reference Rate" means on any Interest Determination Date:

- (a) the Rounded Arithmetic Mean of the rates at which deposits in Euros are offered in the Eurozone interbank market at approximately 11:00 a.m. (Brussels time) on the Interest Determination Date by the principal Brussels office of each of four major banks selected by the Issuer (or the Servicer on its behalf) in its absolute discretion for Euros loans for the Relevant Period in the Representative Amount to major banks in the Eurozone interbank market; or
- (b) if the Issuer (or the Servicer on its behalf) certifies that it cannot determine such Rounded Arithmetic Mean as aforesaid, the Reference Rate in effect for the Interest Period ending on the Business Day immediately preceding the relevant Interest Determination Date, as determined by the Agent Bank.

"Reserved Matter" means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes of any class, to change the amount of principal or interest due on any date in respect of the Notes of any class or to alter the method of calculating the amount of any payment in respect of the Notes of any class (other than any Base Rate Modification (as defined in Condition 17.2(g)));
- (b) (except in accordance with Condition 21 (*Substitution of Issuer*) and clause 18 (*Substitution*) of the Trust Deed) to effect the exchange, conversion or substitution of the Notes of any class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed and/or for cash;
- (c) to change the currency in which amounts due in respect of the Notes of any class are payable;
- (d) to alter the priority of payment of interest or principal in respect of the Notes of any Class;
- (e) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution;
- (f) to change the definition of Call Option Date; or
- (g) to amend this definition.

"Retention Amount" means, in relation to each Direct Debit Collection Account, the amounts retained by the relevant Direct Debit Collection Account Bank pursuant to its

	retention policies and which will be subject to the requirements of the Transaction Documents.
"Retention Obligation" .	in respect of each Direct Debit Collection Account, has the meaning given to it in the related Direct Debit Collection Account Pledge Agreement.
"Revenue Shortfall"	means for each Determination Date, the amount, if any, by which Interest Available Funds (excluding for these purposes any amounts referred to paragraphs (b) and (c) in the definition thereof) is insufficient to pay the Senior Expenses and Interest Amounts due and owing on the Most Senior Class in full (other than the Class J Notes).
"Revolving Period Principal Priority of Payments"	means the provisions relating to the order of priority of payments from the Transaction Account, set out in clause 15 (<i>Priorities of Payments and Cap Collateral Account Priority of Payments</i>) of the Security Trust Deed and Cash Management Agreement.
"Risk Retention U.S. Persons"	means any "U.S. Person" as defined in the U.S. Risk Retention Rules.
"Rounded Arithmetic Mean"	means the arithmetic mean (rounded, if necessary, to the nearest 0.0001 per cent., 0.00005 per cent. being rounded upwards).
"S&P"	means S&P Global Ratings Europe Limited.
"S&P Collateral Option"	has the meaning given to it in the Cap Agreement.
"Schedule"	means the Schedule supplementing and forming part of the Cap Agreement.
"Screen"	means Reuters Screen EURIBOR01; or <ul style="list-style-type: none"> (a) such other page as may replace Reuters Screen EURIBOR01 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 Note Trustee) as may replace such screen
"Screen Rate"	means, in relation to (i) the first Interest Determination Date, the linear interpolation of the offered quotations for euro deposits for the Relevant Period in the Eurozone interbank market displayed on the Screen or (ii) any subsequent Interest Determination Date, the offered quotations for Euro deposits for the Relevant Period which appears on the Screen (in the case of (i) and (ii)) as at or about 11:00 a.m. (Brussels time) on that date (rounded upwards if necessary, to five decimal places).
"Secured Amounts"	means any and all of the monies and Liabilities which the Issuer covenants to pay or discharge under the Security Trust Deed and Cash Management Agreement and all other amounts owed by it to each of the Secured Creditors under and pursuant to the relevant Transaction Documents.
"Secured Creditors"	means the Security Trustee (in its own capacity and as trustee on behalf of the following creditors of the Issuer), the Note Trustee, the Corporate Services Provider, the Account Bank, the Account Agent, the Servicer, the Back-Up Servicer, the Cash Manager, the Transferor, the Noteholders, any Receiver or Appointee of the Note Trustee or the Security Trustee, the Agent Bank, the Paying Agents, the Registrar, the Cap Counterparty and the Delegate.
"Securities Act"	means the U.S. Securities Act of 1933, as amended.

"Securitised Portfolio" ..	means the total portfolio of Transferred Receivables.
"Security Trustee"	means Citibank Europe plc, acting through its principal office at 1 North Wall Quay, Dublin 1, Ireland and acting in its capacity as Security Trustee under the terms of the Trust Documents, or such other person as may from time to time be appointed as Security Trustee (or co-trustee) pursuant to the Trust Documents.
"Security Trust Deed and Cash Management Agreement"	means the agreement so named dated on or about the Closing Date between, among others, the Issuer, the Servicer, the Transferor, the Security Trustee and the Account Agent.
"Security"	means the security granted by the Issuer to the Security Trustee under and pursuant to the Security Trust Deed and Cash Management Agreement for the benefit of the Secured Creditors.
"Senior Expenses"	shall mean the following amounts, which shall be paid sequentially in the order set out below: <ul style="list-style-type: none"> (i) <i>first: pro rata and pari passu</i>, any remuneration and all other amounts which are due and payable on such date to the Security Trustee, the Note Trustee, any Receiver or any Appointee under the provisions of the Security Trust Deed and Cash Management Agreement, the Trust Deed and the other Transaction Documents, and any other Liabilities due and payable to the Note Trustee, the Security Trustee or any Appointee; (ii) <i>second:</i> any tax for which the Issuer is primarily liable to the appropriate tax authorities on any Payment Date; (iii) <i>third: pro rata and pari passu</i>, any remuneration and all other amounts which are due and payable on such date to the Corporate Services Provider, the Account Bank, the Account Agent and any Agent under the provisions of the Transaction Documents, and any other Liabilities due and payable to the Corporate Services Provider, the Account Bank, the Account Agent and any Agent; (iv) <i>fourth:</i> the Issuer Profit Amount; (v) <i>fifth: pro rata and pari passu</i> the Servicing Fee; the Cash Management Fee and the Back-Up Servicing Fee; (vi) <i>sixth: pro rata and pari passu</i> any fees, costs, charges, liabilities and out of pocket expense of the Servicer, the Back-Up Servicer and the Cash Manager; and (vii) <i>seventh:</i> any other exceptional costs or expenses which are payable by the Issuer to third parties and which were incurred without breach by the Issuer of the Transaction Documents and which are not provided for elsewhere including, for the avoidance of doubt, any amounts that may be due and owing by the Issuer to the EMIR Reporting Agent under the EMIR Reporting Agreement and any replacement cap premium (if required).
"Sequential Order"	means, in respect of payments of interest and principal to be made to the Classes of Notes, first, to the Class A Notes, second, to the Class B Notes, third, to the Class C Notes, fourth to the Class D Notes and last, to the Class J Notes.

"Servicer Default"	has the meaning specified in clause 5 (<i>Servicer Defaults</i>) of the Servicing Agreement.
"Service-Related Loan"	means a Point of Sale Loan originated by the Transferor for the purpose of funding a beauty treatment or dental treatment in respect of which the treatment has not yet been fully provided or carried out by the relevant service provider.
"Servicer"	means Pepper Assets Services, S.L.U. in its capacity as servicer pursuant to the Servicing Agreement or such other person as may from time to time be appointed as replacement servicer of the Receivables pursuant to the Servicing Agreement.
"Servicer Standard of Care"	means the standard of care of a prudent merchant operating a business of originating point of sale loans and unsecured consumer loans in Spain.
"Servicing Agreement".	means the agreement so named dated on or about the Closing Date between, among others, the Issuer, the Servicer, the Transferor, the Security Trustee and the Back-Up Servicer.
"Servicing Fee"	has the meaning given to it in clause 2.2.1 (<i>Servicing Compensation</i>) of the Servicing Agreement.
"Share Trustee"	means Intertrust Nominees (Ireland) Limited (registered number 485526), a company incorporated under the laws of Ireland, whose principal office is at 2 nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland.
"Solvency II Regulation"	means Commission Delegated Regulation (EU) No 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of business of Insurance and Reinsurance (Solvency II), as amended.
"Spanish Securities Markets Law"	means the Royal Legislative Decree 4/2015, of 23 October, approving the restatement of the Spanish Securities Market Law.
"Special Collection Account"	means the collection account held in the name of Pepper Finance Corporation, S.L.U. with IBAN number ES27 0049 5924 5323 1609 5336 and any further or replacement bank account opened by the Transferor (or the Servicer on its behalf, whether or not in the Transferor's name) for the purpose of receiving payments from Obligors other than via Direct Debit.
"Special Collection Account Bank"	means Banco Santander, S.A. and any further or other banks providing a Special Collection Account in accordance with the terms of the Receivables Sale Agreement.
"Special Collection Account Bank Qualified Institution".	means a bank or financial institution which has: (a) a long-term, unsecured, unguaranteed and unsubordinated debt rating of at least BBB by S&P; and (b) a long-term issuer rating, long-term senior unsecured debt rating or long-term deposit rating of at least BBB(low) by DBRS, provided that if the relevant institution is not rated by DBRS, a DBRS Equivalent Rating at least equal to BBB(low) by DBRS.
"Special Collection Account Pledge Agreement"	means the collection account pledge agreement in respect of the Special Collection Account dated the Closing Date between the Servicer, the Transferor and the Issuer.
"Specified Office"	means, in relation to any Agent: <ul style="list-style-type: none"> (a) the office specified against its name in the Notices Details; or such other office as such Agent may specify in accordance with clause 13.8 (<i>Changes in Specified Offices</i>) of the Agency Agreement.

"Specified Revolving Period End Date"	means the Payment Date falling in April 2021 or such other date agreed to in writing by the Servicer and the Note Trustee and notified to the Issuer.
"SPV Criteria"	means the criteria established from time to time by the Rating Agencies for a single purpose company in the relevant Issuer Jurisdiction.
"Standard Form"	means the standard forms used by the Transferor to document the UPL Agreements as set out in Schedule 12 (<i>Standard Forms</i>) of the RSA as amended from time to time in accordance with the Transaction Documents, or any form that is substantially the same as such standard form.
"Stock Exchange"	means the Irish Stock Exchange plc trading as Euronext Dublin.
"Substituted Obligor" ...	means a single purpose company that meets the SPV Criteria.
"Successor Servicer"	has the meaning specified in clause 5.2.1 (<i>Effect of Servicer Termination Notice</i>) of the Servicing Agreement.
"Synthetic Interest Rate"	means, in relation to each Discount Receivable, the annual interest rate for the relevant Discount Receivable, being the implicit interest rate (<i>tipo de interés implícito</i>) which would be earned on such Discount Receivable assuming that: <ul style="list-style-type: none"> (a) the total amount payable in respect of interest under such Discount Receivable is equal to the sum of: (i) the total amount repayable by the Obligor under such Discount Receivable; minus (ii) the Synthetic Principal Balance; and (b) the amortisation profile in respect of such Discount Receivable is determined in accordance with the French amortisation methodology ("<i>método de amortización francés</i>").
"Synthetic Principal Balance"	means in relation to a Discount Receivable: <ul style="list-style-type: none"> (a) on the date of the relevant Offer, the amount identified as such in the relevant Offer; and (b) on any date of determination, the amount identified in the Servicer's records on such date, in each case calculated pursuant to the French amortisation methodology (" <i>método de amortización francés</i> ") and by reference to the Synthetic Interest Rate in relation to such Discount Receivable.
"TARGET2"	means the Trans European Automated Real Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.
"Tax"	shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding 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 and " Taxes ", " taxation ", " taxable " and comparable expressions shall be construed accordingly.
"Tax Authority"	means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function (including, without limitation, Irish Revenue Commissioners).
"Tax Deduction"	means any deduction or withholding for or on account of Tax.
"TCA"	means the Taxes Consolidation Act 1997 of Ireland.

" Total Portfolio "	shall mean, in relation to the Transferor, the total portfolio of UPL Agreements owned by the Transferor from which the Transferor may from time to time offer Receivables to the Issuer in accordance with the Receivables Sale Agreement.
" Transaction Account ".	means the account so named and in the name of the Issuer held with the Account Bank or any replacement bank account designated as such.
" Transaction Documents "	means the Agency Agreement, Corporate Services Agreement, each Collection Account Pledge Agreement, the Security Trust Deed and Cash Management Agreement, the Back-Up Servicing Agreement, Account Bank Agreement, Master Framework Agreement, Receivables Sale Agreement, Servicing Agreement, Trust Deed (including the Conditions), the Notes, the Cap Agreement and such other related documents which are referred to or relate to the terms of the above documents or which relate to the issue of the Notes or are designated as a " Transaction Document ".
" Transaction Fees "	means all fees as specified in the UPL Agreement applicable to each Receivable.
" Transaction Party "	means any person who is a party to a Transaction Document and " Transaction Parties " means some or all of them.
" Transfer Date "	has the meaning given to it in Clause 4 (<i>Assignment of Receivables</i>) in the Receivables Sale Agreement.
" Transferor "	means Pepper Finance Corporation, S.L.U. acting in its capacity as Transferor of the Receivables and their Related Rights.
" Transferor Asset Warranties "	means the representations and warranties in respect of the Receivables as set out in Part 3 of Schedule 6 (<i>Representations of the Transfer relating to receivables sold to the Issuer</i>) of the Receivables Sale Agreement and given by the Transferor.
" Transferor Power of Attorney "	means the power of attorney granted before a Spanish public notary by the Transferor in favour of the Issuer and the Security Trustee contained in the Receivables Sale Agreement.
" Transferred Receivable "	means each Receivable which has been sold and assigned by the Transferor to the Issuer pursuant to the Receivables Sale Agreement and has not been transferred to or repurchased by, the Transferor or a third party as permitted or contemplated by the Transaction Documents.
" Treaty "	means the treaty establishing the European Community, as amended.
" Trust Deed "	means the deed so named (including the Conditions and the Notes) dated on or about the Closing Date between the Issuer and the Note Trustee constituting the Notes, and any document expressed to be supplemental to the Trust Deed.
" Trust Documents "	means the Trust Deed and the Security Trust Deed and Cash Management Agreement and (unless the context requires otherwise) includes any deed or other document executed in accordance with or pursuant to the provisions of the Trust Deed or the Security Trust Deed and Cash Management Agreement (as applicable).
" U.S. Persons "	means U.S. Persons as defined in Regulation S under the Securities Act.
" U.S. Risk Retention Rules "	means Section 20 of the final rules promulgated under Section 15G of the U.S. Securities Exchange Act of 1934, as amended.
" UCITS "	means Directive 2009/65/EC.

"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland.
"UPL Agreement"	means the agreement or contract governing a Point of Sale Loan or a PIL Loan and references to "UPL Agreement" shall mean any of them.
"VAT"	means: <ul style="list-style-type: none"> (a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (b) any other tax of a similar nature, whether imposed in a Member State of the European Union in substitution for or levied in addition to, such tax referred to in (a) above or elsewhere.
"Written Resolution"	means a resolution in writing signed by or on behalf of holders of not less than 75% of the Principal Amount Outstanding of Notes of the relevant Class, whether 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.
"Yield"	means in respect of a Receivable other than a Discount Receivable, the interest rate agreed with the relevant Obligor and in respect of a Discount Receivable, the Synthetic Interest Rate.

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