

**SECOND SUPPLEMENT DATED 07 JANUARY 2022 TO THE BASE PROSPECTUS DATED  
15 MARCH 2021**



**BANCO SANTANDER, S.A.**

*(incorporated with limited liability in Spain)*

**€25,000,000,000 PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS**

This second supplement (the “**Supplement**”) is supplemental to, forms part of and must be read and construed in conjunction with the base prospectus dated 15 March 2021 (the “**Base Prospectus**”) and the supplement to the Base Prospectus dated 14 September 2021, in each case, prepared by Banco Santander, S.A. (“**Santander**”, “**Banco Santander**”, the “**Issuer**” or the “**Bank**”) in connection with its programme (the “**Programme**”) for the issuance of up to €25,000,000,000 in aggregate principal amount of debt instruments (the “**Instruments**”). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of the EU of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended, the “**Prospectus Regulation**”) and has been approved by the Central Bank of Ireland as competent authority for the purpose of the Prospectus Regulation. The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed under Irish and European Union (“**EU**”) law pursuant to the Prospectus Regulation.

This Supplement has been prepared for the purposes of:

- (i) informing investors of an increase in the maximum aggregate principal amount of Instruments that may be outstanding at any one time under the Programme from €25,000,000,000 to €50,000,000,000;
- (ii) including the euro short-term rate (“**€STR**”), the daily Swiss Average Rate Overnight (“**SARON**”) and the Tokyo Overnight Average (“**TONA**”) as Reference Rates for Floating Rate Instruments issued under the Programme; and
- (iii) including provisions relating to the offer of Instruments in Taiwan and their listing on the Taipei Exchange.

## **IMPORTANT NOTICES**

The Issuer accepts responsibility for the information contained in this Supplement and declares that, to the best of its knowledge, the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Instruments issued under the Programme has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

### AUTHORISATION AND INCREASE IN MAXIMUM AGGREGATE PRINCIPAL AMOUNT

The Issuer has decided to increase the maximum aggregate principal amount of Instruments that may be outstanding at any one time under the Programme from €25,000,000,000 to €50,000,000,000. Such increase was authorised by means of the resolutions adopted by the executive committee of the Issuer on 10 January 2022.

Accordingly, all references in the Base Prospectus to a maximum aggregate principal amount of €25,000,000,000 shall be deemed deleted and replaced with references to a maximum aggregate principal amount of €50,000,000,000.

### COVER PAGE

*The following wording shall be inserted on the cover page of the Base Prospectus following the sentence “The Programme also permits Instruments to be issued on the basis that they will be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.”:*

“If the Instruments are admitted to listing on the Taipei Exchange and offered in Taiwan, the Instruments shall not be offered, sold or re-sold, directly or indirectly, to investors other than professional institutional investors (“**Professional Institutional Investors**”) as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China. In such case, purchasers of the Instruments are not permitted to sell or otherwise dispose of the Instruments except by transfer to a Professional Institutional Investor.”

### RISK FACTORS

*The following risk factor shall replace in its entirety the risk factor “The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rates Instruments” in the sub-section of the Base Prospectus entitled “Risk Factors—3. Risks in relation to the Instruments— General risks relating to the Instruments”:*

*“The market continues to develop in relation to €STR, SARON, SONIA, SOFR and TONA as reference rates for Floating Rates Instruments*

Where the relevant Final Terms for a Series of Floating Rate Instruments identifies that the Rate of Interest for such Instruments will be determined by reference to €STR, SARON, SONIA, SOFR or TONA the Rate of Interest will be determined by reference to Compounded Daily €STR, SARON, SONIA or TONA, Weighted Average €STR, SARON, SONIA or TONA, Compounded Daily SOFR (including on the basis of the SOFR Index published on the NY Federal Reserve’s Website) or SOFR Arithmetic Mean. In each case such rate will differ from the relevant LIBOR or EURIBOR rate in a number of material respects, including (without limitation) that a compounded daily rate or weighted average rate is a backwards-looking, risk-free overnight rate, and a single daily rate is a risk-free overnight non-term rate, whereas LIBOR and EURIBOR are expressed on the basis of a forward-looking term and include a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR, EURIBOR, €STR, SARON, SONIA, SOFR and TONA may behave materially differently as interest reference rates for Instruments issued under the Programme.

The market continues to develop in relation to €STR, SARON, SONIA, SOFR and TONA as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on €STR, SARON, SONIA, SOFR or TONA, including term €STR, SARON, SONIA, SOFR and TONA reference rates (which seek to measure the market’s forward expectation of an average €STR, SARON, SONIA, SOFR or TONA rate over a designated term). The development of €STR, SARON, SONIA, SOFR and TONA as interest reference rates for the Eurobond markets, as well as continued development of €STR, SARON, SONIA, SOFR and TONA

based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Instruments.

The use of €STR, SARON, SONIA, SOFR or TONA as reference rates for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing €STR, SARON, SONIA, SOFR or TONA. Publication of such reference rates has a limited history. The future performance of €STR, SARON, SONIA, SOFR or TONA may therefore be difficult to predict based on the limited historical performance. The level of €STR, SARON, SONIA, SOFR or TONA during the term of the Instruments may bear little or no relation to the historical level of €STR, SARON, SONIA, SOFR or TONA. Prior observed patterns, if any, in the behaviour of market variables and their relation to €STR, SARON, SONIA, SOFR or TONA such as correlations, may change in the future.

The market or a significant part thereof may adopt an application of €STR, SARON, SONIA, SOFR or TONA that differs significantly from that set out in the Terms and Conditions as applicable to the Instruments. Furthermore, the Issuer may, in future, issue Instruments referencing €STR, SARON, SONIA, SOFR or TONA that differ materially in terms of interest determination when compared with the Instruments. In addition, the manner of adoption or application of €STR, SARON, SONIA, SOFR or TONA reference rates in the Eurobond markets may differ materially compared with the application and adoption of €STR, SARON, SONIA, SOFR or TONA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of €STR, SARON, SONIA, SOFR or TONA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Instruments referencing any such rate.

Furthermore, the Rate of Interest on Instruments which reference €STR, SARON, SONIA, SOFR or TONA is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors to estimate reliably the amount of interest which will be payable on the Instruments, and some investors may be unable or unwilling to trade such Instruments without changes to their IT systems, both of which factors could adversely impact the liquidity of the Instruments. Further, in contrast to LIBOR-based or EURIBOR-based Instruments, if the Instruments become due and payable under Condition 6, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Instruments shall be determined by reference to a shortened period ending immediately prior to the date on which the Instruments become due and payable.

To the extent the €STR, SARON, SONIA, SOFR or TONA rate is not published, the applicable rate to be used to calculate the Interest Rate on Instruments referencing €STR, SARON, SONIA, SOFR or TONA, as applicable, will be determined using the fallback provisions set out in the Terms and Conditions, some of which apply specifically to Instruments referencing €STR, SARON, SONIA, SOFR or TONA and are distinct to those applying to other types of Instruments. Any of these fallback provisions may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Instruments if the relevant €STR, SARON, SONIA, SOFR or TONA rate had been so published in its current form. In addition, use of the fallback provisions may result in the effective application of a fixed rate of interest to the Instruments.”

*The following risk factor shall replace in its entirety the risk factor “The administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR”:*

*“The administrator of €STR, SARON, SONIA, SOFR or TONA may make changes that could change the value of €STR, SARON, SONIA, SOFR or TONA or discontinue €STR, SARON, SONIA, SOFR or TONA*

The European Central Bank (or a successor) as administrator of €STR, SIX Swiss Exchange AG (or a successor) as administrator of SARON, the Bank of England (or a successor), as administrator of SONIA, the Federal Reserve Bank of New York (or a successor), as administrator of SOFR and the Bank of Japan (or a successor) as administrator of TONA, may make methodological or other changes that could change the value of €STR, SARON, SONIA, SOFR or TONA, respectively, including changes related to the method by which €STR, SARON, SONIA, SOFR or TONA is calculated, eligibility criteria applicable to the transactions used to calculate €STR, SARON, SONIA, SOFR or TONA, or timing related to the publication of €STR, SARON, SONIA, SOFR or TONA. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of €STR, SARON, SONIA, SOFR or TONA (in which case the fallback methods of determining

the interest rate on the Instruments will apply). The administrators have no obligation to consider the interests of Holders when calculating, adjusting, converting, revising or discontinuing €STR, SARON, SONIA, SOFR or TONA.”

## TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following text shall replace in its entirety the text in the section entitled “Terms and Conditions of the Instruments” on page 64 of the Base Prospectus:*

### “TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following, except for paragraphs in italics, is the text of the terms and conditions (the “**Terms and Conditions**”) that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Instruments in definitive form (if any) issued in exchange for the Global Instrument(s) and Global Registered Instrument(s) representing each Series. Either (i) the full text of these Terms and Conditions together with the relevant provisions of Part A of the Final Terms or (ii) these Terms and Conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Instruments or on the Individual Certificates relating to such Registered Instruments. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Instruments or Individual Certificates, as the case may be.*

The Instruments of each Tranche will be issued following the execution of a public deed (*escritura pública*) (the “**Public Deed of Issuance**”) to be executed before a Spanish notary public and to be registered with the Mercantile Registry of Cantabria on, prior to or after the issue date of the relevant Tranche of Instruments specified in the relevant Final Terms (the “**Issue Date**”), and which shall contain, among other information, the Terms and Conditions. Instruments where the relevant Final Terms specify English law as the governing law (the “**English law Instruments**”) and Instruments where the relevant Final Terms specify Spanish law as the governing law (the “**Spanish law Instruments**”) will be issued in accordance with, and will have the benefit of, an amended and restated issue and paying agency agreement (the “**Issue and Paying Agency Agreement**”, which expression shall include any amendments or supplements thereto) dated 15 March 2021 and made between Banco Santander, S.A. (the “**Issuer**”), The Bank of New York Mellon, London Branch in its capacity as issue and paying agent (the “**Issue and Paying Agent**” which expressions shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such and together any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement, the “**Paying Agent**”) and The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as registrar (the “**Registrar**”, which expression shall include any successor to The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as such). For the purposes of making determinations or calculations of interest rates, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Terms and Conditions of any Series of Instruments (as defined below), the Issuer may appoint a Calculation Agent (as defined under Condition 4E.05) for the purposes of such Instruments, in accordance with the provisions of the Issue and Paying Agency Agreement, and such Calculation Agent shall be specified in the applicable Final Terms. In relation to English law Instruments only, the Issuer has executed and delivered a deed of covenant dated 15 March 2021 (the “**Deed of Covenant**”). Copies of the Issue and Paying Agency Agreement (to which the forms of the Global Instruments and the Global Registered Instruments are attached) and the Deed of Covenant (i) are, or will be, available for inspection free of charge during normal business hours at the specified office of each of the Paying Agents and the Registrar or (ii) may be provided by email to a Holder or an Account Holder as defined in Condition 22 (and as defined in the Deed of Covenant in relation to English law Instruments and in the Global Instruments or the Global Registered Instruments, as applicable, in relation to Spanish law Instruments) following their prior written request to the relevant Paying Agent or the Registrar and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Registrar, as the case may be). All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of all of the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant (in relation to English law Instruments only) and the provisions of the Global Instrument (as defined in Condition 22) and the Global Registered Instrument (as defined in Condition 22) insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of Instruments. Each Tranche will be the subject of a Final Terms (each, a “**Final Terms**”), a copy of which will be available for inspection free of charge during normal business hours at the specified office of the Issue and Paying Agent and the Registrar, as the case may be, and, in the case of a Tranche of Instruments listed on the regulated market of The Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) and if the rules of such market so require, shall be published on the website of Euronext Dublin (<https://live.euronext.com/>). In the case of a Tranche of Instruments in relation to which

application has not been made for admission for listing on any listing authority, stock exchange and/or quotation system, copies of the Final Terms will only be available for inspection (or sent by email) by a Holder of or, as the case may be, an Account Holder in respect of, such Instruments.

References in these Terms and Conditions to “**Instruments**” are to Instruments of the relevant Series and any references to “**Coupons**” (as defined in Condition 1.02) and “**Receipts**” (as defined in Condition 1.02) are to Coupons and Receipts relating to Instruments of the relevant Series.

References in these Terms and Conditions to the “**Final Terms**” are to the Final Terms or Final Terms(s) prepared in relation to the Instruments of the relevant Tranche or Series.

In respect of any Instruments, references herein to these “**Terms and Conditions**” are to these terms and conditions as amended, modified or varied by the Final Terms.

## **1 Form, Denomination and Title**

- 1.01 The Instruments are issued in bearer form (“**Bearer Instruments**”) or in registered form (“**Registered Instruments**”) in each case in the Specified Denomination(s) shown hereon.
- 1.02 Bearer Instruments are serially numbered and are issued with interest coupons (“**Coupons**”), and, where appropriate, talons for further Coupons (a “**Talon**”) attached, save in the case of Zero Coupon Instruments in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Terms and Conditions are not applicable. Instalment Instruments are issued with one or more receipts for the payment of instalments of principal (the “**Receipts**”) attached.
- 1.03 Registered Instruments are represented by registered certificates (“**Individual Certificates**”) and, save as provided in Condition 2.03, each Individual Certificate shall represent the entire holding of Registered Instruments by the same Holder.
- 1.04 Title to the Bearer Instruments and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Instruments shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Issue and Paying Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Instrument, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Individual Certificate representing it) or its theft or loss (or that of the related Individual Certificate) and no person shall be liable for so treating the Holder.
- 1.05 In these Terms and Conditions, “**Holder**” means the bearer of any Bearer Instruments, Receipt, Coupon or Talon or the person in whose name a Registered Instrument is registered (as the case may be), and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Instruments.

## **2 No Exchange of Instruments and Transfers of Registered Instruments**

- 2.01 **No Exchange of Instruments:** Registered Instruments may not be exchanged for Bearer Instruments. Bearer Instruments of one Specified Denomination may not be exchanged for Bearer Instruments of another Specified Denomination. Bearer Instruments may not be exchanged for Registered Instruments.
- 2.02 **Transfer of Registered Instruments:** One or more Registered Instruments may be transferred upon the surrender (at the specified office of the Registrar) for registration of the Individual Certificate representing such Registered Instruments to be transferred, together with the form of transfer endorsed on such Individual Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed under the hand of the transferor or, where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing, and any other evidence as the Registrar may reasonably require to prove the title of the transferor and the authority of the persons who have executed the form of transfer. In particular, where the form of transfer is executed by an attorney or, in the case of a corporation, under seal or under the hand of two of its officers duly authorised in writing, a copy of the relevant power of attorney certified by a financial institution in good

standing or a notary public or in such other manner as the Registrar may require or, as the case may be, copies certified in the manner aforesaid of the documents authorising such officers to sign and witness the affixing of the seal must be delivered with the form of transfer. In this Condition 2.02, “transferor” shall, where the context permits or requires, include joint transferors and shall be construed accordingly.

The executors or administrators of a deceased or bankrupt Holder of a Registered Instrument (not being one of several joint Holders) and, in the case of the death of one or more of several joint Holders, the survivor or survivors of such joint Holders, shall be the only persons recognised by the Issuer as having any title to such Registered Instrument. Any person becoming entitled to any Registered Instruments in consequence of the death or bankruptcy of the Holder of such Registered Instruments may, upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph or of his title as the Registrar may require (including legal opinions), become registered himself as the Holder of such Instruments or, subject to the provisions of these Regulations, the Instruments and the Terms and Conditions as to transfer, may transfer such Registered Instruments. The Issuer, the Registrar and the Paying Agents shall be at liberty to retain any amount payable upon the Registered Instruments to which any person is so entitled until such person is so registered or duly transfers such Instruments.

A Holder of Registered Instruments may transfer all or part only of his holding of Instruments provided that both the principal amount of the Instruments transferred, and the principal amount of the balance not transferred are a Specified Denomination (as defined in Condition 10C.03). In the case of a transfer of part only of a holding of Registered Instruments represented by one Individual Certificate, a new Individual Certificate shall be issued to the transferee in respect of the part transferred and a further new Individual Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. Where there is more than one transferee (to hold other than as joint Holders), separate forms of transfer (obtainable from the specified office of the Registrar) must be completed in respect of each new holding.

- 2.03 **Exercise of Options or Partial Redemption in Respect of Registered Instruments:** In the case of an exercise of an Issuer's or Holder's option in respect of, or a partial redemption of, a holding of Registered Instruments represented by a single Individual Certificate, a new Individual Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Instruments of the same holding having different terms, separate Individual Certificates shall be issued in respect of those Instruments of that holding that have the same terms. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar. In the case of a transfer of Registered Instruments to a person who is already a Holder of Registered Instruments, a new Individual Certificate representing the enlarged holding shall only be issued against surrender of the Individual Certificate representing the existing holding.
- 2.04 **Delivery of New Individual Certificates:** Each new Individual Certificate to be issued pursuant to Conditions 2.02 or 2.03 shall be available for delivery within three business days of receipt of the form of transfer or redemption notice (under Conditions 5.06, 5.07 and 5.08) and surrender of the Individual Certificate for exchange. Delivery of the new Individual Certificate(s) in respect of which entries have been made in the Register, all formalities complied with and the name of the transferee completed by or on behalf of the Registrar, shall be made at the specified office of the Registrar to whom delivery or surrender of such form of transfer, redemption notice (under Conditions 5.06, 5.07 and 5.08) or Individual Certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the form of transfer, redemption notice (under Conditions 5.06, 5.07 and 5.08) or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Individual Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Paying Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2.04, “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar to whom such request for exchange or form of transfer shall have been delivered. Unless otherwise required by him and agreed by the Issuer and the Registrar, the Holder of any Instruments shall be entitled to receive only one Individual Certificate in respect of his holding. The joint Holders of any Registered Instrument shall be entitled to one Individual Certificate only in respect of their joint



holding which shall, except where they otherwise direct, be delivered to the joint Holder whose name appears first in the Register in respect of the joint holding.

- 2.05 **Transfer Free of Charge:** Transfers of Instruments and Individual Certificates on registration, transfer, partial redemption, issue of any Registered Instruments or delivery thereof at the specified office of the Registrar or by uninsured post to the address specified by the Holder, or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar, but shall be effected against such indemnity from the Holder or the transferee thereof as the Registrar may require in respect of payment of any tax or other duty or governmental charges that may be levied or imposed in relation to it.
- 2.06 **Closed Periods:** No Holder may require the transfer of a Registered Instrument to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Instrument, (ii) during the period of 15 days before any date on which Instruments may be called for redemption by the Issuer at its option pursuant to Condition 5.05, (iii) after any such Instrument has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

### 3 Status of the Instruments

#### *Status of Senior Instruments*

- 3.01 The payment obligations of the Issuer under Instruments which specify their status as Ordinary Senior Instruments (“**Ordinary Senior Instruments**”) or as Senior Non Preferred Instruments (“**Senior Non Preferred Instruments**”), together with the Ordinary Senior Instruments “**Senior Instruments**”) in the relevant Final Terms constitute direct, unconditional, unsubordinated and unsecured obligations (*créditos ordinarios*) of the Issuer and, in accordance with Additional Provision 14.2° of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer, such payment obligations in respect of principal rank:
- (i) in the case of Ordinary Senior Instruments:
    - a. *pari passu* among themselves and with any Senior Higher Priority Liabilities; and
    - b. senior to (i) Senior Non Preferred Liabilities and (ii) any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281 of the Insolvency Law; and
  - (ii) in the case of Senior Non Preferred Instruments:
    - a. *pari passu* among themselves and with any Senior Non Preferred Liabilities;
    - b. junior to the Senior Higher Priority Liabilities (and, accordingly, upon the insolvency of the Issuer the claims in respect of Senior Non Preferred Instruments will be met after payment in full of the Senior Higher Priority Liabilities); and
    - c. senior to any present and future subordinated obligations (*créditos subordinados*) of the Issuer in accordance with Article 281 of the Insolvency Law.

*Claims of Holders of Senior Instruments in respect of interest accrued but unpaid as of the commencement of any insolvency procedure in respect of the Issuer shall constitute subordinated claims (créditos subordinados) against the Issuer ranking in accordance with the provisions of Article 281.1.3° of the Insolvency Law and no further interest shall accrue from the date of the declaration of insolvency of the Issuer.*

*The obligations of the Issuer under the Senior Instruments are subject to the Bail-in Power.*

*The Issuer expects that upon insolvency, the payment obligations in respect of principal under the Senior Non Preferred Instruments would rank *pari passu* with any obligations in respect of principal of any second ranking senior instruments issued under the Programme or any other securities with the same ranking issued by the Issuer.*

For the purposes of the Terms and Conditions:

“**Insolvency Law**” means the Spanish Insolvency Act (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*), as amended from time to time;

“**Law 11/2015**” means Law 11/2015 of 18 June on recovery and resolution of credit institutions and investment firms, as amended from time to time;

“**Senior Higher Priority Liabilities**” means any obligations in respect of principal of the Issuer under any Ordinary Senior Instruments and any other unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, other than the Senior Non Preferred Liabilities; and

“**Senior Non Preferred Liabilities**” means any unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of the Issuer under Additional Provision 14.2° of Law 11/2015, as amended by Royal Decree-Law 11/2017, of 23 June, on urgent measures in financial matters, and as further amended from time to time, (including any Senior Non Preferred Instruments) and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Liabilities.

### **Status of the Subordinated Instruments**

3.02 The payment obligations of the Issuer under Instruments which specify their status as Subordinated Instruments in the relevant Final Terms (“**Subordinated Instruments**”, which may be, in turn, Senior Subordinated Instruments (“**Senior Subordinated Instruments**”) or Tier 2 Subordinated Instruments (“**Tier 2 Subordinated Instruments**”), as specified in the relevant Final Terms) on account of principal constitute direct, unconditional, unsecured and subordinated obligations (*créditos subordinados*) of the Issuer according to Article 281.1.2° of the Insolvency Law and, in accordance with Additional Provision 14.3° of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of the Issuer rank:

- (i) for so long as the obligations of the Issuer in respect of the relevant Subordinated Instruments constitute Senior Subordinated Liabilities of the Issuer:
  - a. *pari passu* among themselves and with (i) all other claims for principal in respect of Senior Subordinated Liabilities, and (ii) any other subordinated obligations (*créditos subordinados*) which by law and/or by their terms, to the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under the relevant Subordinated Instruments;
  - b. junior to (i) any unsubordinated obligations (*créditos ordinarios*) of the Issuer (including any Senior Non Preferred Liabilities), and (iii) any other subordinated obligations (*créditos subordinados*) which by law and/or by their terms, to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the relevant Subordinated Instruments; and
  - c. senior to (i) any claims for principal in respect of Additional Tier 1 Instruments or Tier 2 Instruments, and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, to the extent permitted by Spanish law, rank junior to the obligations of the Issuer under the relevant Subordinated Instruments; and

*This status is expected to apply if the Subordinated Instruments are specified as Senior Subordinated Instruments in the relevant Final Terms.*

- (ii) for so long as the obligations of the Issuer in respect of the relevant Subordinated Instruments constitute Tier 2 Instruments of the Issuer:
  - a. *pari passu* among themselves and with (i) all other claims for principal in respect of Tier 2 Instruments, and (ii) any other subordinated obligations (*créditos subordinados*) which by law and/or by their terms, to the extent permitted by Spanish law, rank *pari passu* with the Issuer's obligations under the relevant Subordinated Instruments;
  - b. junior to (i) any unsubordinated obligations (*créditos ordinarios*) of the Issuer (including any Senior Non Preferred Liabilities), (ii) any claim for principal in respect of Senior Subordinated Liabilities and (iii) any other subordinated obligations (*créditos subordinados*) which by law and/or by their terms, to the extent permitted by Spanish law, rank senior to the Issuer's obligations under the relevant Subordinated Instruments; and

- c. senior to (i) any claims for principal in respect of Additional Tier 1 Instruments of the Issuer and (ii) any other subordinated obligations (*créditos subordinados*) of the Issuer which by law and/or by their terms, to the extent permitted by Spanish law, rank junior to the obligations of the Issuer under the relevant Subordinated Instruments.

*This status is expected to apply if the Subordinated Instruments are specified as Tier 2 Subordinated Instruments in the relevant Final Terms.*

*The obligations of the Issuer under the Subordinated Instruments are subject to the Bail-in Power.*

For the purposes of the Terms and Conditions:

“**Additional Tier 1 Instrument**” means any contractually subordinated obligation (*créditos subordinados*) of the Issuer according to Article 281.1.2° of the Insolvency Law, ranking as an additional tier 1 instrument (*instrumentos de capital adicional de nivel 1*) under Additional Provision 14.3°(c) of Law 11/2015;

“**Bail-in Power**” means any power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Spain, relating to (i) the transposition of the BRRD (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) as amended or superseded from time to time, (ii) the SRM Regulation and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced, cancelled, suspended, modified, or converted into shares, other securities, or other obligations of such Regulated Entity (or affiliate of such Regulated Entity);

“**Group**” means the Issuer and its consolidated subsidiaries;

“**Regulator**” means the European Central Bank, the Bank of Spain or such other or successor governmental authority exercising primary bank supervisory authority from time to time, in each case with respect to prudential matters in relation to the Issuer and/or the Group;

“**Senior Subordinated Liabilities**” means any contractually subordinated obligation (*créditos subordinados*) of the Issuer according to Article 281.1.2° of the Insolvency Law, ranking as subordinated debt which is not an Additional Tier 1 Instrument or a Tier 2 Instrument (*deuda subordinada que no sea capital adicional de nivel 1 o 2*) under Additional Provision 14.3°(a) of Law 11/2015; and

“**Tier 2 Instrument**” means any contractually subordinated obligation (*créditos subordinados*) of the Issuer according to Article 281.1.2° of the Insolvency Law, ranking as a tier 2 instrument (*instrumentos de capital de nivel 2*) under Additional Provision 14.3°(b) of Law 11/2015.

#### 4 Interest

Instruments may be interest-bearing. The Final Terms in relation to each Tranche of Instruments shall specify which of Condition 4A, 4B, 4C or 4D shall be applicable and Condition 4E will be applicable to each Tranche of Instruments save for where Condition 4D applies, and further save, in each case, to the extent inconsistent with the relevant Final Terms. In relation to any Tranche of Instruments, the relevant Final Terms may specify actual amounts of interest payable rather than, or in addition to, a rate or rates at which interest accrues.

##### 4A Interest — Fixed Rate

*This Condition 4A applies to Fixed Rate Instruments only or Instruments which for any period in respect of which this Condition is applicable. The applicable Final Terms contain provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4A for full information on the manner in which interest is calculated on Fixed Rate Instruments.*

Instruments in relation to which this Condition 4A applies and the relevant Final Terms specify as being applicable shall bear interest from (and including) their Issue Date or from such other Interest Commencement Date as may be specified in the relevant Final Terms at the rate or rates per annum equal to the Rate of Interest specified in the relevant Final Terms (or otherwise, as specified in the relevant Final Terms). Such interest will be payable in arrear on each Interest Payment Date specified in the relevant Final Terms and on the date Maturity

Date. Interest in respect of a period of less than one year will be calculated on such basis as may be specified in Condition 4E.02 and the relevant Final Terms.

#### 4B Interest — Reset Instruments

*This Condition 4B applies to Reset Instruments only or Instruments which for any period in respect of which this Condition is applicable. The applicable Final Terms contain provisions applicable to the determination of reset rate of interest and must be read in conjunction with this Condition 4B for full information on the manner in which interest is calculated on Reset Instruments.*

##### **Rates of Interest and Interest Payment Dates**

4B.01 Instruments in relation to which this Condition 4B applies and the relevant Final Terms specify as being applicable shall bear interest:

- (A) from (and including) their Issue Date or from such other date as may be specified in the relevant Final Terms until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (B) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (C) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

the relevant Rate of Interest being payable, in each case, on each Interest Payment Date specified in the relevant Final Terms and on the Maturity Date. The Interest Amount in respect of a period of less than one year will be calculated on such basis as may be specified in Condition 4E.02 and the relevant Final Terms.

For the purposes of these Terms and Conditions:

“**First Margin**” means the margin specified as such in the applicable Final Terms;

“**First Reset Date**” means the date specified in the applicable Final Terms as adjusted (if so specified in the applicable Final Terms) as if the relevant Reset Date was an Interest Payment Date;

“**First Reset Period**” means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date;

“**First Reset Rate of Interest**” means, in respect of the First Reset Period and subject to Condition 4B.02, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate, as may be adjusted in the applicable Final Terms, and the First Margin;

“**Initial Rate of Interest**” has the meaning specified in the applicable Final Terms;

“**Mid-Swap Rate**” means, in relation to a Reset Determination Date and subject to Condition 4B.02, either:

- (i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page (as defined in Condition 10C.03) or such replacement page on that service which displays the information; or

- (ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)), of the bid and offered swap rate quotations for swaps in the Specified Currency;

- (A) with a term equal to the relevant Reset Period; and
- (B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page (as defined in Condition 10C.03) or such replacement page on that service which displays the information,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

**“Non-Sterling Reference Bond Rate”** means, with respect to any Reset Period and related Reset Determination Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

**“Reference Government Bond Dealer”** means each of five banks selected by the Issuer (following, where practicable, consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent), or the affiliates of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

**“Reference Government Bond Dealer Quotations”** means, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average (as determined by the Calculation Agent), of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time on such Reset Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

**“Reset Business Day”** means a day on which commercial banks are open for business and foreign exchange markets settle payments in any Reset Business Centre specified in the relevant Final Terms;

**“Reset Date”** means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

**“Reset Determination Date”** means, in respect of the First Reset Period, the second Reset Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Reset Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Reset Business Day prior to the first day of each such Subsequent Reset Period;

**“Reset Period”** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**“Reset Reference Bond”** means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer (after consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent) as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

**“Reset Reference Bond Price”** means, with respect to any Reset Determination Date:

- (A) the arithmetic average (as determined by the Calculation Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or
- (B) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of all such quotations; or
- (C) if only one Reference Government Bond Dealer Quotation is received, such quotation; or

- (D) if no Reference Government Bond Dealer Quotations are received when U.S. Treasury Rate does not apply, in the case of the First Reset Rate of Interest, the Initial Reference Rate and, in the case of any Subsequent Reset Rate of Interest, the Reset Reference Rate as at the last preceding Reset Date, or when U.S. Treasury Rate does apply, the U.S. Treasury Rate shall be determined in accordance with the second paragraph in the definition of U.S. Treasury Rate;

**“Reset Reference Rate”** means one of the (i) Mid-Swap Rate, (ii) the Sterling Reference Bond Rate, (iii) the Non-Sterling Reference Bond Rate or (iv) the U.S. Treasury Rate, as specified in the applicable Final Terms;

**“Second Reset Date”** means the date specified in the applicable Final Terms as adjusted (if so specified in the applicable Final Terms) as if the relevant Reset Date was an Interest Payment Date;

**“Sterling Reference Bond Rate”** means, with respect to any Reset Period and related Reset Determination Date, the gross redemption yield in respect of the Reset Reference Bond expressed as a percentage and calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 5, Section One: Price/Yield Formulae "Conventional Gilts; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such basis is no longer in customary market usage at such time, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent), on an annual or semi-annual (as the case may be) compounding basis (rounded up (if necessary) to four decimal places) of the Reset Reference Bond in respect of that Reset Period, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

**“Subsequent Margin”** means the margin specified as such in the applicable Final Terms;

**“Subsequent Reset Date”** means the date or dates specified in the applicable Final Terms as adjusted (if so specified in the applicable Final Terms) as if the relevant Reset Date was an Interest Payment Date;

**“Subsequent Reset Period”** means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date; and

**“Subsequent Reset Rate of Interest”** means, in respect of any Subsequent Reset Period and subject to Condition 4B.02, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate, as may be adjusted in the applicable Final Terms, and the relevant Subsequent Margin.

**“U.S. Treasury Rate”** means, with respect to any Reset Period and related Reset Determination Date, the rate per annum calculated by the Calculation Agent equal to: (1) the average of the yields on actively traded U.S. Treasury securities adjusted to constant maturity, for a maturity comparable with the Reset Period, for the five business days immediately prior to the Reset Determination Date and appearing under the caption “Treasury constant maturities” at the Reset Determination Time on the Reset Determination Date in the applicable most recently published statistical release designated “H.15 Daily Update”, or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption “Treasury Constant Maturities”, for a maturity comparable with the Reset Period; or (2) if such release (or any successor release) is not published during the week immediately prior to the Reset Determination Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Reset Reference Bond, calculated using a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date; If the U.S. Treasury Rate cannot be determined, for whatever reason, as described under (1) or (2) above, “U.S. Treasury Rate” means the rate in percentage per annum as notified by the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity comparable with the Reset Period as set forth in the most recently published statistical release designated “H.15 Daily Update” under the caption “Treasury constant maturities” (or any successor

publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity comparable with the Reset Period) and as at the Reset Determination Time on the last available date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

#### 4B.02 *Fallbacks*

If on any Reset Determination Date, the Relevant Screen Page (as defined in Condition 10C.03) is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (as defined in Condition 10C.03), the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be the sum of the relevant Mid-Market Swap Rate Quotation (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) and the First or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be (i) the rate determined on the previous Reset Determination Date (if any) or (ii) if there is no such previous Reset Determination Date, the Mid-Swap Rate which last appeared on the Relevant Screen Page, in each case, substituting, where a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period in place of the margin relating to that last preceding Interest Period.

For the purposes of this Condition 4B.02:

**"Mid-Market Swap Rate"** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Fixed Leg Swap Duration specified in the relevant Final Terms (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

**"Mid-Market Swap Rate Quotation"** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**"Mid-Swap Floating Leg Benchmark Rate"** means EURIBOR if the Specified Currency is euro or LIBOR if the Specified Currency is not euro; and

**"Reference Banks"** means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

#### 4C Interest — Floating Rate Instruments and CMS-Linked Instruments

*This Condition 4C applies to Floating Rate Instruments, CMS-Linked Instruments or Instruments which for any period in respect of which this Condition is applicable. The applicable Final Terms contain provisions applicable to the determination of interest in respect of such Instruments and must be read in conjunction with this Condition 4C for full information on the manner in which interest is calculated on Floating Rate Instruments and CMS-Linked Instruments.*

4C.01 Instruments in relation to which this Condition 4C applies and the relevant Final Terms specify as being applicable, shall bear interest at the rate or rates per annum (or otherwise, as specified in the relevant Final Terms) determined in accordance with this Condition 4C. The Rate of Interest payable from time to time in respect of Floating Rate Instruments and CMS-Linked Instruments will be determined in the manner specified in the applicable Final Terms.

4C.02 Such Instruments shall bear interest from (and including) their Issue Date or from such other Interest Commencement Date as may be specified in the relevant Final Terms. Such interest will be payable in arrear on each Interest Payment Date and on the Maturity Date. The Interest Amount in respect of a period of less than one year will be calculated on such basis as may be specified in Condition 4E.02 and the relevant Final Terms.

##### 4C.03 *Screen Rate Determination*

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined, the Rate of Interest applicable to such Instruments for each Interest Period will be determined by the Calculation Agent (as defined in Condition 4E.05) on the following basis:

- (A) if the Reference Rate (as defined in Condition 10C.03) is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page (as defined in Condition 10C.03) as of the Relevant Time (as defined in Condition 10C.03) on the relevant Interest Determination Date (as defined in Condition 10C.03);
- (B) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (1) request the principal Relevant Financial Centre (as defined in Condition 10C.03) office of each of the Reference Banks (as defined in Condition 10C.03) to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date offered to leading banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (2) determine the arithmetic mean of such quotations; and
- (D) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Relevant Financial Centre (or in the case of Instruments denominated in euro, in such financial centre(s) as the Calculation Agent may select), selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Relevant Financial Centre or local time at such other financial centre(s) as aforesaid) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time and the Screen Rate for such Interest Period shall be the rate or (as the case may be) the arithmetic mean so determined,

provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Screen



Rate will be the rate or (as the case may be) the arithmetic mean last determined in relation to the Instruments in respect of a preceding Interest Period, substituting, where a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period in place of the margin relating to that last preceding Interest Period.

#### 4C.04 *Screen Rate Determination – SONIA*

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined and the Final Terms specify that the Reference Rate is SONIA, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4C.04(A), Condition 4C.04(B) or Condition 4C.04(C) below, subject to the provisions of Condition 4C.04(E) and Condition 4C.04(F) below, as applicable:

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “SONIA Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “SONIA Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being “SONIA Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average SONIA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (D) The following definitions shall apply for the purpose of this Condition 4C.04

“**Compounded Daily SONIA**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as reference rate for the calculation of interest) and will be calculated as follows:

(x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{SONIA}_{i-\text{PLBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}; \text{ or}$$

(y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in accordance with the following formula:

$$\left| \prod_{i=1}^{d_o} \left( 1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right| \times \frac{365}{d}$$

Where, in each case:

“**d**” is the number of calendar days in (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of London Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of London Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to  $d_0$ , each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

“**Lock-out Period**” means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

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

“**n<sub>i</sub>**”, for any London Banking Day<sub>i</sub>, means the number of calendar days from and including such London Banking Day<sub>i</sub> up to but excluding the following London Banking Day;

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

“**p**” means, in respect of an Interest Period where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five London Banking Days or such larger number of days as specified in the relevant Final Terms;

“**Reference Day**” means each London Banking Day in the relevant Interest Period that is not a London Banking Day falling in the Lock-out Period;

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

“**SONIA<sub>i</sub>**” means, in respect of any London Banking Day<sub>i</sub>:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the SONIA reference rate in respect of pLBD in respect of such London Banking Day<sub>i</sub>; or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:

- (1) in respect of any London Banking Day<sub>i</sub> that is a Reference Day, the SONIA reference rate in respect of the London Banking Day immediately preceding such Reference Day; otherwise
- (2) the SONIA reference rate in respect of the London Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the SONIA reference rate for such London Banking Day<sub>i</sub>;

“**SONIA<sub>i-pLBD</sub>**” means:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a London Banking Day<sub>i</sub>, SONIA<sub>i</sub> in respect of the London Banking Day falling p London Banking Days prior to such London Banking Day<sub>i</sub> (“**pLBD**”); or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a London Banking Day<sub>i</sub>, SONIA<sub>i</sub> in respect of such London Banking Day<sub>i</sub>;

“**Compounded Daily SONIA Index**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the daily Sterling Overnight Index Average (SONIA) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the relevant Final Terms (the “**SONIA Compounded Index**”) and will be calculated as follows:

$$\left( \frac{\text{SONIA Compounded Index}_{\text{End}}}{\text{SONIA Compounded Index}_{\text{Start}}} - 1 \right) \times \frac{365}{d}$$

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Compounded Index<sub>End</sub> is determined;

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

“**p**” means five London Banking Days or such larger number of days as specified in the relevant Final Terms;

“**SONIA Compounded Index<sub>Start</sub>**” means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” London Banking Days prior to the first day of such Interest Period; and

“**SONIA Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” London Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Instruments become due and payable); and

“**Weighted Average SONIA**” means:

(x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day; or

(y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the SONIA reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SONIA reference rate for such calendar day will be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SONIA reference rate in respect of any calendar day which is not a London Banking Day shall, subject to the preceding proviso, be deemed to be the SONIA reference rate in respect of the London Banking Day immediately preceding such calendar day.

- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4C.04(B), if the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SONIA Compounded Index is not available in accordance with Condition 4C.04(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (F) If, in respect of any London Banking Day, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:
- a. (x) the Bank of England's Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (y) the arithmetic mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
  - b. if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the foregoing, in the event of the Bank of England publishing guidance as to (i) how the SONIA reference is to be determined or (ii) any rate that is to replace the SONIA reference rate, the Calculation Agent, as applicable, shall follow such guidance to determine the SONIA reference rate for so long as the SONIA reference is not available or has not been published by the authorised distributors.

If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

#### 4C.05 *Screen Rate Determination – SOFR*

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined and the Final Terms specify that the Reference Rate is SOFR, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4C.05(A) or Condition 4C.05(B) below, subject to the provisions of Condition 4C.05(D):

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “SOFR Arithmetic Mean”, the Rate of Interest for each Interest Period will be the SOFR Arithmetic Mean plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “SOFR Compound”, the Rate of Interest for each Interest Period will be the Compounded Daily SOFR on the relevant Interest Determination Date plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) The following definitions shall apply for the purpose of this Condition 4C.05:

“**Bloomberg Screen SOFRRATE Page**” means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

“**Compounded Daily SOFR**” means with respect to an Interest Period, an amount equal to the rate of return for each calendar day during the Interest Period, compounded daily, calculated by the Calculation Agent on the Interest Determination Date, as follows:

- (i) if “SOFR Compound with Lookback” is specified in the relevant Final Terms:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SOFR}_{i-\text{pUSBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

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

“**d<sub>0</sub>**” means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

“**i**” means a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

“**Lookback Period**” or “**p**” means five U.S. Government Securities Business Days or such larger number of days as specified in the relevant Final Terms;

“**n<sub>i</sub>**” means, in respect of a U.S. Government Securities Business Day<sub>*i*</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>*i*</sub> up to, but excluding, the following U.S. Government Securities Business Day;

“**SOFR<sub>*i*</sub>**” means, in respect of each U.S. Government Securities Business Day<sub>*i*</sub>, the SOFR in respect of such U.S. Government Securities Business Day; and

“**SOFR<sub>*i*</sub>-pUSBD**” means, in respect of a U.S. Government Securities Business Day<sub>*i*</sub>, SOFR<sub>*i*</sub> in respect of the U.S. Government Securities Business Day falling the number of U.S. Government Securities Business Days equal to the Lookback Period prior to such U.S. Government Securities Business Day<sub>*i*</sub> (“**pUSBD**”), provided that, unless SOFR Cut-Off Date is specified as not applicable in the relevant Final Terms, SOFR<sub>*i*</sub> in respect of each U.S. Government Securities Business Day<sub>*i*</sub> in the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date, will be SOFR<sub>*i*</sub> in respect of the SOFR Cut-Off Date for such Interest Period;

- (ii) if “SOFR Compound with Observation Period Shift” is specified in the relevant Final Terms:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

“**d**” means, in respect of an Observation Period, the number of calendar days in such Observation Period;

“**d<sub>0</sub>**” means, in respect of an Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

“**i**” means a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

“**n<sub>i</sub>**” means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day;

“**Observation Period**” means, in respect of an Interest Period, the period from, and including, the date falling the number of Observation Shift Days prior to the first day of such Interest Period and ending on, but excluding, the date that is the number of Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

“**Observation Shift Days**” means five U.S. Government Securities Business Days or such larger number of days as specified in the relevant Final Terms; and

“**SOFR<sub>i</sub>**” means, in respect of each U.S. Government Securities Business Day<sub>i</sub>, the SOFR in respect of such U.S. Government Securities Business Day;

- (iii) if “SOFR Compound with Payment Delay” is specified in the relevant Final Terms:

$$\left[ \left( \prod_{i=1}^{d_0} \left( 1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d} \right]$$

Where:

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

“**d<sub>0</sub>**” means, in respect of an Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period;

“**i**” means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

“**Interest Period End Dates**” shall have the meaning specified in the relevant Final Terms;

“**Interest Payment Dates**” shall be the dates occurring the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or, if the Instruments are to be redeemed prior to the Maturity Date, such earlier date on which the Instruments become due and payable;

“**Interest Payment Delay**” means the number of U.S. Government Securities Business Days specified in the relevant Final Terms;

“**Interest Determination Date**” shall be the Interest Period End Date at the end of each Interest Period; provided that the Interest Determination Date with respect to the final Interest Period will be the SOFR Cut-Off Date;

“**n<sub>i</sub>**” means, in respect of a U.S. Government Securities Business Day<sub>i</sub>, the number of calendar days from, and including, such U.S. Government Securities Business Day<sub>i</sub> up to, but excluding, the following U.S. Government Securities Business Day<sub>i</sub>; and

“**SOFR<sub>i</sub>**” means, for any U.S. Government Securities Business Day<sub>i</sub> in the relevant Interest Period, the SOFR in respect of such U.S. Government Securities Business Day<sub>i</sub>.

For purposes of calculating SOFR Compound with Payment Delay with respect to the final Interest Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the SOFR Cut-Off Date to but excluding the Maturity Date or any earlier date on which the Instruments become due and payable, as applicable, shall be the level of SOFR in respect of such SOFR Cut-Off Date.

- (iv) if “SOFR Index with Observation Shift” is specified in the relevant Final Terms:

$$\left( \frac{\text{SOFR Index}_{\text{Final}}}{\text{SOFR Index}_{\text{Initial}}} - 1 \right) \times \frac{360}{d_c}$$

Where:

“**d<sub>c</sub>**” means, in respect of each Interest Period, the number of calendar days in the relevant Interest Period;

“**Interest Period End Dates**” shall have the meaning specified in the relevant Final Terms;

“**Observation Shift Days**” means five U.S. Government Securities Business Days or such larger number of days as specified in the relevant Final Terms;

“**SOFR Index**” means with respect to any U.S. Government Securities Business Day, (i) the SOFR Index value as published by the NY Federal Reserve as such index appears on the NY Federal Reserve's Website at the SOFR Determination Time; or (ii) if the SOFR Index specified in (i) above does not so appear, unless both a SOFR Transition Event and its related SOFR Replacement Date have occurred, the SOFR Index as published in respect of the first preceding U.S. Government Securities Business Day for which the SOFR Index was published on the NY Federal Reserve's Website;

“**SOFR Index<sub>Final</sub>**” means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the next occurring Interest Period End Date for such Interest Period;

“**SOFR Index<sub>Initial</sub>**” means, in respect of an Interest Period, the value of the SOFR Index on the date falling the number of U.S. Government Securities Business Days equal to the Observation Shift Days prior to the first day of such Interest Period (or, in the case of the first Interest Period, the Interest Commencement Date);

“**NY Federal Reserve**” means the Federal Reserve Bank of New York;

“**NY Federal Reserve's Website**” means the website of the NY Federal Reserve, currently at [www.newyorkfed.org](http://www.newyorkfed.org), or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

“**Reuters Page USDSOFR=**” means the Reuters page designated “USDSOFR=” or any successor page or service;

“**SOFR**” means the rate determined by the Calculation Agent in respect of a U.S. Government Securities Business Day, in accordance with the following provisions:

- (i) the Secured Overnight Financing Rate in respect of such U.S. Government Securities Business Day that appears at approximately 3:00 p.m. (New York City time) (the “**SOFR Determination Time**”) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day, as such rate is reported on the Bloomberg Screen SOFRRATE Page for such U.S. Government Securities Business Day or, if no such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate that is reported on the Reuters Page USDSOFR= or, if no such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at approximately 3:00 p.m. (New York City time) on the NY Federal Reserve's Website on such U.S. Government Securities Business Day (the “**SOFR Screen Page**”); or
- (ii) if the rate specified in (a) above does not so appear and the Calculation Agent determines that a SOFR Transition Event has not occurred, the Secured Overnight Financing Rate published on the NY Federal Reserve's Website for the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the NY Federal Reserve's Website;

“**SOFR Arithmetic Mean**” means, with respect to an Interest Period, the arithmetic mean of SOFR for each calendar day during such Interest Period, as calculated by the Calculation Agent, provided that, SOFR in respect of each calendar day during the period from, and including, the SOFR Cut-Off Date to, but excluding, the next occurring Interest Period End Date will be SOFR on the SOFR Cut-Off Date. For these purposes, SOFR in respect of any calendar day which is not a U.S. Government Securities Business Day shall, subject to the preceding proviso, be deemed to be SOFR in respect of the U.S. Government Securities Business Day immediately preceding such calendar day;

“**SOFR Cut-Off Date**” means, unless specified as not applicable in the relevant Final Terms, in respect of an Interest Period, the fourth U.S. Government Securities Business Day prior to the next occurring Interest Period End Date for such Interest Period (or such other number of U.S. Government Securities Business Days specified in the relevant Final Terms); and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Notwithstanding Conditions 4C.05(A) to 4C.05(C) above, if the Calculation Agent determines on or prior to the SOFR Determination Time, that a SOFR Transition Event and its related SOFR Replacement Date have occurred with respect to the relevant SOFR Benchmark (as defined below), then the provisions set forth in Condition 4C.05(D) (*SOFR Replacement Provisions*) below will apply to all determinations of the Rate of Interest for each Interest Period thereafter.

(D) SOFR Replacement Provisions

If the Calculation Agent, failing which the Issuer, determines at any time prior to the SOFR Determination Time on any U.S. Government Securities Business Day that a SOFR Transition Event and the related SOFR Replacement Date have occurred, the Calculation Agent will appoint an agent (the “**Replacement Rate Determination Agent**”) which will determine the SOFR Replacement. The Replacement Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial centre of the Specified Currency as appointed by the Calculation Agent, (y) the Issuer, (z) an affiliate of the Issuer or the Calculation Agent or (zz) such other entity that the Calculation Agent determines to be competent to carry out such role.

In connection with the determination of the SOFR Replacement, the Replacement Rate Determination Agent will determine appropriate SOFR Replacement Conforming Changes.

Any determination, decision or election that may be made by the Calculation Agent or Replacement Rate Determination Agent (as the case may be) pursuant to these provisions, will (in the absence of manifest error) be conclusive and binding on the Issuer, the Calculation Agent, the Issue and Paying Agent and the Holders.

Following the designation of a SOFR Replacement, the Calculation Agent may subsequently determine that a SOFR Transition Event and a related SOFR Replacement Date have occurred in respect of such SOFR Replacement, provided that the SOFR Benchmark has already been substituted by the SOFR Replacement and any SOFR Replacement Conforming Changes in connection with such substitution have been applied. In such circumstances, the SOFR Replacement shall be deemed to be the SOFR Benchmark and all relevant definitions shall be construed accordingly.

In connection with the SOFR Replacement provisions above, the following definitions shall apply:

“**ISDA Definitions**” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;



**“ISDA Fallback Adjustment”** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to SOFR for the applicable tenor;

**“ISDA Fallback Rate”** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of a SOFR Transition Event with respect to SOFR for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**“Relevant Governmental Body”** means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or any successor thereto;

**“SOFR Benchmark”** means (a) (unless “SOFR Index with Observation Shift” is specified in the relevant Final Terms) SOFR or (b) SOFR Index (each as defined in Condition 4C.05(C) above);

**“SOFR Replacement”** means any one (or more) of the SOFR Replacement Alternatives to be determined by the Replacement Rate Determination Agent as of the SOFR Replacement Date if the Calculation Agent failing which the Issuer, determines that a SOFR Transition Event and its related SOFR Replacement Date have occurred on or prior to the SOFR Determination Time in respect of any determination of the SOFR Benchmark on any U.S. Government Securities Business Day in accordance with:

- (a) the order of priority specified SOFR Replacement Alternatives Priority in the relevant Final Terms; or
- (b) if no such order of priority is specified, in accordance with the priority set forth below:
  - a. Relevant Governmental Body Replacement;
  - b. ISDA Fallback Replacement; and
  - c. Industry Replacement,

provided that, in each case, if the Replacement Rate Determination Agent is unable to determine the SOFR Replacement in accordance with the first SOFR Replacement Alternative listed, it shall attempt to determine the SOFR Replacement in accordance with each subsequent SOFR Replacement Alternative until a SOFR Replacement is determined. The SOFR Replacement will replace the then-current SOFR Benchmark for the purpose of determining the relevant Rate of Interest in respect of the relevant Interest Period and each subsequent Interest Period, subject to the occurrence of a subsequent SOFR Transition Event and related SOFR Replacement Date;

**“SOFR Replacement Alternatives”** means:

- (a) the sum of: (i) the alternative rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the relevant Interest Period and (ii) the SOFR Replacement Adjustment (the **“Relevant Governmental Body Replacement”**);
- (b) the sum of: (i) the ISDA Fallback Rate and (ii) the SOFR Replacement Adjustment (the **“ISDA Fallback Replacement”**); or
- (c) the sum of: (i) the alternative rate that has been selected by the Replacement Rate Determination Agent as the replacement for the then-current SOFR Benchmark for the relevant Interest Period giving due consideration to any industry-accepted rate as a replacement for the then-current SOFR Benchmark for U.S. dollar-denominated floating rate securities at such time and (ii) the SOFR Replacement Adjustment (the **“Industry Replacement”**);

**“SOFR Replacement Adjustment”** means the first alternative set forth in the order below that can be determined by the Replacement Rate Determination Agent as of the applicable SOFR Replacement Date:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Replacement;
- (b) if the applicable Unadjusted SOFR Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (c) the spread adjustment (which may be a positive or negative value or zero) determined by the Replacement Rate Determination Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current SOFR Benchmark with the applicable Unadjusted SOFR Replacement for U.S. dollar-denominated floating rate securities at such time;

**“SOFR Replacement Conforming Changes”** means, with respect to any SOFR Replacement, any technical, administrative or operational changes (including, but not limited to, changes to timing and frequency of determining rates with respect to each interest period and making payments of interest, rounding of amounts or tenors, day count fractions, business day convention and other administrative matters) that the Replacement Rate Determination Agent decides may be appropriate to reflect the adoption of such SOFR Replacement in a manner substantially consistent with market practice (or, if the Replacement Rate Determination Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Replacement Rate Determination Agent determines that no market practice for use of the SOFR Replacement exists, in such other manner as the Replacement Rate Determination Agent or the Calculation Agent, as the case may be, determines is reasonably necessary, acting in good faith and in a commercially reasonable manner);

**“SOFR Replacement Date”** means the earliest to occur of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (a) in the case of sub-paragraphs (a) or (b) of the definition of “SOFR Transition Event” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark (or such component); or
- (b) in the case of sub-paragraph (c) of the definition of “SOFR Transition Event” the date of the public statement or publication of information referenced therein; or
- (c) in the case of sub-paragraph (d), the last such consecutive U.S. Government Securities Business Day on which the SOFR Benchmark has not been published,

provided that, in the event of any public statements or publications of information as referenced in sub-paragraphs (a) or (b) above, should such event or circumstance referred to in such a public statement or publication occur on a date falling later than three months after the relevant public statement or publication, the SOFR Transition Event shall be deemed to occur on the date falling three months prior to such specified date (and not the date of the relevant public statement or publication).

For the avoidance of doubt, if the event giving rise to the SOFR Replacement Date occurs on the same day as, but earlier than, the SOFR Determination Time in respect of any determination, the SOFR Replacement Date will be deemed to have occurred prior to the SOFR Determination Time for such determination.

**“SOFR Transition Event”** means the occurrence of any one or more of the following events with respect to the then-current SOFR Benchmark (including the daily published component used in the calculation thereof):

- (a) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark (or such component, if relevant) announcing that such administrator has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant), permanently or indefinitely, provided that, at the time of such statement or publication,

there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);

- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component, if relevant), the central bank for the currency of the SOFR Benchmark (or such component, if relevant), an insolvency official with jurisdiction over the administrator for the SOFR Benchmark (or such component, if relevant), a resolution authority with jurisdiction over the administrator for SOFR Benchmark (or such component, if relevant) or a court or an entity with similar insolvency or resolution authority over the administrator for the SOFR Benchmark (or such component, if relevant), which states that the administrator of the SOFR Benchmark (or such component, if relevant) has ceased or will cease to provide the SOFR Benchmark (or such component, if relevant) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark (or such component, if relevant);
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark (or such component, if relevant) announcing that the SOFR Benchmark (or such component, if relevant) is no longer representative, the SOFR Benchmark (or such component, if relevant) has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally or in respect of the Instruments; or
- (d) the SOFR Benchmark is not published by its administrator (or a successor administrator) for six consecutive U.S. Government Securities Business Days; and

“**Unadjusted SOFR Replacement**” means the SOFR Replacement prior to the application of any SOFR Replacement Adjustment.

- (E) If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

#### 4C.06 *Screen Rate Determination – €STR*

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined and the Final Terms specify that the Reference Rate is €STR, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4C.06(A), Condition 4C.06(B) or Condition 4C.06(C) below, subject to the provisions of Condition 4C.06(E) and Condition 4C.06(F) below, as applicable:

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “€STR Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily €STR plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “€STR Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily €STR Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being “€STR Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average €STR plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the

Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

(D) The following definitions shall apply for the purpose of this Condition 4C.06

“**Compounded Daily €STR**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the daily euro short-term rate (€STR) as reference rate for the calculation of interest) and will be calculated as follows:

(x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{€STR}_{i-pTBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

(y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{€STR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where, in each case:

“**d**” is the number of calendar days in (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of TARGET Business Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of TARGET Business Days in the relevant Observation Period;

the “**€STR reference rate**”, means, in respect of any TARGET Business Day, a reference rate equal to the daily euro short-term rate as provided by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) on the website of the European Central Bank (or any successor administrator of such rate) or any successor source, in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the administrator of such rate on the TARGET Business Day immediately following such TARGET Business Day;

“**€STR<sub>i</sub>**” means, in respect of any TARGET Business Day<sub>i</sub>:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the €STR reference rate in respect of pTBD in respect of such TARGET Business Day<sub>i</sub>; or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:

- (1) in respect of any TARGET Business Day<sub>i</sub> that is a Reference Day, the €STR reference rate in respect of the TARGET Business Day immediately preceding such Reference Day; otherwise
- (2) the €STR reference rate in respect of the TARGET Business Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the €STR reference rate for such TARGET Business Day<sub>i</sub>;

“**€STR<sub>i-pTBD</sub>**” means:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a TARGET Business Day<sub>i</sub>, €STR<sub>i</sub> in respect of the TARGET Business Day falling p TARGET Business Days prior to such TARGET Business Day<sub>i</sub> (“**pLBD**”); or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a TARGET Business<sub>i</sub>, €STR<sub>i</sub> in respect of such TARGET Business<sub>i</sub>;

“**I**” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

“**Lock-out Period**” means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

“**n<sub>i</sub>**”, for any TARGET Business Day<sub>i</sub>, means the number of calendar days from and including such TARGET Business Day<sub>i</sub> up to but excluding the following TARGET Business Day;

“**Observation Period**” means the period from and including the date falling “p” TARGET Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “p” TARGET Business Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” TARGET Business Days prior to such earlier date, if any, on which the Instruments become due and payable);

“**p**” means, in respect of an Interest Period where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five TARGET Business Days or such larger number of days as specified in the relevant Final Terms;

“**Reference Day**” means each TARGET Business Day in the relevant Interest Period that is not a TARGET Business Day falling in the Lock-out Period;

“**TARGET Business Day**” or “**TBD**” means any day on which the TARGET System is open;

“**TARGET System**” means the Trans-European Automated Realtime Gross settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto;

“**Compounded Daily €STR Index**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the euro short-term rate (€STR) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily €STR rates administered by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) that is published or displayed on the website of the European Central Bank (or any successor administrator of such rate) or any successor source from time to time on the relevant Interest Determination Date, as further specified in the relevant Final Terms (the “**€STR Compounded Index**”) and will be calculated as follows:

$$\left( \frac{\text{€STR Compounded Index}_{End}}{\text{€STR Compounded Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which €STR Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which €STR Compounded Index<sub>End</sub> is determined;

“p” means five TARGET Business Days or such larger number of days as specified in the relevant Final Terms;

“**€STR Compounded Index<sub>Start</sub>**” means, with respect to an Interest Period, the €STR Compounded Index determined in relation to the day falling “p” TARGET Business Days prior to the first day of such Interest Period; and

“**€STR Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the €STR Compounded Index determined in relation to the day falling “p” TARGET Business Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” TARGET Business Days prior to such earlier date, if any, on which the Instruments become due and payable);

“**TARGET Business Day**” or “**TBD**” means any day on which the TARGET System is open;

“**TARGET System**” means the Trans-European Automated Realtime Gross settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto; and

“**Weighted Average €STR**” means:

(x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the €STR reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the €STR reference rate in respect of any calendar day which is not a TARGET Business Day shall be deemed to be the €STR reference rate in respect of the TARGET Business immediately preceding such calendar day; or

(y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the €STR reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the €STR reference rate for such calendar day will be deemed to be the €STR reference rate in respect of the TARGET Business Day immediately preceding the first day of such Lock-out Period. For these purposes, the €STR reference rate in respect of any calendar day which is not a TARGET Business Day shall, subject to the preceding proviso, be deemed to be the €STR reference rate in respect of the TARGET Business Day immediately preceding such calendar day.

- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4C.06(B), if the relevant €STR Compounded Index is not published or displayed by the European Central Bank (or any successor administrator of such rate) reference rate or other information service by 5.00 p.m. (Frankfurt time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the European Central Bank (or any successor administrator of €STR) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the €STR Compounded Index is not available in accordance with Condition 4C.06(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (F) Where “€STR” is specified as the relevant Reference Rate in the relevant Final Terms, if, in respect of any TARGET Business Day, €STR is not available, such Reference Rate shall be the €STR reference rate for the first preceding TARGET Business Day on which the €STR reference rate was published by the European Central Bank, as the administrator of the €STR reference rate (or any successor administrator of the €STR reference rate) on the website of the European Central Bank (or of any successor administrator of such rate), and “r” shall be interpreted accordingly.
- (G) If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such

Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

#### 4C.07 *Screen Rate Determination – SARON*

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined and the Final Terms specify that the Reference Rate is SARON, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4C.07(A), Condition 4C.07(B) or Condition 4C.07(C) below, subject to the provisions of Condition 4C.07(E), Condition 4C.07(F) and Condition 4C.07(G) below, as applicable:

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SARON plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily SARON Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being “SARON Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average SARON plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (D) The following definitions shall apply for the purpose of this Condition 4C.07

“**Compounded Daily SARON**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Swiss franc (with the daily Swiss Average Rate Overnight (SARON) as reference rate for the calculation of interest) and will be calculated as follows:

(x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SARON_{i-pZBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

(y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in accordance with the following formula:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where, in each case:

“**d**” is the number of calendar days in (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**do**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of Zurich Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in

the relevant Final Terms, in respect of an Observation Period, the number of Zurich Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to  $d_0$ , each representing the relevant Zurich Banking Day in chronological order from, and including, the first Zurich Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

“**Lock-out Period**” means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

“**n<sub>i</sub>**”, for any Zurich Banking Day<sub>i</sub>, means the number of calendar days from and including such Zurich Banking Day<sub>i</sub> up to but excluding the following Zurich Banking Day;

“**Observation Period**” means the period from and including the date falling “p” Zurich Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “p” Zurich Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Zurich Banking Days prior to such earlier date, if any, on which the Instruments become due and payable);

“**p**” means, in respect of an Interest Period where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five Zurich Banking Days or such larger number of days as specified in the relevant Final Terms;

“**Reference Day**” means each Zurich Banking Day in the relevant Interest Period that is not a Zurich Banking Day falling in the Lock-out Period;

the “**SARON reference rate**”, means, in respect of any Zurich Banking Day, a reference rate equal to the Swiss Average Rate Overnight (SARON) rate for such Zurich Banking Day as published by the SARON Administrator on the Relevant Screen Page at the Relevant Time on such Zurich Banking Day;

“**SARON<sub>i</sub>**” means, in respect of any Zurich Banking Day<sub>i</sub>:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the SARON reference rate in respect of pZBD in respect of such Zurich Banking Day<sub>i</sub>; or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:

(1) in respect of any Zurich Banking Day<sub>i</sub> that is a Reference Day, the SARON reference rate in respect of the SARON Banking Day immediately preceding such Reference Day; otherwise

(2) the SARON reference rate in respect of the SARON Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the SARON reference rate for such Zurich Banking Day<sub>i</sub>;

“**SARON<sub>i-pZBD</sub>**” means:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a Zurich Banking Day<sub>i</sub>, SARON<sub>i</sub> in respect of the Zurich Banking Day falling p Zurich Banking Days prior to such Zurich Banking Day<sub>i</sub>; (“**pZBD**”); or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a Zurich Banking Day<sub>i</sub>, SARON<sub>i</sub> in respect of such Zurich Banking Day<sub>i</sub>; and

“**Zurich Banking Day**” or “**ZBD**” means a day on which banks are open in Zurich for the settlement of payments and of foreign exchange transactions;



“**Compounded Daily SARON Index**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Swiss franc (with the daily Swiss Average Rate Overnight (SARON) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily SARON rates administered by the SARON Administrator that is published or displayed by the SARON Administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the relevant Final Terms (the “**SARON Compounded Index**”) and will be calculated as follows:

$$\left( \frac{SARON \text{ Compounded Index}_{End}}{SARON \text{ Compounded Index}_{start}} - 1 \right) \times \frac{360}{d}$$

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which SARON Compounded Index<sub>start</sub> is determined to (but excluding) the day in relation to which SARON Compounded Index<sub>End</sub> is determined;

“**p**” means five Zurich Banking Days or such larger number of days as specified in the relevant Final Terms;

“**SARON Compounded Index<sub>start</sub>**” means, with respect to an Interest Period, the SARON Compounded Index determined in relation to the day falling “p” Zurich Banking Days prior to the first day of such Interest Period;

“**SARON Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the SARON Compounded Index determined in relation to the day falling “p” Zurich Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Zurich Banking Days prior to such earlier date, if any, on which the Instruments become due and payable); and

“**Zurich Banking Day**” or “**ZBD**” means a day on which banks are open in Zurich for the settlement of payments and of foreign exchange transactions; and

“**Weighted Average SARON**” means:

(x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the SARON reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the SARON reference rate in respect of any calendar day which is not a Zurich Banking Day shall be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding such calendar day; or

(y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the SARON reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the SARON reference rate for such calendar day will be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the SARON reference rate in respect of any calendar day which is not a Zurich Banking Day shall, subject to the preceding proviso, be deemed to be the SARON reference rate in respect of the Zurich Banking Day immediately preceding such calendar day.

- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4C.07(B), if the relevant SARON Compounded Index is not published or displayed by the SARON Administrator or other information service by 5.00 p.m. (Zurich time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SARON Administrator or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SARON Compounded Index is not

available in accordance with Condition 4C.07(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.

- (F) If the SARON reference rate is not published on the Relevant Screen Page (the “**SARON Screen Page**”) at the Relevant Time on the relevant Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred on or prior to the Relevant Time on the relevant Zurich Banking Day, the SARON reference rate for such Zurich Banking Day shall be the rate equal to the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website.
- (G) If the SARON reference rate is not published on the Relevant Screen Page at the Relevant Time on the relevant Zurich Banking Day and both a SARON Index Cessation Event and a SARON Index Cessation Effective Date have occurred on or prior to the Relevant Time on the relevant Zurich Banking Day, the Reference Rate shall be:
- (i) if there is a SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the SARON Recommended Replacement Rate for such Zurich Banking Day, giving effect to the SARON Recommended Adjustment Spread, if any, published on such Zurich Banking Day; or
  - (ii) if there is no SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the “**SNB Policy Rate**”) for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

Any substitution of the SARON reference rate by the SARON Recommended Replacement Rate or the SNB Policy Rate as specified above (the “**SARON Replacement Rate**”) will remain effective for the remaining term to maturity of the Instruments.

Notwithstanding any other provision of this paragraph (F), if (i) the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, or (ii) the Issuer determines that (a) the replacement of then-current SARON reference rate by the SARON Replacement Rate or any other amendments to the terms of the Instruments necessary to implement such replacement would result in an TLAC/MREL Disqualification Event or (in the case of Tier 2 Subordinated Instruments only) a Capital Disqualification Event, or (b) could reasonably result in the Relevant Resolution Authority treating any future Interest Payment Date as the effective maturity of the Instruments, rather than the relevant Maturity Date, no SARON Replacement Rate will be adopted by the Calculation Agent, and the SARON Replacement Rate for the relevant Interest Period will be equal to the last SARON available on the SARON Screen Page as determined by the Calculation Agent. Notwithstanding the above, if the provisions of this paragraph fail to provide a means of determining the Rate of Interest, Condition 4F below shall apply.

In connection with the SARON reference rate provisions above, the following definitions apply:

“**SARON Administrator**” means SIX Swiss Exchange or any successor administrator of the Swiss Average Rate Overnight;

“**SARON Administrator Website**” means the website of the SARON Administrator;

“**SARON Index Cessation Effective Date**” means the earliest of:

- (i) in the case of the occurrence of a SARON Index Cessation Event described in sub-paragraph (i) of the definition thereof, the date on which the SARON Administrator ceases to provide the Swiss Average Rate Overnight;
- (ii) in the case of the occurrence of a SARON Index Cessation Event described in sub-section (ii)(x) of the definition thereof, the latest of: (x) the date of such statement or publication, (y) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative, and (z) if a SARON Index

Cessation Event described in sub-section (ii)(y) of the definition thereof has occurred on or prior to either or both dates specified in subclauses (x) and (y) of this sub-paragraph (ii), the date as of which the Swiss Average Rate Overnight may no longer be used; and

- (iii) in the case of the occurrence of a SARON Index Cessation Event described in sub-section (ii)(y) of the definition thereof, the date as of which the Swiss Average Rate Overnight may no longer be used;

**“SARON Index Cessation Event”** means the occurrence of one or more of the following events:

- (i) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or
- (ii) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain date, which statement, in the case of sub-section (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives;

**“SARON Recommended Adjustment Spread”** means, with respect to any SARON Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

- (i) that the SARON Recommending Body has recommended be applied to such SARON Recommended Replacement Rate in the case of fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon; or
- (ii) if the SARON Recommending Body has not recommended such a spread, formula or methodology as described in sub-paragraph (ii) above, to be applied to such SARON Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with such SARON Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon;

**“SARON Recommended Replacement Rate”** means the rate that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the **“SARON Recommending Body”**);

**“SIX Swiss Exchange”** means SIX Swiss Exchange AG and any successor thereto; and

**“SNB Adjustment Spread”** means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, taking into account the historical median between the Swiss Average Rate Overnight and the SNB Policy Rate during the two year period ending

on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred).

- (H) If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

#### 4C.08 *Screen Rate Determination – TONA*

If “**Screen Rate Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest (the “**Screen Rate**”) is to be determined and the Final Terms specify that the Reference Rate is TONA, the Rate of Interest for each Interest Period will be calculated in accordance with Condition 4C.08(A), Condition 4C.08(B) or Condition 4C.08(C) below, subject to the provisions of Condition 4C.08(E) and Condition 4C.08(F) below, as applicable:

- (A) Where the Calculation Method is specified in the relevant Final Terms as being “TONA Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily TONA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (B) Where the Calculation Method is specified in the relevant Final Terms as being “TONA Index Compounded Daily”, the Rate of Interest for each Interest Period will be the Compounded Daily TONA Index plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where the Calculation Method is specified in the relevant Final Terms as being “TONA Weighted Average”, the Rate of Interest for each Interest Period will be the Weighted Average TONA plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent on the Interest Determination Date and the resulting percentage being rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.
- (D) The following definitions shall apply for the purpose of this Condition 4C.08

“**Compounded Daily TONA**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Japanese Yen (with the daily Tokyo Overnight Average (TONA) as reference rate for the calculation of interest) and will be calculated as follows:

(x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms in accordance with the following formula:

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

(y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in accordance with the following formula:

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

Where, in each case:

“**d**” is the number of calendar days in (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**d<sub>0</sub>**” means (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of an Interest Period, the number of Tokyo Banking Days in the relevant Interest Period, or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in respect of an Observation Period, the number of Tokyo Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day (x) if “Lag” or “Lock-out” is specified as the Observation Method in the relevant Final Terms, in the relevant Interest Period or (y) if “Shift” is specified as the Observation Method in the relevant Final Terms, in the relevant Observation Period;

“**Interest Period End Date**” shall have the meaning specified in the relevant Final Terms;

“**Lock-out Period**” means, in respect of an Interest Period, the period from and including the day following the Interest Determination Date to, but excluding, the Interest Period End Date falling at the end of such Interest Period;

“**n<sub>i</sub>**”, for any Tokyo Banking Day<sub>i</sub>, means the number of calendar days from and including such Tokyo Banking Day<sub>i</sub> up to but excluding the following Tokyo Banking Day;

“**Observation Period**” means the period from and including the date falling “p” Tokyo Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “p” Tokyo Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Tokyo Banking Days prior to such earlier date, if any, on which the Instruments become due and payable);

“**p**” means, in respect of an Interest Period where “Lag” or “Shift” is specified as the Observation Method in the relevant Final Terms, five Tokyo Banking Days or such larger number of days as specified in the relevant Final Terms;

“**Reference Day**” means each Tokyo Banking Day in the relevant Interest Period that is not a Tokyo Banking Day falling in the Lock-out Period;

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

the “**TONA reference rate**”, means, in respect of any Tokyo Banking Day, a reference rate equal to the daily Tokyo Overnight Average (TONA) rate for such Tokyo Banking Day as provided by the a Bank of Japan and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (in each case on the Tokyo Banking Day immediately following such Tokyo Banking Day);

“**TONA<sub>i</sub>**” means, in respect of any Tokyo Banking Day<sub>i</sub>:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, the TONA reference rate in respect of pTBD in respect of such Tokyo Banking Day<sub>i</sub>; or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms:

(3) in respect of any Tokyo Banking Day<sub>i</sub> that is a Reference Day, the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such Reference Day; otherwise

(4) the TONA reference rate in respect of the Tokyo Banking Day immediately preceding the Interest Determination Date for the relevant Interest Period;

(z) if “Shift” is specified as the Observation Method in the relevant Final Terms, the TONA reference rate for such Tokyo Banking Day<sub>i</sub>; and

“TONA<sub>i-pTBD</sub>” means:

(x) if “Lag” is specified as the Observation Method in the relevant Final Terms, in respect of a Tokyo Banking Day<sub>i</sub>, TONA<sub>i</sub> in respect of the Tokyo Banking Day falling p Tokyo Banking Days prior to such Tokyo Banking Day<sub>i</sub> (“pTBD”); or

(y) if “Lock-out” is specified as the Observation Method in the relevant Final Terms, in respect of a Tokyo Banking Day<sub>i</sub>, TONA<sub>i</sub> in respect of such Tokyo Banking Day<sub>i</sub>; and

“**Compounded Daily TOKYO Index**” means with respect to an Interest Period, the rate of return of a daily compound interest investment in Japanese Yen (with the daily Tokyo Overnight Average (TONA) as a reference rate for the calculation of interest) by reference to the screen rate or index for compounded daily TONA rates administered by the administrator of the TONA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the relevant Final Terms (the “**TONA Compounded Index**”) and will be calculated as follows:

$$\left( \frac{TONA \text{ Compounded Index}_{End}}{TONA \text{ Compounded Index}_{Start}} - 1 \right) \times \frac{365}{d}$$

Where, in each case:

“**d**” is the number of calendar days from (and including) the day in relation to which TONA Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which TONA Compounded Index<sub>End</sub> is determined;

“**p**” means five Tokyo Banking Days or such larger number of days as specified in the relevant Final Terms;

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

“**TONA Compounded Index<sub>Start</sub>**” means, with respect to an Interest Period, the TONA Compounded Index determined in relation to the day falling “p” Tokyo Banking Days prior to the first day of such Interest Period; and

“**TONA Compounded Index<sub>End</sub>**” means with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling “p” Tokyo Banking Days prior to the Interest Period End Date for such Interest Period (or the date falling “p” Tokyo Banking Days prior to such earlier date, if any, on which the Instruments become due and payable); and

“**Weighted Average TONA**” means:

(x) where “Lag” is specified as the Observation Method in the relevant Final Terms, the sum of the TONA reference rate in respect of each calendar day during the relevant Observation Period divided by the number of calendar days during such Observation Period. For these purposes, the TONA reference rate in respect of any calendar day which is not a Tokyo Banking Day shall be deemed to be the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such calendar day; or

(y) where “Lock-out” is specified as the Observation Method in the relevant Final Terms, the sum of the TONA reference rate in respect of each calendar day during the relevant Interest Period divided by the number of calendar days in the relevant Interest Period, provided that, for any calendar day of such Interest Period falling in the Lock-out Period for the relevant Interest Period, the TONA reference rate for such calendar day will be deemed to be the TONA reference rate in respect of the Tokyo Banking Day immediately preceding the first day of such Lock-out Period. For these purposes, the TONA reference rate in respect of any calendar day which is not

a Tokyo Banking Day shall, subject to the preceding proviso, be deemed to be the TONA reference rate in respect of the Tokyo Banking Day immediately preceding such calendar day.

- (E) Where the Rate of Interest for each Interest Period is calculated in accordance with Condition 4C.08(B), if the relevant TONA Compounded Index is not published or displayed by the administrator of the TONA reference rate or other information service by 5.00 p.m. (Tokyo time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the Bank of Japan (or any successor administrator) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the TONA Compounded Index is not available in accordance with Condition 4C.08(A) above and for these purposes the “Observation Method” shall be deemed to be “Shift”.
- (F) If the TONA reference rate is not published on the Relevant Screen Page at the Relevant Time on the relevant Tokyo Banking Day, the TONA reference rate for such Tokyo Banking Day shall be the rate equal to the Tokyo Overnight Average published by the administrator of the TONA reference rate on the Relevant Screen Page for the last preceding Tokyo Banking Day on which the Tokyo Overnight Average was published by the administrator of TONA on the Relevant Screen Page.
- (G) If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

**4C.09 ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest applicable to the Instruments for each Interest Period will be the relevant ISDA Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the 2006 Definitions of the International Swaps and Derivatives Association, Inc. as amended and updated as at the Issue Date of the first Tranche of Instruments of the relevant Series, including by the ISDA Benchmarks Supplement, as specified in the relevant Final Terms (the “**ISDA Definitions**”)) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

For the purposes of this Condition 4C.09, “**ISDA Benchmarks Supplement**” means the Benchmarks Supplement (as amended and updated as at the Issue Date of the first Tranche of Instruments of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc.

**4C.10 Rate of Interest:** The Rate of Interest in relation to the Instruments shall be determined as follows:

- (A) If “Margin Plus Rate” is specified as applicable in the applicable Final Terms, the Rate of Interest will be equal to the Margin (as defined in Condition 10C.03) plus the Screen Rate or ISDA Rate, as applicable;
- (B) If “Specified Percentage Multiplied by Rate” is specified in the applicable Final Terms, the Rate of Interest will be equal to the Specified Percentage (as defined in Condition 10C.03) multiplied by the Screen Rate or ISDA Rate, as applicable; or

- (C) If “Difference in Rates” is specified in the applicable Final Terms, the Rate of Interest will be equal to the Specified Percentage (as defined in Condition 10C.03) multiplied by the difference between Rate 1 and Rate 2, each of Rate 1 and Rate 2 to be determined in accordance with Condition 4C.03, Condition 4C.04, Condition 4C.05, Condition 4C.06, Condition 4C.07 or Condition 4C.08 as specified in the relevant Final Terms.

4C.11 **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then, subject to Condition 4E.01, the Rate of Interest shall in no event be greater than the Maximum Rate of Interest or be less than the Minimum Rate of Interest so specified. Where the Rate of Interest is determined to be higher than the Maximum Rate of Interest or lower than the Minimum Rate of Interest, such higher rate shall be deemed to be equal to such Maximum Rate of Interest and such lower rate shall be deemed to be equal to such Minimum Rate of Interest, as applicable.

4C.12 **CMS Linked Interest Provisions:** If the CMS-Linked Interest Instruments Provisions are specified in the relevant Final Terms as being applicable, the Rate of Interest applicable to the Instruments for each Interest Period will be calculated by reference to a constant maturity swap rate specified in the relevant Final Terms and the relevant provisions of this Condition 4C will apply as though references to Floating Rate Instruments were references to CMS-Linked Instruments where “Screen Rate Determination” and “Margin Plus Rate” are applicable.

#### 4D Interest — Zero Coupon Instruments

*This Condition 4D applies to Zero Coupon Instruments only. The applicable Final Terms contain provisions applicable to the determination of zero coupon interest and must be read in conjunction with this Condition 4D for full information on the manner in which interest is calculated on Zero Coupon Instruments.*

Instruments in relation to which this Condition 4D applies and the relevant Final Terms specify as being applicable shall not bear interest. Where such Zero Coupon Instrument is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount (Zero Coupon) (as defined in Condition 5.05). As from the Maturity Date, the Rate of Interest for any overdue principal of such an Instrument shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5.05).

#### 4E Interest — Supplemental Provision

##### 4E.01 Step Up Provisions:

- (a) This Condition 4E.01 applies to Ordinary Senior Instruments if the Step Up Provisions are specified in the relevant Final Terms as being applicable. If so applicable, the rate of interest payable on Ordinary Senior Instruments will be subject to adjustment from time to time, as follows:
- (i) subject to paragraph (iii) below, from and including the first Interest Payment Date following the date a Step Down Rating Change occurs, the rate of interest payable on the Ordinary Senior Instruments shall be the Initial Interest Rate. For the avoidance of doubt, the rate of interest payable on the Ordinary Senior Instruments shall remain at the Initial Interest Rate notwithstanding any further increase in the rating assigned to the Senior Instruments above BBB-/Baa3 (or equivalent);
  - (ii) subject to paragraph (iii) below, from and including the first Interest Payment Date following the date a Step Up Rating Change occurs, the rate of interest payable on the Ordinary Senior Instruments shall be the Initial Interest Rate plus the applicable Step Up Margin specified in the relevant Final Terms (together, the “**Increased Rate of Interest**”). For the avoidance of doubt, the rate of interest payable on the Ordinary Senior Instrument shall remain at the Increased Rate of Interest notwithstanding any further decrease in the rating of the Senior Instruments below BB+/Ba1 (or equivalent); and
  - (iii) if, within the same Interest Period, at least one Step Up Rating Change and at least one Step Down Rating Change occurs (A) where the majority of Rating Agencies announce a Step Down Rating Change, paragraph (i) above shall apply, (B) where the majority of Rating Agencies announce a Step Up Rating Change, paragraph (ii) above shall apply and (C) otherwise, the



rate of interest payable on the Ordinary Senior Instrument shall neither be increased nor decreased.

- (b) Notwithstanding any other provision of this Condition 4E.01, there shall be no adjustment in the rate of interest applicable to the Ordinary Senior Instruments (1) on the basis of any rating assigned to the Senior Instrument by any rating agency other than on a basis solicited by or on behalf of the Issuer even if at the relevant time such rating is the only rating then assigned to the Ordinary Senior Instruments and (2) at any time after notice of redemption has been given pursuant to Conditions 5.06 or 5.07.
- (c) There shall be no limit on the number of times that adjustments to the rate of interest payable on the Senior Instruments may be made pursuant to this Condition 4E.01 during the term of the Ordinary Senior Instruments, provided always that at no time during the term of the Ordinary Senior Instruments will the rate of interest payable on the Ordinary Senior Instruments be less than the Initial Interest Rate or more than the Increased Rate of Interest.
- (d) In the event the rate of interest payable on the Ordinary Senior Instruments is the (ii) Increased Rate of Interest, any Maximum Rate of Interest or Minimum Rate of Interest specified hereon shall be increased by the Step Up Margin specified hereon and (ii) Initial Interest Rate as a result of a Step Down Rating Change, the Maximum Rate of Interest and the Minimum Rate of Interest shall be restored to the Maximum Rate of Interest and the Minimum Rate of Interest specified hereon.
- (e) If the rating designations employed by any of Moody's, Fitch or S&P are changed from those which are described in this Condition 4E.01, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, the rating designations of Moody's, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or S&P and this Condition 4E.01 shall be read accordingly.
- (f) The Issuer will cause the occurrence of an event giving rise to an adjustment in the rate of interest payable on the Ordinary Senior Instruments pursuant to this Condition 4E.01 to be notified to the Issue and Paying Agent and notice thereof to be given in accordance with Condition 15 as soon as possible after the occurrence of the relevant event.

In these Terms and Conditions:

**"Initial Interest Rate"** means the initial Rate of Interest either specified or calculated in accordance with the provisions hereon;

**"Fitch"** means Fitch Ratings Ireland Limited or any of its affiliates or successor;

**"Moody's"** means Moody's Investor Services España, S.A. or any of its affiliates or successor;

**"Rating Agencies"** means Moody's, Fitch, S&P or any other rating agency selected by the Issuer from time to time to assign a credit rating to the relevant Ordinary Senior Instruments (a **"Substitute Rating Agency"**) and **"Rating Agency"** means any one of them;

**"S&P"** means S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies, Inc. or any of its affiliates or successor;

**"Step Down Rating Change"** means the public announcement by any Rating Agency assigning a credit rating to the Ordinary Senior Instruments of an increase in or a confirmation of the rating of the Ordinary Senior Instruments to or as BBB-/Baa3 (or equivalent) or better; and

**"Step Up Rating Change"** means the public announcement by any Rating Agency assigning a credit rating to the Ordinary Senior Instruments of a decrease in or a confirmation of the rating of the Ordinary Senior Instruments to or as BB+/Ba1 (or equivalent) or below.

- 4E.02 The Calculation Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the Interest Amount. The Interest Amount payable per Calculation Amount in respect of any Instrument for any Interest Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, and the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Instrument for such Interest Period shall equal such Interest Amount (or be calculated in accordance with such formula). In

respect of any period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

In this condition 4E.02:

“**Interest Amount**” means: (i) in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Instruments, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the relevant Interest Period; and (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

***Interest Payment Date Conventions and other Calculations***

4E.02(a) **Business Day Convention:** The Final Terms in relation to each Series of Instruments shall specify which of the following conventions shall be applicable, namely:

- (i) the “**FRN Convention**”, in which case interest shall be payable in arrear on each date (each an Interest Payment Date) which numerically corresponds to the date of issue or such other Interest Commencement Date as may be specified in the relevant Final Terms or, as the case may be, the preceding Interest Payment Date in the calendar month which is the number of months specified in the relevant Final Terms after the calendar month in which such date of issue or such Interest Commencement Date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred *provided that*:
- (ii) if there is no such numerically corresponding day in the calendar month in which an Interest Payment Date should occur, then the relevant Interest Payment Date will be the last day which is a Business Day (as defined in Condition 10C.03) in that calendar month;
- (iii) if an Interest Payment Date would otherwise fall on a day which is not a Business Day, then the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
- (iv) if such date of issue or such other date as aforesaid or the preceding Interest Payment Date occurred on the last day in a calendar month which was a Business Day, then all subsequent Interest Payment Dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred;
- (v) the “**Modified Following Business Day Convention**”, in which case interest shall be payable in arrear on each Interest Payment Date specified in the relevant Final Terms *provided that*, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day which is a Business Day;
- (vi) the “**Following Business Day Convention**” in which case interest shall be payable in arrear on each Interest Payment Date specified in the relevant Final Terms *provided that*, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day; or
- (vii) “**No Adjustment**” in which case the relevant date shall not be adjusted in accordance with any Business Day Convention.

4E.02(b) “**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (whether or not constituting an Interest Period, the “**Calculation Period**”), such day count fraction as may be specified in the Final Terms and:

- (i) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period

falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/Actual (ICMA)**” is so specified hereon,

if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

if the Calculation Period is longer than one Determination Period, the sum of:

- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date(s) specified in in the relevant Final Terms or, if none is so specified, the Interest Payment Date(s);

- (i) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (ii) if “**30/360**” “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“ $Y_1$ ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“ $Y_2$ ” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ $M_1$ ” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“ $M_2$ ” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“ $D_1$ ” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case  $D_1$  will be 30; and

“ $D_2$ ” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and  $D_1$  is greater than 29, in which case  $D_2$  will be 30;

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

Each period beginning on (and including) the Issue Date or such Interest Commencement Date as aforesaid and ending on (but excluding) the first Interest Payment Date and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an “**Interest Period**”.

***Notification of Rates of Interest, Interest Amounts and Interest Payment Dates***

4E.04 The Calculation Agent will cause each Rate of Interest, Interest Payment Date, final day of a Calculation Period, Interest Amount or other item, as the case may be, determined or calculated by it to be notified to the Issuer and the Issue and Paying Agent. The Issue and Paying Agent will cause all such determinations or calculations to be notified to the other Paying Agents and, in the case of Registered Instruments, the Registrar (from whose respective specified offices such information will be available) and to the Holders in accordance with Condition 15 as soon as practicable after such determination or calculation but in any event not later than the fourth London Banking Day thereafter or, if earlier, in the case of notification to any listing authority, stock exchange and/or quotation system, the time required

by the rules of any such listing authority, stock exchange and/or quotation system. The Issue and Paying Agent will cause all such determinations or calculations to be notified to Euronext Dublin no later than the first day of each Interest Period. The Calculation Agent will be entitled to amend any Interest Amount or Interest Payment Date or final day of a Calculation Period (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or Calculation Period and such amendment will be notified in accordance with the first two sentences of this Condition 4E.04.

4E.05 The determination by the Calculation Agent of all items falling to be determined by it pursuant to these Terms and Conditions shall, in the absence of manifest error, be final and binding on all parties.

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

#### ***Accrual of Interest***

4E.06 Interest shall accrue on the principal amount of each Instrument or, in the case of an Instalment Instrument, on each instalment of principal, (in each case other than a Zero Coupon Instrument) on the paid up principal amount of such Instrument or otherwise as indicated in the Final Terms from the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Instrument, in respect of each instalment of principal, on the due date for payment thereof) unless upon (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment) due presentation or surrender thereof, payment in full of the principal amount or the relevant instalment or, as the case may be, redemption amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Instruments or such other rate as may be specified in the relevant Final Terms (the “**Default Rate**”) until the earlier of (i) the date on which, upon due presentation of the relevant Instrument (if required), the relevant payment is made or (ii) (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment) the seventh day after the date on which notice is given to the Holders in accordance with Condition 15 that the Issue and Paying Agent or the Registrar (as the case may be) has received the funds required to make such payment (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

#### **4F Interest - Benchmark discontinuation**

##### ***Independent Adviser***

4F.01 If a Benchmark Event occurs in relation to an Original Reference Rate other than SOFR when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate (subject to the terms of this Condition 4F), failing which an Alternative Rate (in accordance with Condition 4F.02) and, in either case, an Adjustment Spread if any (in accordance with Condition 4F.03) and any Benchmark Amendments (in accordance with Condition 4F.04).

An Independent Adviser appointed pursuant to this Condition 4F shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, or the Holders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4F.01.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4F.01 prior to the relevant Reset Determination Date or Interest Determination Date, as applicable, the Rate of Interest applicable to the next succeeding Reset Period or Interest Period, as applicable, shall be equal to the Rate of Interest last determined in relation to the Instruments in respect of the immediately preceding Reset Period or Interest Period, respectively. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Initial Rate of Interest. Where a different First Margin, Subsequent Margin, Margin Plus Rate, Specified Percentage Multiplied by Rate, Difference in Rates or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Reset Period or Interest Period, as

applicable, from that which applied to the last preceding Reset Period or Interest Period, respectively, the First Margin, Subsequent Margin, Margin Plus Rate, Specified Percentage Multiplied by Rate, Difference in Rates or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Reset Period or Interest Period, respectively, shall be substituted in place of the First Margin, Subsequent Margin, Margin Plus Rate, Specified Percentage Multiplied by Rate, Difference in Rates or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Reset Period or Interest Period, respectively. For the avoidance of doubt, this Condition 4F.01 shall apply to the relevant next succeeding Reset Period or Interest Period only and any subsequent Reset Periods or Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4F.01.

#### ***Successor Rate or Alternative Rate***

4F.02 If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4F.03) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Instruments (subject to the operation of this Condition 4F); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4F.03) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof), as applicable, for all future payments of interest on the Instruments (subject to the operation of this Condition 4F).

#### ***Adjustment Spread***

4F.03 The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread), if any, shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.

#### ***Benchmark Amendments***

4F.04 If any Successor Rate, Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4F and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Terms and Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4F.05, without any requirement for the consent or approval of Holders, vary these Terms and Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 4F, the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4F.04 to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Issue and Paying Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 4F.04, the Issuer shall comply with the rules of any stock exchange on which the Instruments are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4F, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Instruments as Tier 2 Subordinated Instruments or TLAC/MREL-Eligible Instruments for the purposes of the Applicable Banking Regulations.

Notwithstanding any other provision of this Condition 4F, in the case of Senior Non-Preferred Instruments and Ordinary Senior Instruments eligible to comply with TLAC/MREL Requirements only, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Instruments, rather than the relevant Maturity Date.

***Notices, etc.***

4F.05 Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4F will be notified promptly by the Issuer to the Calculation Agent, the Paying Agents and, in accordance with Condition 15, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Holders of the same, the Issuer shall deliver to the Issue and Paying Agent, the Calculation Agent and the Paying Agents a certificate signed by two authorised signatories of the Issuer:

- (i) confirming (a) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4F; and
- (ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Issue and Paying Agent shall display such certificate at its offices, for inspection by the Holders at all reasonable times during normal business hours or may be provided by email to a Holder following their prior written request to the Issue and Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Issue and Paying Agent).

Each of Issue and Paying Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Issue and Paying Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Issue and Paying Agent, the Calculation Agent, the Paying Agents and the Holders.

Notwithstanding any other provision of this Condition 4F, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4F, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

***Survival of Original Reference Rate***

4F.06 Without prejudice to the obligations of the Issuer under Conditions 4F.01, 4F.02, 4F.03 and 4F.04, the Original Reference Rate and the fallback provisions provided for in Conditions 4B.02, 4C.03 and 4C.04 will continue to apply unless and until a Benchmark Event has occurred. Upon the occurrence of a Benchmark Event, this Condition 4F shall prevail.

***Definitions:***

4F.07 As used in this Condition 4F:

**“Adjustment Spread”** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (ii) the Issuer, following consultation with the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied)
- (iii) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged)
- (iv) if no such spread, formula or methodology can be determined in accordance with (i) to (iii) above, the Issuer, in its discretion, following consultation with the Independent Adviser, and acting in good faith and in a commercially reasonable manner, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this subclause (iv) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Holders.

**“Alternative Rate”** means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 4F.02 is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Instruments.

**“Benchmark Amendments”** has the meaning given to it in Condition 4F.02.

**“Benchmark Event”** means:

- (i) the Original Reference Rate ceasing to exist or ceasing to be published for a period of at least 5 Business Days in relation to a Rate of Interest of Floating Rate Instruments or CMS-Linked Instruments or 5 Reset Business Days in relation to a Reset Instruments; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Instruments; or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Holder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the



discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Issue and Paying Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Issue and Paying Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4F.01.

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

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

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

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

## 5 Redemption and Purchase

### *Redemption at Maturity*

5.01 Unless previously redeemed, or purchased and cancelled, each Instrument shall be finally redeemed at its maturity redemption amount (the “**Maturity Redemption Amount**”) (which shall be its principal amount or such other Maturity Redemption Amount as may be specified in the relevant Final Terms or, in the case of Instalment Instruments, in such number of instalments and in such amounts as may be specified in the relevant Final Terms) on the Maturity Date specified in the relevant Final Terms.

Senior Non Preferred Instruments will have an original maturity of at least one year from their date of effective disbursement or such minimum or maximum maturity as may be permitted or required from time to time by Applicable Banking Regulations.

Tier 2 Subordinated Instruments will have a maturity of not less than five years or as otherwise permitted in accordance with Applicable Banking Regulations in force at the relevant time.

For the purposes of these Terms and Conditions:

“**Applicable Banking Regulations**” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency including, among others, those giving effect to the MREL and the TLAC or any equivalent or successor principles, then applicable to the Issuer and/or the Group including, without limitation to the generality of the foregoing, CRD IV, the BRRD, the SRM Regulation and those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency of the Regulator and/or the Relevant Resolution Authority then applicable to the Issuer and/or the Group including, among others, those giving effect to the MREL and the TLAC or any equivalent or successor principles, in each case to the extent then in effect in the Kingdom of Spain (whether or not such regulations, requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group);

“**BRRD**” means Directive 2014/59/EU of 15 May establishing the framework for the recovery and resolution of credit institutions and investment firms or such other directive as may amend or come into effect in place thereof (including the BRRD II), as implemented into Spanish law by Law 11/2015 and RD 1012/2015, as amended or replaced from time to time and including any other relevant implementing regulatory provisions;

“**BRRD II**” means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC;

“**CRD IV**” means any, or any combination of, the CRD IV Directive, the CRR, and any CRD IV Implementing Measures;

“**CRD IV Directive**” means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC or such other directive as may come into effect in place thereof, as amended or replaced from time to time (including by the CRD V Directive);

“**CRD IV Implementing Measures**” means any rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Regulator, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a stand alone basis) or the Group (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital or the minimum requirement for own funds and eligible liabilities, as the case may be, of the Issuer (on a stand alone basis) or the Group (on a consolidated basis);

“**CRD V Directive**” means Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures;

“**CRR**” means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 or such other regulation as may come into effect in place thereof, as amended from time to time (including by CRR II);

“**CRR II**” means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012;

“**RD 1012/2015**” means Royal Decree 1012/2015 of 6 November implementing Law 11/2015, as amended or replaced from time to time;

“**Regulated Entity**” means any entity to which BRRD, as implemented in the Kingdom of Spain (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) and as amended or superseded from time to time, or any other Spanish piece of legislation relating to the Bail-in Power, applies, which includes, certain credit institutions, investment firms, and certain of their parent or holding companies;

“**SRM Regulation**” means Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or replaced from time to time (including by the SRM Regulation II); and

“**SRM Regulation II**” means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms.

### **Early Redemption for Taxation Reasons**

5.02 If, in relation to any Series of Instruments, as a result of a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 10C.03), including any treaty to which such Relevant Jurisdiction is a party, or any change in the application or interpretation of any such laws or regulations, including a decision of any court or tribunal, which change or amendment becomes effective on or after the Issue Date of such Instruments, (a) in making any payments on the Instruments, the Issuer has paid or will or would be required to pay additional amounts as provided in Condition 10 or (b) in the case of Subordinated Instruments and Senior Non Preferred Instruments, the Issuer is no longer entitled to claim a deduction in respect of any payments in relation to the Subordinated Instruments or the Senior Non Preferred Instruments in computing its taxation liabilities or the value of such deduction to the Issuer would be materially reduced, or (c) in the case of Subordinated Instruments and Senior Non Preferred Instruments, the applicable tax treatment of the Subordinated Instruments or the Senior Non Preferred Instruments changes and such circumstances are evidenced by the delivery by the Issuer to the Issue and Paying Agent and the Commissioner of (x) a certificate signed by two Authorised Signatories stating that the relevant circumstances giving rise to the right to redeem prevail and describing the facts leading thereto, (y) an opinion of independent legal advisers of national recognised standing or other national tax adviser experienced in such matters to the effect that the relevant circumstances prevail and (z) in the case of Subordinated Instruments and Senior Non Preferred Instruments, a copy of the Regulator's and/or Relevant Resolution Authority's consent (if and as required therefor under Applicable Banking Regulations) to the redemption, to the extent required, the Issuer may, at its option and having given no less than 15 nor more than 60 calendar days' notice to the Registrar (in the case of Registered Instruments), the Issue and Paying Agent and, in accordance with Condition 15, the Holders of the Instruments (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the outstanding Instruments comprising the relevant Series at their early tax redemption amount (the “**Early Redemption Amount (Tax)**”) (which shall be their principal amount or at such other Early Redemption Amount (Tax) as may be specified in the relevant Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with interest accrued to (but excluding) the date of redemption *provided, however*, that no such notice of redemption may be given earlier than 90 calendar days (or, in the case of Instruments which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period applicable to the Instruments plus 60 days) prior to the earliest date on which the Issuer (i) would be obliged to pay additional amounts, (ii) would no longer be entitled to claim a deduction or the amount of such deduction would be materially reduced or (iii) would be obliged to apply the applicable tax treatment.

In the case of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments eligible to comply with TLAC/MREL Requirements, redemption for taxation reasons will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time.

For the purposes of these Terms and Conditions, “**Relevant Resolution Authority**” means the *Fondo de Resolución Ordenada Bancaria* (FROB), the Single Resolution Board (SRB) or any other entity with the authority to exercise any of the resolutions tools and powers contained in the Applicable Banking Regulations.

### **Early Redemption due to Capital Disqualification Event**

5.03 If, in the case of Tier 2 Subordinated Instruments only, a Capital Disqualification Event occurs as a result of a change (or any pending change which the Regulator considers sufficiently certain) in Spanish law or Applicable Banking Regulations becoming effective on or after the Issue Date, the Issuer may, at its option and having given not less than 15 nor more than 60 calendar days' notice to the Registrar (in the case of Registered Instruments), the Issue and Paying Agent and, in accordance with Condition 15, the Holders of the Tier 2 Subordinated Instruments (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the Tier 2 Subordinated Instruments.

Tier 2 Subordinated Instruments redeemed pursuant to this Condition 5.03 will be redeemed at their early redemption amount (the “**Early Redemption Amount (Capital Disqualification Event)**”) (which shall be their principal amount or a such other Early Redemption Amount (Capital Disqualification Event) as may be specified in the relevant Final Terms) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Redemption of Tier 2 Subordinated Instruments for regulatory reasons pursuant to this Condition 5.03 is subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time.

For the purposes of these Terms and Conditions:

“**Capital Disqualification Event**” means the determination by the Issuer after consultation with the Regulator that the Tier 2 Subordinated Instruments are not eligible for inclusion in whole or, to the extent not prohibited by Applicable Banking Regulations, in part, in the Tier 2 Capital of the Issuer or the Group pursuant to Applicable Banking Regulations or any other regulations applicable in the Kingdom of Spain from time to time (other than as a result of any applicable limitation on the amount of such capital as applicable to the Issuer); and

“**Tier 2 Capital**” means tier 2 capital (*capital de nivel 2*) as provided under the Applicable Banking Regulations.

#### ***Early Redemption due to TLAC/MREL Disqualification Event***

5.04 If, in the case of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms only, a TLAC/MREL Disqualification Event has occurred and is continuing, then the Issuer may, at its option and having given not less than 15 nor more than 60 days' notice to the Registrar (in the case of Registered Instruments), the Issue and Paying Agent and, in accordance with Condition 15, the Holders of the relevant Instruments (as applicable) (which notice shall be irrevocable and shall specify the date for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the relevant Instruments (as applicable). Upon the expiry of such notice, the Issuer shall redeem the relevant Instruments (as applicable).

Instruments redeemed pursuant to this Condition 5.04 will be redeemed at their early redemption amount (the “**Early Redemption Amount (TLAC/MREL Disqualification Event)**”) (which shall be their principal amount or such other Early Redemption Amount (TLAC/MREL Disqualification Event) as may be specified in or determined in accordance with the relevant Final Terms) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Redemption of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms, for regulatory reasons pursuant to this Condition 5.04 will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time. Redemption of Tier 2 Subordinated Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms may be redeemed pursuant to a TLAC/MREL Disqualification Event only after five years from their date of issuance or any other minimum period permitted by the Applicable Banking Regulations.

For the purposes of these Terms and Conditions:

“**EU Banking Reforms**” means the CRD V Directive, BRRD II, CRR II and the SRM Regulation II;

“**MREL**” means the “minimum requirement for own funds and eligible liabilities” for credit institutions under the BRRD, set in accordance with Article 45 of the BRRD (as transposed in the Kingdom of Spain), Commission Delegated Regulation (EU) 2016/1450 of 23 May 2016, supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities and any other Applicable Banking Regulations;

“**TLAC**” means the “total loss-absorbing capacity” requirement for global systemically important institutions under the CRR, set in accordance with Article 92a of the CRR and any other Applicable Banking Regulations;

“**TLAC/MREL Disqualification Event**” means at any time that all or part of the outstanding nominal amount of the Subordinated Instruments, the Senior Non Preferred Instruments or the Ordinary Senior Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms does not fully qualify as TLAC/MREL-Eligible Instruments of the Issuer and/or the Group, except where such non-qualification (i) is due solely to the remaining maturity of the relevant Instruments (as applicable) being less than any period prescribed for TLAC/MREL-Eligible Instruments by the Applicable Banking Regulations as at the Issue Date or (ii) is as a result of the relevant Instruments (as applicable) being bought back by or on behalf of the Issuer or a buy back of the relevant Instruments which is funded by or on behalf of the Issuer or (iii) in the case of Ordinary Senior Instruments where the TLAC/MREL Disqualification Event has been specified as applicable in the relevant Final Terms, is due to the relevant Ordinary Senior Instruments not meeting any requirement in connection to their ranking upon insolvency of the Issuer or any limitation on the amount of such Instruments that may be eligible for the inclusion in the amount of TLAC/MREL-Eligible Instruments of the Issuer and/or the Group.

A TLAC/MREL Disqualification Event shall, without limitation, be deemed to include where any non-qualification of the Subordinated Instruments, Senior Non Preferred Instruments or, as applicable, Ordinary Senior Instruments as TLAC/MREL-Eligible Instruments arises as a result of (a) any legislation which gives effect to the EU Banking Reforms in the Kingdom of Spain differing in any respect from the EU Banking Reforms (including if the EU Banking Reforms are not implemented in full in the Kingdom of Spain), or (b) the official interpretation or application of the EU Banking Reforms or the EU Banking Reforms as implemented in the Kingdom of Spain (including any interpretation or pronouncement by any relevant court, tribunal or authority) differing in any respect from the manner in which the EU Banking Reforms have been reflected in these Terms and Conditions;

“**TLAC/MREL-Eligible Instrument**” means an instrument that complies with the TLAC/MREL Requirements; and

“**TLAC/MREL Requirements**” means the total loss-absorbing capacity requirements and/or minimum requirement for own funds and eligible liabilities applicable to the Issuer and/or the Group under the Applicable Banking Regulations.

#### ***Early Redemption (Zero Coupon Instruments)***

##### 5.05

- (a) The early redemption amount payable in respect of any Zero Coupon Instrument (the “**Early Redemption Amount (Zero Coupon)**”) upon redemption of such Instrument pursuant to Condition 5.02, Condition 5.03, Condition 5.04, Condition 5.06 or Condition 5.08 or upon it becoming due and payable as provided in Condition 6 shall be the Amortised Face Amount (calculated as provided below) of such Instrument unless otherwise specified hereon.
- (b) Subject to the provisions of sub-paragraph (c) below, the “**Amortised Face Amount**” of any such Instrument shall be the scheduled Maturity Redemption Amount of such Instrument on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is set out in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Instruments if they were discounted back to their issue price on the Issue Date) compounded annually.
- (c) If the Early Redemption Amount (Zero Coupon) payable in respect of any such Instrument upon its redemption pursuant to Condition 5.02, Condition 5.03, Condition 5.04, Condition 5.06 or Condition 5.08 or upon it becoming due and payable as provided in Condition 6 is not paid when due, the Early Redemption Amount (Zero Coupon) due and payable in respect of such Instrument shall be the Amortised Face Amount of such Instrument as defined in sub-paragraph (b) above, except that such sub-paragraph shall have effect as though the date on which the Instrument becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled

Maturity Redemption Amount of such Instrument on the Maturity Date together with any interest that may accrue in accordance with Condition 4E.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

***Optional Early Redemption (Call)***

5.06 If Call Option is specified in the relevant Final Terms as being applicable, then the Issuer may, having given not less than 15 calendar days' notice (or such lesser period as may be specified in the relevant Final Terms) to the Registrar (in the case of Registered Instruments), the Issue and Paying Agent and, in accordance with Condition 15, the Holders of the Instruments (which notice shall be signed by two duly Authorised Signatories, shall be irrevocable and shall specify the date for redemption) and subject to such conditions as may be specified in the relevant Final Terms, redeem all (but not, unless and to the extent that the relevant Final Terms specifies otherwise, some only) of the Instruments of the relevant Series, on the Early Redemption Date(s) specified in the relevant Final Terms, at their call early redemption amount (the “**Early Redemption Amount (Call)**”) (which shall be their principal amount or such other Early Redemption Amount (Call) as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with interest accrued to (but excluding) the date of redemption.

In the case of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments eligible to comply with TLAC/MREL Requirements, redemption at the option of the Issuer pursuant to this Condition 5.06 will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and may only take place in accordance with Applicable Banking Regulations in force at the relevant time.

5.07 If the Instruments of a Series are to be redeemed in part only on any date in accordance with Condition 5.06:

- (a) in the case of Bearer Instruments, the Instruments to be redeemed shall be drawn by lot, with the intervention of the relevant Commissioner and before a Notary Public who will take the minutes, in such European city as the Issue and Paying Agent may specify, or identified in such other manner or in such other place as the Issue and Paying Agent may approve and deem appropriate and fair; and
- (b) in the case of Registered Instruments, the Instruments shall be redeemed (so far as may be practicable) pro rata to their principal amounts, subject always as aforesaid and provided always that the amount redeemed in respect of each Instrument shall be equal to the minimum denomination thereof or an integral multiple thereof,

subject always to compliance with all applicable laws and the requirements of any listing authority, stock exchange and/or quotation system on which the relevant Instruments may be listed and/or quoted.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.02 to 2.06 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

***Optional Early Redemption (Put)***

5.08 If Put Option is specified as applicable in the relevant Final Terms, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the Early Redemption Date(s) specified in the relevant Final Terms at its put early redemption amount (the “**Early Redemption Amount (Put)**”) (which shall be its principal amount or such other Early Redemption Amount (Put) as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with interest accrued to (but excluding) the date of redemption. In

order to exercise such option, the Holder must, not more than 90 nor less than 60 calendar days before the date so specified (or such other period as may be specified in the relevant Final Terms), deposit the relevant Instrument together with any unmatured Coupons appertaining thereto with, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the Registrar together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a Registered Instrument, the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the Final Terms or an integral multiple thereof). No Instrument so deposited and option exercised may be withdrawn. Not less than 15 nor more than 45 days' notice of the commencement of the period for the deposit of the relevant Instrument for redemption pursuant to this Condition 5.08 shall be given to the Holders.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.02 to 2.09 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

The Holder of an Instrument may not exercise such option in respect of any Instrument which is the subject of an exercise by the Issuer of its option to redeem such Instrument under Conditions 5.06.

#### ***Redemption by Instalments***

- 5.09 Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Instrument which provides for Instalment Dates and Instalment Amounts in the relevant Final Terms will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Instrument shall be reduced by the Instalment Amount for all purposes.

#### ***Cancellation of Redeemed Instruments***

- 5.10 All unmatured Instruments and Coupons and unexchanged Talons redeemed (*amortizados*) will be cancelled forthwith and may not be reissued or resold.

#### ***Purchase of Instruments***

- 5.11 The Issuer and any of its respective subsidiaries or any third party designated by it, may purchase Instruments in the open market or otherwise and at any price *provided that* all unmatured Coupons appertaining thereto are purchased therewith.

In the case of Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments eligible to comply with TLAC/MREL Requirements, the purchase of the relevant Instruments by the Issuer or any of its subsidiaries shall take place in accordance with Applicable Banking Regulations in force at the relevant time and will be subject to the prior consent of the Regulator and/or the Relevant Resolution Authority, if and as required.

#### ***Further Provisions applicable to Redemption Amount and Instalment Amounts***

- 5.12 The provisions of Condition 4E.04 shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the Final Terms to be made by the Calculation Agent.
- 5.13 References herein to “**Redemption Amount**” shall mean, as appropriate, the Maturity Redemption Amount, the final Instalment Amount, Early Redemption Amount (Tax), Early Redemption Amount (Capital Disqualification Event), Early Redemption Amount (TLAC/MREL Disqualification Event), Early Redemption Amount (Zero Coupon), Early Redemption Amount (Call), Early Redemption Amount (Put) and Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms.

#### ***Notices***

- 5.14 Notices of early redemption (whether full or partial) of Instruments shall be given in accordance with Condition 15.

#### ***Notification to Euronext Dublin***

- 5.15 The Issuer shall notify Euronext Dublin of any early redemption (whether full or partial) of Instruments.

## 6 Events of Default

### *Events of Default for Ordinary Senior Instruments*

- 6.01 Unless otherwise specified in the relevant Final Terms, if, in the case of Ordinary Senior Instruments, any of the following events occurs and is continuing (each an “**Event of Default**” solely in respect of Ordinary Senior Instruments), such Event of Default shall be an acceleration event in relation to the Ordinary Senior Instruments of any Series, namely:
- (i) *Non-payment*: if default is made in the payment of any interest or principal due in respect of the Ordinary Senior Instruments of the relevant Series and such default continues for a period of seven Business Days; or
  - (ii) *Breach of other obligations*: if the Issuer fails to perform or observe any of its other obligations under or in respect of the Ordinary Senior Instruments of the relevant Series, or the Issue and Paying Agency Agreement and (except in any case where such failure is incapable of remedy when no such continuation as is hereinafter mentioned will be required) the failure continues for a period of 30 days following the service by the relevant Commissioner (as defined in Condition 14 below) on the Issuer of a notice requiring the same to be remedied; or
  - (iii) *Winding up*: if any order is made by any competent court or resolution passed for the winding up or liquidation of the Issuer; or
  - (iv) *Cessation of business*: if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of a reorganisation (except in any such case for the purpose of a reconstruction or a merger or amalgamation which has been previously approved by a resolution of the relevant Syndicate of Holders of the Ordinary Senior Instruments or a merger with another financial institution in this case even without being approved by a resolution of the relevant Syndicate of Holders of the Ordinary Senior Instruments, *provided that* any entity that survives or is created as a result of such merger is given a rating by an internationally recognised rating agency at least equal to the then current rating of the Issuer, as the case may be, at the time of such merger), or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class thereof) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
  - (v) *Insolvency proceedings*: if (a) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or in relation to the whole or a part of its undertaking or assets, or an encumbrancer takes possession of the whole or a part of its undertaking or assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a part of its undertaking or assets and (b) in any case is not discharged within 14 days; or
  - (vi) *Arrangements with creditors*: if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors).
- 6.02 If any Event of Default shall occur in relation to any Series of Ordinary Senior Instruments, the relevant Commissioner, acting upon a resolution of the relevant Syndicate of Holders of the Ordinary Senior Instruments of the relevant Series, in respect of all the Ordinary Senior Instruments of a relevant Series, or any Holder of an Ordinary Senior Instrument of the relevant Series in respect of such Ordinary Senior Instrument and provided that such Holder does not contravene the resolution of the relevant Syndicate (if any) may, by written notice to the Issuer, at the specified office of the Issue and Paying Agent, declare that such Ordinary Senior Instrument or Instruments and all interest then accrued on such Ordinary Senior Instrument or Instruments shall (when permitted by applicable Spanish law) be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the “**Early Termination Amount**”) (which shall be its principal amount or such other Early



Termination Amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Ordinary Senior Instruments under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with interest accrued to (but excluding) the date of redemption without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Ordinary Senior Instrument or Instruments to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Ordinary Senior Instruments of the relevant Series shall have been cured.

***No Events of Default for Subordinated Instruments, Senior Non Preferred Instruments and certain Ordinary Senior Instruments***

6.03 Save as provided below, there are no events of default under the Subordinated Instruments, the Senior Non Preferred Instruments and, to the extent Conditions 6.01 and 6.02 have been so specified in the relevant Final Terms as not applicable, the Ordinary Senior Instruments, which could lead to an acceleration of the relevant Subordinated Instruments, Senior Non Preferred Instruments or Ordinary Senior Instruments.

However, if an order is made by any competent court commencing insolvency proceedings against the Issuer or if any order is made by any competent court or resolution passed for the insolvency, winding up or liquidation of the Issuer and such order is continuing, then any Instrument may, unless there has been a resolution to the contrary by the Syndicate of Holders of Instruments, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the specified office of the Issue and Paying Agent, be declared immediately due and payable, whereupon the principal amount of such Instruments together with any accrued and unpaid interest thereon to the date of payment shall become immediately due and payable without further action or formality.

Notwithstanding the above, if default is made in the payment of any interest or principal due in respect of the Instruments and such default continues for a period of seven days then, (i) the Commissioner, acting upon a resolution of the Syndicate of Holders of Instruments, in respect of all Subordinated Instruments, Senior Non Preferred Instruments or Ordinary Senior Instruments, as the case may be, or (ii) unless there has been a resolution to the contrary by the Syndicate of Holders of Instruments (which resolution shall be binding on all Holders), any Holder in respect of the Subordinated Instruments, Senior Non Preferred Instruments or Ordinary Senior Instruments, as the case may be, held by such Holder, may institute proceedings for the insolvency, winding up, liquidation or dissolution of the Issuer but may take no further or other action in respect of such default.

In addition, (i) the Commissioner, acting upon a resolution of the Syndicate of Holders of Instruments, or (ii) unless there has been a resolution to the contrary by the Syndicate of Holders of Instruments (which resolution shall be binding on all Holders), any Holder in respect of the Instruments held by such Holder, may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Instruments, provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Instruments sooner than the same would otherwise have been payable by it or any damages.

Neither a cancellation of the Instruments, a reduction, in part or in full, of the principal amount of the Instruments or any accrued and unpaid interest on the Instruments, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Instruments will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Holders to any remedies (including equitable remedies), which are hereby expressly waived.

**7 Waiver of Set-off**

If this Condition 7 is specified in the relevant Final Terms as being applicable to the Instruments, no Holder may at any time exercise or claim any Waived Set-Off Rights against any right, claim, or liability the Issuer has or may have or acquire against such Holder, directly or indirectly, howsoever arising (and, for the avoidance of

doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Instrument) and each Holder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Instruments is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

For the avoidance of doubt, nothing in this Condition is intended to provide, or shall be construed as acknowledging, any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any Holder of any Instrument but for this Condition.

For the purposes of these Terms and Conditions:

**“Waived Set-Off Rights”** means any and all rights of or claims of any Holder for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Instrument.

## **8 Substitution and Variation**

If this Condition 8 is specified in the relevant Final Terms as being applicable to the Instruments, and a Capital Disqualification Event, a TLAC/MREL Disqualification Event or a circumstance giving rise to the right of the Issuer to redeem the Instruments for taxation reasons under Condition 5.02 occurs and is continuing, the Issuer may substitute all (but not some only) of the Instruments (as the case may be) or modify the terms of all (but not some only) of the Instruments, without any requirement for the consent or approval of the Holders, so that they are substituted for, or varied to, become, or remain, Qualifying Instruments, subject to having given not less than 15 nor more than 60 days' notice to the Holders in accordance with Condition 12, the Registrar and the Issue and Paying Agent (which notice shall be irrevocable and shall specify the date for substitution or, as applicable, variation), and subject to obtaining the prior consent of the Regulator and/or the Relevant Resolution Authority if and as required therefor under Applicable Banking Regulations and in accordance with Applicable Banking Regulations in force at the relevant time.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Instruments. Such substitution or variation will be effected without any cost or charge to the Holders.

Holders shall, by virtue of subscribing and/or purchasing and holding any Instruments, be deemed to accept the substitution or variation of the terms of such Instruments and to grant to the Issuer full power and authority to take any action and/or to execute and deliver any document in the name and/or on behalf of the Holders which is necessary or convenient to complete the substitution or variation of the terms of the Instruments.

In these Terms and Conditions:

**“Qualifying Instruments”** means, at any time, any securities denominated in the Specified Currency and issued directly by the Issuer, other than in respect of the effectiveness and enforceability of Condition 21, that have terms not otherwise materially less favourable to the Holders than the terms of the Instruments provided that the Issuer shall have delivered a certificate signed by two Authorised Signatories to that effect to the Issue and Paying Agent and the Commissioner not less than five Business Days prior to (x) in the case of a substitution of the Instruments pursuant to this Condition 8, the issue date of the relevant securities or (y) in the case of a variation of the Instruments pursuant to this Condition 8, the date such variation becomes effective, provided that such securities shall:

- (i) (a) in the case of Instruments eligible to comply with TLAC/MREL Requirements, contain terms which comply with the then current requirements for TLAC/MREL-Eligible Instruments as embodied in the Applicable Banking Regulations, and (b) in the case of Tier 2 Subordinated Instruments, contain terms which comply with the then current requirements for their inclusion in the Tier 2 Capital of the Issuer; and
- (ii) carry the same rate of interest as the Instruments prior to the relevant substitution or variation pursuant to this Condition 8; and

- (iii) have the same denomination and aggregate outstanding principal amount as the Instruments prior to the relevant substitution or variation pursuant to this Condition 8; and
- (iv) have the same date of maturity and the same dates for payment of interest as the Instruments prior to the relevant substitution or variation pursuant to this Condition 8; and
- (v) have at least the same ranking as set out in Condition 3; and
- (vi) not, immediately following such substitution or variation, be subject to a Capital Disqualification Event, a TLAC/MREL Disqualification Event and/or an early redemption right for taxation reasons according to Condition 5.02, as applicable; and
- (vii) be listed or admitted to trading on any stock exchange as selected by the Issuer, if the Instruments were listed or admitted to trading on a stock exchange immediately prior to the relevant substitution or variation pursuant to this Condition 8.

For the avoidance of doubt, (i) any change in the governing law of the Instruments from English law to Spanish law so that the English Instruments become again or remain Qualifying Instruments shall not be subject to the requirement not to be materially less favourable to the interests of the Holders of the English law Instruments; and (ii) any variation in the ranking of the relevant Instruments as set out in Condition 3 resulting from any such substitution or modification shall be deemed not to be materially less favourable to the interests of the Holders of the Instruments where the ranking of such Instruments following such substitution or modification is at least the same ranking as is applicable to such Instruments under Condition 3 on the issue date of such Instruments.

## 9 Taxation

- 9.01 All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Instruments, the Receipts and the Coupons by the Issuer will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Relevant Jurisdiction (as defined in Condition 10C.03), unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts (in the case of Subordinated Instruments and/or Coupons of Subordinated Instruments and in the case of Senior Non Preferred Instruments and Ordinary Senior Instruments eligible to comply with the TLAC/MREL Requirements and/or Coupons of Senior Non Preferred Instruments and Ordinary Senior Instruments eligible to comply with the TLAC/MREL Requirements, in respect of the payment of any interest in respect of such Subordinated Instrument and/or such Coupons of Subordinated Instruments and in respect to Senior Non Preferred Instruments and Ordinary Senior Instruments eligible to comply with the TLAC/MREL Requirements and/or such Coupons of Senior Non Preferred Instruments and Ordinary Senior Instruments eligible to comply with the TLAC/MREL Requirements only (but not in respect of the payment of any principal in respect of such Subordinated Instruments, Senior Non Preferred Instruments and Ordinary Senior Instruments eligible to comply with the TLAC/MREL Requirements)) as will result in receipt by the Holder of any Instrument or Coupon of such amounts as would have been received by them had no such withholding or deduction been required.
- 9.02 The Issuer shall not be required to pay any additional amounts as referred to in Condition 9.01 in relation to any payment in respect of any Instrument or Coupon:
- (i) to, or to a third party on behalf of, a Holder of an Instrument or Coupon who is liable for such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the Relevant Jurisdiction (as defined in Condition 10C.03) other than the mere holding of such Instrument or Coupon; or
  - (ii) to, or to a third party on behalf of, a Holder in respect of whose Instruments the Issuer does not receive such information as may be required in order to comply with the applicable Spanish tax reporting obligations; or
  - (iii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or

- (iv) to, or to a third party on behalf of, individuals resident for tax purposes in the Relevant Jurisdiction (as defined in Condition 10C.03); or
- (v) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish corporation tax if the Spanish tax authorities determine that the Instruments do not comply with exemption requirements specified in the Reply to a Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

In addition, additional amounts will not be payable with respect to any taxes that are imposed in respect of any combination of the items set forth above.

Notwithstanding any other provision of these Terms and Conditions, any amounts to be paid on the Instruments by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

## 10 Payments

### 10A Payments — Bearer Instruments

10A.01 This Condition 10A is applicable to Bearer Instruments.

10A.02 Payment of amounts (other than interest) due in respect of Bearer Instruments will be made against presentation and (save in the case of a partial redemption which includes, in the case of an Instalment Instrument, payment of any instalment other than the final instalment) surrender of the relevant Bearer Instruments at the specified office of any of the Paying Agents

10A.03 Payment of amounts in respect of interest on Bearer Instruments will be made:

- (i) in the case of Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Instruments at the specified office of any of the Paying Agents outside (unless Condition 10A.04 applies) the United States; and
- (ii) in the case of Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Instruments, in either case at the specified office of any of the Paying Agents outside (unless Condition 10A.04 applies) the United States.

10A.04 Payments of amounts due in respect of interest on the Bearer Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 10A.03 will not be made at the specified office of any Paying Agent in the United States (as defined in the Code and U.S. Treasury Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law, without involving, in the opinion of the Issuer, any adverse tax, legal or regulatory consequence to the Issuer. If parts (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

10A.05 If the due date for payment of any amount due in respect of any Bearer Instrument is not a Relevant Financial Centre Day (as defined in Condition 10C.03) and a local banking day (as defined in Condition 10C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day (or as otherwise specified in the relevant Final Terms) and, thereafter will be entitled to receive payment on a Relevant Financial Centre Day and a local banking day and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 4E.06.

10A.06 Each Instrument initially delivered with Coupons attached thereto should be presented and, save in the case of partial payment which includes, in the case of an Instalment Instrument, payment of any instalment other than the final instalment, surrendered for final redemption together with all unmatured Coupons and Talons appertaining thereto, failing which:

- (i) in the case of Instruments which bear interest at a fixed rate or rates (other than Reset Instruments), the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due excluding, for this purpose, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such final redemption amount;
- (ii) in the case of Instruments which bear interest at, or at a margin above or below, a floating rate or which are Reset Instruments, all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them; and
- (iii) in the case of Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 10A.06 notwithstanding, if any Instruments which bear interest at a fixed rate or rates should be issued with a maturity date and a fixed rate or fixed rates such that, on the presentation for payment of any such Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to an Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

10A.07 In relation to Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 10A.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of this Condition 10. Each Talon shall, for the purpose of these Terms and Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

10A.08 For the purposes of these Terms and Conditions, the “United States” means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

#### **10B. Payments — Registered Instruments**

10B.01 This Condition 10B is applicable to Registered Instruments.

10B.02 Payment of amounts (whether principal, a redemption amount or otherwise and including accrued interest) due in respect of Registered Instruments on the final redemption of Registered Instruments will be made against presentation and, save in the case of partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Registered Instruments at the specified office of the Registrar. If the due date for payment of the final redemption amount of any Registered Instrument is not both a Relevant Financial Centre Day (as defined in Condition 10C.03) and a local banking day (as defined in Condition 10C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and, thereafter will be entitled to receive payment by cheque on any local banking day, and, will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Relevant Financial Centre Day and a day on which

commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 4E.06.

10B.03 Payment of amounts (whether principal, a redemption amount, interest or otherwise) due (other than in respect of the final redemption of Registered Instruments) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at close of business (local time in the place of the specified office of the Registrar) on the business day (as defined in Condition 2.04) before the due date for such payment for the Instruments (the “**Record Date**”).

10B.04 Notwithstanding the provisions of Condition 10C.02, payment of amounts (whether principal, a redemption amount, interest or otherwise) due (other than in respect of final redemption of Registered Instruments) in respect of Registered Instruments will be made by cheque and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named) on the business day (as defined in Condition 2.04) not later than the relevant date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Relevant Financial Centre Day, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 4E.06.

#### 10C Payments — General Provisions

10C.01 Save as otherwise specified herein, this Condition 10C is applicable in relation to both Bearer Instruments and Registered Instruments.

10C.02 Payments of amounts due (whether principal, a redemption amount, interest or otherwise) in respect of Instruments will be made in the currency in which such amount is due by (a) cheque or (b) at the option of the payee, transfer to an account denominated in the relevant currency specified by the payee. Payments will, without prejudice to the provisions of Condition 10, be subject in all cases to any applicable fiscal or other laws and regulations.

10C.03 For the purposes of these Terms and Conditions, save as otherwise defined, the following terms shall have the meaning set out below:

“**Authorised Signatory**” means any director of the Issuer (or any signatory authorised to act on its behalf);

“**Business Day**” means a day:

- in relation to Instruments denominated or payable in euro which is a TARGET Business Day; and
- in relation to Instruments payable in any other currency, on which commercial banks are open for business and foreign exchange markets settle payments in the Relevant Financial Centre in respect of the relevant currency; and, in either case,
- on which commercial banks are open for business and foreign exchange markets settle payments in any place specified in the Relevant Financial Centre;

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

“**CMS-Linked Instruments**” means Instruments the payment of interest of which is linked to a constant maturity swap rate as specified in the relevant Final Terms;

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

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

“**Interest Determination Date**” means, with respect to an interest rate and Interest Period, the date specified in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Period if the Relevant Currency is sterling (ii) or the day falling two London Banking Days prior to the first day of such Interest Period if the Relevant Currency is not sterling, or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Period if the Relevant Currency is Euro;

“**local banking day**” means a day (other than a Saturday and Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon;

“**London Banking Day**” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London;

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

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

“**Maximum Rate of Interest**” has the meaning given in the relevant Final Terms;

“**Minimum Rate of Interest**” has the meaning given in the relevant Final Terms;

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

“**principal amount**” means the Aggregate Principal Amount which has the meaning given in the relevant Final Terms;

“**Reference Banks**” means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate. The Reference Banks shall not include the Calculation Agent;

“**Reference Rate**” means one of (i) the London inter-bank offered rate (“**LIBOR**”), (ii) the Euro Interbank Offered Rate (“**EURIBOR**”), (iii) the Sterling Overnight Interbank Average Rate (“**SONIA**”), (iv) the Secured Overnight Financing Rate (“**SOFR**”), (v) the euro short-term rate (“**€STR**”), (vi) the daily Swiss Average Rate Overnight (“**SARON**”), (vii) the Tokyo Overnight Average (“**TONA**”) or (viii) such other rate, in each case, as specified in the relevant Final Terms;

“**Relevant Financial Centre**” means such financial centre or centres as may be specified in the relevant Final Terms. If no financial centre or centres is specified in the relevant Final Terms, this term will have the meaning given to “**Financial Centre**” in Section 1.5 in the ISDA Definitions in respect of the Relevant Currency;

“**Relevant Financial Centre Day**” means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre (which in the case of Australian dollars shall be Melbourne and which in the case of New Zealand dollars shall be Wellington) and in any other place specified in the relevant Final Terms and in the case of payment in euro, a day which is a TARGET Business Day;

“**Relevant Currency**” means the currency specified as Specified Currency in the relevant Final Terms or, if none is specified, the currency in which the Instruments are denominated;

“**Relevant Jurisdiction**” means the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and/or interest on the Instruments;

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the

information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

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

“**Specified Denomination**” means, in relation to any Instruments, the denomination of such Instruments specified as such in the relevant Final Terms and expressed as a currency amount;

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

“**TARGET Business Day**” means any day on which the TARGET2 System, or any successor thereto, is open for the settlement of payments in euro; and

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

10C.04 For the purposes of these Terms and Conditions, the “**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Issue and Paying Agent, or as the case may be, the Registrar on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders of Instruments and Coupons, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 15.

10C.05 Unless the context otherwise requires, any reference in these Terms and Conditions to “**principal**” shall include any premium payable in respect of an Instrument, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and “**interest**” shall include all amounts payable pursuant to Condition 4 and any other amounts in the nature of interest payable to these Terms and Conditions.

## 11 Prescription

11.01 Claims against the Issuer for payment of principal and interest in respect of Instruments will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date for payment thereof.

11.02 In relation to Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 10A.06 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 11 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Instrument.

## 12 The Paying Agents, the Registrars and the Calculation Agent

12.01 The initial Paying Agents and Registrars and their respective initial specified offices are specified in these Terms and Conditions. The Calculation Agent in respect of any Instruments shall be specified in the Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issue and Paying Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that it will at all times maintain (i) an Issue and Paying Agent, (ii) in the case of Registered Instruments, a Registrar, (iii) a Paying Agent (which may be the Issue and Paying Agent) with a specified office in a continental European city, (iv) so long as the Instruments are listed on any stock exchange and/or quotation system, a Paying Agent (which may be the Issue and Paying Agent) and a Registrar each with a specified office in such place as may be required by the rules of such listing authority, stock exchange and/or quotation system, (v) in the circumstances described in Condition 10A.04, a Paying Agent with a specified office in New York City, and (vi) a Calculation Agent where required by the Terms and Conditions applicable to any Instruments with a specified office located in such place (if any) as may be required by the Terms and Conditions. The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agents, the Registrar or the



Calculation Agent will be given promptly by the Issuer to the Holders of the Instruments in accordance with Condition 15.

12.02 The Paying Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

### **13 Replacement of Instruments**

If any Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent or such Paying Agent as may be specified in the relevant Final Terms (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments), subject to all applicable laws and the requirements of any listing authority, stock exchange and/or quotation system on which the relevant Instruments are listed and/or quoted, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Issue and Paying Agent, the relevant Paying Agent or, as the case may be, the Registrar may require. Mutilated or defaced Instruments and Coupons must be surrendered before replacements will be delivered therefor.

### **14 Syndicate of Holders of the Instruments and Modification**

The Holders of the Instruments of the relevant Series shall meet in accordance with the regulations governing the relevant Syndicate of Holders of the Instruments (the “**Regulations**”). The Regulations, which shall have effect as if incorporated herein, contain the rules governing the functioning of each Syndicate of Holders of the Instruments, including the provisions for meetings of such Syndicate to take place, and the rules governing its relationship with the Issuer and shall be attached to the relevant Public Deed of Issuance. A set of pro forma Regulations is included in this Base Prospectus and in the Issue and Paying Agency Agreement.

A Commissioner will be appointed for each Syndicate and will be specified in the relevant Final Terms.

The Issuer may, with the consent of the Issue and Paying Agent and the relevant Commissioner, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Terms and Conditions, the Instruments, the Coupons, the Talons, the Deed of Covenant and the Issue and Paying Agency Agreement, insofar as they may apply to such Instruments to correct a manifest error or to make any modification that is of a minor, formal or technical nature or to comply with a mandatory provision of law. Subject as aforesaid, no other modification may be made to these Terms and Conditions, the Instruments, the Coupons, the Talons, the Deed of Covenant or the Issue and Paying Agency Agreement, except with the sanction of a resolution of the relevant Syndicate of Holders of Instruments.

For the purposes of these Terms and Conditions,

“**Commissioner**” means the trustee (*comisario*) as this term is defined under the Spanish Corporations Law (*Ley de Sociedades de Capital*) of each Syndicate of Holders of the Instruments; and

“**Syndicate**” means the syndicate (*sindicato*) as this term is described under the Spanish Corporations Law (*Ley de Sociedades de Capital*).

### **15 Notices**

#### ***To Holders of Bearer Instruments***

15.01 Notices to Holders of Bearer Instruments, will be valid if published in a leading English language daily newspaper of general circulation in London (which is expected to be the Financial Times) or on the website of Euronext Dublin (<https://live.euronext.com/>) (so long as such Instruments are listed on Euronext Dublin and the rules of that exchange so require) or, in either case if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe.

Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the first date on which publication is made). Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition.

#### ***To Holders of Registered Instruments***

15.02 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth day after the date of such mailing or, if posted from another country, on the fifth such day. With respect to Registered Instruments listed on Euronext Dublin, any notices to Holders must also be published on the website of Euronext Dublin (<https://live.euronext.com/>) (so long as such Instruments are listed on Euronext Dublin and the rules of that exchange so require) and, in addition to the foregoing, will be deemed validly given only after the date of such publication.

#### ***Notice of a General Meeting of the Syndicate of Holders***

15.03 Notice of a General Meeting of Holders of Instruments of the Relevant Series must be given in accordance with the Regulations.

#### ***To Commissioners***

15.04 Copies of any notice given to any Holders of the Instruments will be also given to the Commissioner of the Syndicate of Holders of the Instruments of the relevant Series.

#### ***Notices by any Holder of Instruments***

15.05 Notices to be given by any Holder of Instruments shall be in writing and given by lodging the same, together with the relative Instrument, with the Issue and Paying Agent.

## **16 Further Issues**

The Issuer may, from time to time without the consent of the Holders of any Instruments or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Instruments of any particular Series.

## **17 Currency Indemnity**

The currency in which the Instruments are denominated or, if different, payable, as specified in the relevant Final Terms (the “**Contractual Currency**”) is the sole currency of account and payment for all sums payable by the Issuer in respect of the Instruments, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of an Instrument or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge by the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of an Instrument or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

## 18 Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

## 19 Law and Jurisdiction

The governing law and jurisdiction of the Instruments will be specified in Part A of the relevant Final Terms.

### 19A English law

If English law is specified as the governing law of the Instruments in the relevant Final Terms, the provisions of this Condition 19A shall apply to the Instruments.

#### *Governing Law*

19A.01 Save as described below, the Instruments and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. Conditions 3 and 14 shall be governed by, and shall be construed in accordance with, Spanish law.

#### *Jurisdiction*

19A.02 The Courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Instruments and accordingly any legal action or proceedings arising out of or in connection with any Instruments (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Notwithstanding the above, the Courts of the city of Madrid (Spain) are to have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the exercise of the Bail-in Power by the Relevant Resolution Authority (a “**Bail-in Dispute**”) and accordingly, each of the Issuer and any Holders in relation to any Bail-In Dispute submits to the exclusive jurisdiction of such Courts. Each of the Issuer and any Holders in relation to any Bail-In Dispute further waives any objection to the Courts of the city of Madrid (Spain) on the ground that they are an inconvenient or inappropriate forum to settle a Bail-in Dispute.

#### *Service of Process*

19A.03 The Issuer irrevocably appoints Banco Santander, S.A., London Branch at 2 Triton Square, Regent's Place, London, NW1 3AN as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Holders of such appointment in accordance with Condition 15. Nothing shall affect the right to serve process in any manner permitted by law.

### 19B Spanish law

If Spanish law is specified as the governing law of the Instruments in the relevant Final Terms, the provisions of this Condition 19B shall apply to the Instruments.

#### *Governing Law*

19B.01 The Instruments, any non-contractual obligations arising out of or in connection with the Instruments shall be governed by, and shall be construed in accordance with, Spanish law.

### ***Jurisdiction***

19B.02 The Issuer hereby irrevocably agrees for the benefit of each of the Holders that the Courts of the city of Madrid (Spain) are to have jurisdiction to settle any disputes which may arise out of or in connection with any Instruments (including a dispute relating to any non-contractual obligations arising out of or in connection with the Instruments) and that accordingly any suit, action or proceedings arising out of or in connection with the Instruments (together referred to as “**Proceedings**”) may be brought in such courts. The Issuer irrevocably waives any objection which it may have now or hereinafter to the laying of the venue of any Proceedings in the courts of the city of Madrid (Spain). To the extent permitted by law, nothing contained in this Condition 19B shall limit any rights of any Holders (other than in relation to a Bail-in Dispute) to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdictions, whether concurrently or not.

In addition, the Courts of the city of Madrid (Spain) have exclusive jurisdiction to settle any Bail-in Dispute and accordingly each of the Issuer and any Holders in relation to any Bail-in Dispute submits to the exclusive jurisdiction of the Courts of the city of Madrid (Spain). Each of the Issuer and any Holders in relation to any Bail-in Dispute further waives any objection to the Courts of the city of Madrid (Spain) on the ground that they are an inconvenient or inappropriate forum to settle any Bail-in Dispute.

## **20 Rights of Third Parties**

In the case of Instruments specified in the Final Terms as being governed by English law, no person shall have any right to enforce any term or condition of any Series of Instruments under the Contracts (Rights of Third Parties) Act 1999.

## **21 Bail-in**

### ***Acknowledgement***

21.01 Notwithstanding any other term of the Instruments or any other agreement, arrangement or understanding between the Issuer and the Holders, by its subscription and/or purchase and holding of the Instruments, each Holder (which for the purposes of this Condition 21 includes each holder of a beneficial interest in the Instruments) acknowledges, accepts, consents to and agrees:

- (i) to be bound by the effect of the exercise of the Bail-in Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
  - the reduction of all, or a portion, of the Amounts Due on a permanent basis;
  - the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Instruments, in which case the Holder agrees to accept in lieu of its rights under the Instruments any such shares, other securities or other obligations of the Issuer or another person;
  - the cancellation of the Instruments or Amounts Due;
  - the amendment or alteration of the maturity of the Instruments or amendment of the Interest Amount payable on the Instruments, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) that the terms of the Instruments are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.

### ***Payment of Interest and Other Outstanding Amounts Due***

21.02 No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in the Kingdom of Spain and the European Union applicable to the Issuer or other members of the Group.

### ***Notice to Holders***

21.03 Upon the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Instruments, the Issuer will make available a written notice to the Holders as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Agents for information purposes. Any delay or failure to give notice to the Holders will not affect the validity or enforceability of the Bail-in Power.

### ***Duties of the Agents***

21.04 Upon the exercise of any Bail-in Power by the Relevant Resolution Authority, (a) the Agents shall not be required to take any directions from Holders, and (b) the Issue and Paying Agency Agreement shall impose no duties upon any of the Agents whatsoever, in each case with respect to the exercise of any Bail-in Power by the Relevant Resolution Authority.

### ***Proration***

21.05 If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless any of the Agents is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Instruments pursuant to the Bail-in Power will be made on a pro-rata basis.

### ***Conditions Exhaustive***

21.06 The matters set forth in this Condition 21 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of an Instrument.

For the purposes of the Terms and Conditions:

“**Amounts Due**” means the principal amount or outstanding amount, together with any accrued but unpaid interest, and Additional Amounts, if any, due on the Instruments. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-in Power by the Relevant Resolution Authority.”

## **22 Direct Rights**

Insofar as the Instruments are in global form, the Issuer and each Holder will have agreed that, when each Holder elects so, the relevant Account Holder will immediately acquire the right under this Condition 22 and the provisions of the Global Instruments or the Global Registered Instruments, as applicable, with regard to the Spanish law Instruments and of the Deed of Covenant with regard to the English law Instruments, to claim and receive all payments due at any time in respect of the relevant portion of the corresponding Instruments credited in the securities account of the Account Holder (the “**Direct Rights**”) and, from that time, the said Holder will have no further rights under the Global Instruments or the Global Registered Instruments, as applicable, with respect to that relevant portion of the Instruments (but without prejudice to the rights which the Holder or any other person may have under the relevant Global Instrument or Global Registered Instrument, as applicable).

In this Condition 22:

“**Account Holder**” means a holder of a securities account, except for a Clearing System or a Custodian to the extent that any securities, or rights in respect of securities, credited to such Clearing System or Custodian's securities account are held by such Clearing System or Custodian for the account or benefit of a holder of a securities account with that Clearing System or Custodian;

“**Clearing System**” means Clearstream, Luxembourg, Euroclear or any other person who falls within the definition of “Alternative Clearing System” in these Terms and Conditions;

“**Custodian**” means a person who acknowledges to a Clearing System (or to a Custodian and therefore indirectly to a Clearing System) that it holds securities, or rights in respect of securities, for the account or benefit of that Clearing System (or Custodian);

“**Global Instrument**” means a Global Instrument (whether in temporary or permanent form) issued pursuant to the Issue and Paying Agency Agreement; and

**“Global Registered Instrument”** means a registered global certificate issued pursuant to the Issue and Paying Agency Agreement representing registered instruments of one or more Tranches of the same Series that are registered in the name of a nominee or a common nominee for one or more Clearing Systems or Custodians.

## **SUBSCRIPTION AND SALE**

*The following wording shall be inserted in the section of the Base Prospectus entitled “Subscription and Sale” following the sub-section entitled “Italy”:*

### ***“Taiwan***

Unless the offer of the Instruments has been and will be registered with the Financial Supervisory Commission or other regulatory authorities or agencies of Taiwan, the Republic of China pursuant to relevant securities laws and regulations, the Instruments may not be sold, issued or offered within Taiwan, the Republic of China through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission or other regulatory authorities or agencies of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of any Instruments in Taiwan, the Republic of China.”

## PRO FORMA FINAL TERMS

*The following text shall replace in its entirety the text in the section entitled “Pro Forma Final Terms” on page 156 of the Base Prospectus:*

### “PRO FORMA FINAL TERMS

*Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments 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 Instruments to eligible counterparties and professional clients are appropriate. [*Consider any negative market*]. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

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

**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018][EUWA] (“**UK MiFIR**”); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK PRIIPs Regulation / PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Instruments 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 United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 [“**EUWA**”]; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments



or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined the classification of the Instruments to be [capital markets products other than] prescribed capital markets products (as defined in the CMP Regulations 2018) and [Excluded]/ [Specified] Investment Products (as defined in the Monetary Authority of Singapore (the “MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]**<sup>1</sup>

[Amounts payable under the Instruments may be calculated by reference to [*specify benchmark (as this term is defined in the Benchmark Regulation)*] which is provided by [*legal name of the benchmark administrator*]. As at the date of this Final Terms, [*legal name of the benchmark administrator*] [appears / does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (“**EU BMR**”).]

**Final Terms dated [ ]**

**Banco Santander, S.A.**

**Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Instruments*]  
under the €50,000,000,000 Programme for the Issuance of Debt Instruments**

## **PART A — CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Terms and Conditions**”) set forth in the Base Prospectus dated 15 March 2021 [and the Supplement[s] to the Base Prospectus dated [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation. [This document constitutes the Final Terms of the Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]]<sup>2</sup> in order to obtain all the relevant information. [The Base Prospectus [and the Supplement[s] to the Base Prospectus] [is] [are] available for viewing at the head office of the Issuer (being Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain), the offices of the Issue and Paying Agent, The Bank of New York Mellon, London Branch at One Canada Square, London E14 5AL and at the offices of each Paying Agent and copies may be obtained from the addresses specified above. The Base Prospectus has been published on the website of Euronext Dublin (<https://live.euronext.com/>).]

[The Instruments have not been and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than professional institutional investors (“**Professional Institutional Investors**”) as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China (“**ROC**”). Purchasers of the Instruments are not permitted to sell or otherwise dispose of the Instruments except by transfer to a Professional Institutional Investor.] (*To be inserted if Instruments are admitted to listing on the Taipei Exchange.*)

[Application has [also] been made by the Issuer (or on its behalf) for the Instruments to be admitted to listing and trading on the Taipei Exchange in the Republic of China (“**TPEX**”). TPEX is not responsible for the content of the Base Prospectus, these Final Terms [and the amendment[s] and/or supplement[s] thereto] and no representation is made by TPEX to the accuracy or completeness of the Base Prospectus, these Final Terms [and the amendment[s] and/or supplement[s] thereto]. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of the Base Prospectus, these Final terms [and the amendment[s] and/or supplement[s] thereto. Admission to listing and trading of the Instruments on TPEX shall not be taken as an indication of the merits of the Issuer or the Instruments.] (*To be inserted if Instruments are admitted to listing on the Taipei Exchange.*)

<sup>1</sup> Legend to be included on front of the Final Terms if the Instruments do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

<sup>2</sup> [In the case of listing the Instruments on an unregulated market or unlisted Instruments, this language will be removed.]

*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Terms and Conditions**”) set forth in the Base Prospectus dated [16 March 2020][12 March 2019][8 March 2018][6 March 2017, and the Supplement to it dated 7 July 2017] which [is/are] incorporated by reference in the Base Prospectus dated 15 March 2021. This document constitutes the Final Terms of the Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 15 March 2021 [and the Supplement[s] to the Base Prospectus dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “**Base Prospectus**”) in order to obtain all the relevant information, save in respect of the Terms and Conditions which are extracted from the Base Prospectus dated [16 March 2020][12 March 2019][8 March 2018][6 March 2017, and the Supplement to it dated 7 July 2017]. The Base Prospectus has been published on the websites of the Issuer ([www.santander.com](http://www.santander.com)) and Euronext Dublin (<https://live.euronext.com/>).]

*Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*

- 1 Issuer: Banco Santander, S.A.
- 2 (i) Series Number: [ ]  
[(ii)] Tranche Number: [ ]  
[(If fungible with an existing Series, details of that Series, including the date on which the Instruments become fungible).]
- 3 Specified Currency: [ ]
- 4 Aggregate Principal Amount: [ ]  
(i) Series: [ ]  
(ii) Tranche: [ ]
- 5 Issue Price: [ ] per cent. of the Aggregate Principal Amount [plus accrued interest from *[date]* (if applicable)] / [ ] per cent. per Instrument of [ ] Specified Denomination
- 6 Specified Denominations: [ ]
- 7 Calculation Amount: *[the Specified Denomination]*
- 8 (i) Issue Date: [ ]  
(ii) Interest Commencement Date: [ ] [Issue Date]  
(iii) Trade Date [ ]
- 9 Maturity Date: *[Date or (for Floating Rate — Instruments) Interest Payment Date falling in the relevant month and year]*
- 10 Interest Basis: [[ ] per cent. Fixed Rate]  
[Reset Instruments]  
[Floating Rate: [difference between] [LIBOR] [and] [EURIBOR] [and] [SONIA] [and] [SOFR] [and] [€STR] [and] [SARON] [and] [TONA] [and] *[insert Floating Rate Option]* [+/-] [multiplied by] [ ] per cent.]  
[Zero Coupon]

- [CMS-Linked: *[constant maturity swap rate appearing on the Relevant Screen Page]* +/- [ ] per cent.]
- 11 Redemption/Payment Basis: [Redemption at par]  
[Instalment]
- 12 Put/Call Options: [Not Applicable]  
[Call Option]  
[Put Option]  
[(further particulars specified below)]
- 13 [(i)] Status of the Instruments: [Ordinary Senior Instruments/ Senior Non Preferred Instruments/ Subordinated Instruments-Senior Subordinated Instruments/Subordinated Instruments-Tier 2 Subordinated Instruments]  
[*The Subordinated Instruments-Tier 2 Subordinated Instruments are intended to constitute Tier 2 Instruments of the Issuer*]
- [(ii)] Ordinary Senior Instruments – Events of Default [Conditions 6.01 and 6.02 are [not] applicable]
- [[iii)] [Date [Executive Committee] approval for issuance of Instruments obtained:
- 14 Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 15 Fixed Rate Instrument Provisions [Applicable/ Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable) (*If applicable, Condition 4A of the Terms and Conditions of the Instruments will apply*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [for the [ ] Interest Period][*repeat information if necessary*]  
[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] [in each year] [adjusted in accordance with [*Business Day Convention*]]
- (iii) Fixed Coupon Amount[(s)]: [ ] per [ ] Specified Denomination [for the [ ] Interest Period] [*repeat information if necessary*]
- (iv) Day Count Fraction: [30/360]/[360/360]/[Bond Basis]  
[30E/360]/ [EuroBond Basis]  
[Actual/Actual]/ [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)][  
[Actual/Actual (ICMA)]  
[Actual/360]  
[30E/360 (ISDA)]
- [(v)] Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*).

(N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))

- (vi) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the [Issue and Paying Agent]) [ ]
- (vii) Step Up Provisions: [Applicable/Not Applicable]  
 — Step Up Margin: [ ] per cent.
- 16 Reset Instrument Provisions [Applicable/Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable]  
*(If applicable, Condition 4B of the Terms and Conditions of the Instruments will apply)*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Initial Rate of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) First Margin: [+/-][ ] per cent. per annum
- (iii) Subsequent Margin: [[+/-][ ] per cent. per annum] [Not Applicable]
- (iv) Interest Payment Date(s): [ ] in each year [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
- (v) Fixed Coupon Amount up to (but excluding) the First Reset Date: [ ] per [ ] specified denomination [for the [ ] Interest Period] [*repeat information if necessary*]
- (vi) First Reset Date: [ ] [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
- (vii) Second Reset Date: [ ]/[Not Applicable] [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
- (viii) Subsequent Reset Date(s): [ ] [and [ ]] [adjusted in accordance with [*Business Day Convention*]/[not adjusted].
- (ix) Reset Reference Rate: [Mid-Swap Rate/Sterling Reference Bond Rate/Non-Sterling Reference Bond Rate/U.S. Treasury Rate]
- (x) Initial Reference Rate: [[•]/Not Applicable]
- (xi) Reset Determination Time: [•]
- (xii) Relevant Screen Page: [ ]
- (xiii) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (xiv) Mid-Swap Maturity: [ ]
- (xv) Fixed Leg Swap Duration: [ ]
- (xvi) Day Count Fraction: [30/360]/[360/360]/[Bond Basis]  
 [30E/360]/ [EuroBond Basis]  
 [Actual/Actual]/ [Actual/Actual (ISDA)]  
 [Actual/365 (Fixed)]  
 [Actual/Actual (ICMA)]

		[Actual/360] [30E/360 (ISDA)]
(xvii)	[Determination Dates:	[ ] in each year ( <i>insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon</i> ).
(xviii)	Reset Business Centre:	[ ]
(xix)	Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the [Issue and Paying Agent])	
(xx)	Step Up Provisions: — Step Up Margin:	[Applicable/Not Applicable] [ ] per cent.
17	Floating Rate and CMS-Linked Instrument Provisions	[Applicable/ Applicable (in respect of period from (and including) [ ] to (but excluding ([ ])/Not Applicable] <i>(If applicable, Condition 4C of the Terms and Conditions of the Instruments will apply)</i> <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Interest Payment Date(s):	[ ] in each year [adjusted in accordance with [ <i>Business Day Convention</i> ]
(ii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(iii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Issue and Paying Agent]):	[ ]
(iv)	Margin Plus Rate:	[Applicable] [Not Applicable]
(v)	Specified Percentage Multiplied by Rate:	[Applicable] [Not Applicable]
(vi)	Difference in Rates: — Rate 1: — Rate 2:	[Applicable] [Not Applicable] [Screen Rate Determination] [ISDA Determination] [Screen Rate Determination] [ISDA Determination]
(vii)	Screen Rate Determination — Reference Rate:  — Interest Determination Date(s):	[LIBOR][EURIBOR][SONIA][SOFR][€STR][SARON][TONA] [constant maturity swap rate] [ ] [[ ] London Banking Days prior to each Interest Payment Date] <i>(Include where the Reference Rate is SONIA)</i>

U.S. Government Securities Business Days prior to each Interest Payment Date]

*(Include where the Reference Rate is SOFR)*

TARGET Business Days prior to each Interest Payment Date]

*(Include where the Reference Rate is €STR)*

Zurich Banking Days prior to each Interest Payment Date]

*(Include where the Reference Rate is SARON)*

Tokyo Banking Days prior to each Interest Payment Date]

*(Include where the Reference Rate is TONA)*

— Relevant Screen

Page:

*[Other examples: Reuters LIBOR 01/ EURIBOR 01]*

○ [Calculation Method:

*Include where the Reference Rate is SONIA: [SONIA Compounded Daily]/[SONIA Index Compounded Daily]/[SONIA Weighted Average]]*

*[Include where the Reference Rate is SOFR: [SOFR Arithmetic Mean]/[SOFR Compound: [SOFR Compound with Lookback]/[SOFR Compound with Observation Period Shift]/[SOFR Compound with Payment Delay]/[SOFR Index with Observation Shift]]]*

*Include where the Reference Rate is €STR: [€STR Compounded Daily]/[€STR Index Compounded Daily]/[€STR Weighted Average]]*

*Include where the Reference Rate is SARON: [SARON Compounded Daily]/[SARON Index Compounded Daily]/[SARON Weighted Average]]*

*Include where the Reference Rate is TONA: [TONA Compounded Daily]/[TONA Index Compounded Daily]/[TONA Weighted Average]]*

○ Observation Method:

*[Include where the Calculation Method is SONIA/€STR/SARON/TONA Compounded Daily: [Lag]/[Lock-out]/[Shift]]*

○ p:

*[[specify] [London Banking Days]/[U.S. Government Securities Business Days]/[TARGET Business Days]/[Zurich Banking Days]/[Tokyo Banking Days]/[As per the Conditions]/[Not applicable]]*

*(Include where the Reference Rate is SONIA, €STR, SARON, TONA or SOFR (where the Calculation Method is SOFR Compound: SOFR Compound with Lookback))*

○ [Observation Shift Days:

*[[specify] U.S. Government Securities Business Days]/[As per the Conditions]/[Not applicable]]*

*(Include where the Reference Rate is SOFR and the Calculation Method is SOFR Compound: SOFR with Observation Period Shift or SOFR Index with Observation Shift)*

○ Interest Payment Delay:

*[Not Applicable /  U.S. Government Securities Business Day(s)]]*

*(Include where the Reference Rate is SOFR)*

- Interest Period End Dates: [specify] [The Interest Payment Date for such Interest Period] [Not Applicable]  
*(Include where the Reference Rate is SONIA, €STR, SARON or TONA and the Observation Method is “Shift” or SOFR and the Calculation Method is Compound with Payment Delay)*
  - [SOFR Cut-Off Date: [As per Conditions]/[[specify] U.S. Government Securities Business Days]/[ Not applicable]]  
*(Include where the Reference Rate is SOFR. Must apply where the Calculation Method is SOFR Arithmetic Mean)*
  - [SOFR Replacement Alternatives Priority: [As per Conditions]/[specify order of priority of SOFR Replacement Alternatives listed in Condition 4C.05(D).]]
  - Relevant Time: [ ]/[Not applicable]  
*[For example, 11.00 a.m. London time/Brussels/Zurich/Tokyo time]*
- (viii) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
  - [— ISDA Benchmarks Supplement: [Applicable/Not Applicable]]
- (ix) Margin(s): [ +/- ] [ ] per cent. per annum
- (x) Minimum Rate of Interest: [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Day Count Fraction: [30/360]/[360/360]/[Bond Basis]  
[30E/360]/ [EuroBond Basis]  
[Actual/Actual]/ [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/Actual (ICMA)]  
[Actual/360]  
[30E/360 (ISDA)]
- (xiii) Specified Percentage: [ ] per cent.
- (xiv) Constant maturity swap rate: [ ]
- (xv) Step Up Provisions: [Applicable/Not Applicable]  
— Step Up Margin: [ ] per cent.
- 18 Zero Coupon Instrument Provisions [Applicable/Not Applicable]  
*(If applicable, Condition 4D of the Terms and Conditions of the Instruments will apply)*

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

- (i) Amortisation Yield: [ ] per cent. per annum
- (ii) Day Count Fraction relating to Early Redemption Amounts: [30/360]/[360/360]/[Bond Basis]  
[30E/360]/ [EuroBond Basis]  
[Actual/Actual]/ [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/Actual (ICMA)]  
[Actual/360]  
[30E/360 (ISDA)]

#### **PROVISIONS RELATING TO REDEMPTION**

- 19 Call Option: [Applicable/Not Applicable]  
*(The clearing systems require a minimum of 5 business days' notice if such an option is to be exercised)*
  - (i) Early Redemption Amount (Call) of each Instrument: [ ] per Instrument of [ ] specified denomination
  - (iii) Notice period [ ] days
  - (iv) Early Redemption Date(s): [ ]
- 20 Put Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Early Redemption Date(s): [ ]
  - (ii) Early Redemption Amount (Put) of each Instrument: [ ] per Instrument of [ ] specified denomination
  - (iii) Notice period [ ]
- 21 Maturity Redemption Amount of each Instrument [[ ] per Instrument of [ ] Specified Denomination]
- 22 Early Redemption Amount, Early Redemption Amount (Tax), Early Redemption Amount (Capital Disqualification Event) and Early Redemption Amount (TLAC/MREL Disqualification Event)  
TLAC/MREL Disqualification Event [Applicable/Not Applicable]  
Early Redemption Amount(s) of each Instrument payable on redemption for (1) taxation reasons, [(2) on a Capital Disqualification Event], [(3) on a TLAC/MREL Disqualification Event] or (4) on event of default: [ ]

#### **GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS**

- 23 Form of Instruments: Bearer Instruments:



[Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument]

[Temporary Global Instrument exchangeable for Definitive Instruments]

[Permanent Global Instrument exchangeable for Definitive Instruments on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument]

[Instruments shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian law of 14th December, 2005<sup>3</sup>]

Registered Instruments:

[Global Registered Instrument exchangeable for Individual Certificates in the limited circumstances specified in the Global Registered Instrument]

[Global Registered Instrument (US\$/€[ ] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]]

[Individual Certificates]

- |    |   |                             |
|----|---|-----------------------------|
| 24 | New Global Note:  | [Yes] [No]                  |
| 25 | Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): | [Yes] [No] [ ]              |
| 26 | Relevant Financial Centre:  | [ ]                         |
| 27 | Relevant Financial Centre Day:  | [ ]                         |
| 28 | Amount of each instalment (Instalment Amount), date on which each payment is to be made (Instalment Date):              | [Not Applicable] [ ]        |
| 29 | Commissioner:   | [ ]                         |
| 30 | Waiver of Set-off:  | [Applicable/Not Applicable] |
| 31 | Substitution and Variation:   | [Applicable/Not Applicable] |
| 32 | Governing law   | [English law/Spanish law]   |

## DISTRIBUTION

- |    |  |                        |
|----|--|------------------------|
| 33 | If syndicated, names of Managers:          | [Not Applicable] [ ]   |
| 34 | If non-syndicated, name of Dealer/Manager: | [Not Applicable] / [ ] |
| 35 | Stabilisation Manager(s):                  | [Not Applicable] [ ]   |

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<sup>3</sup> Include for Instruments that are to be offered in Belgium.

36 US Selling Restrictions:  
(Categories of potential  
investors to which the  
Instruments are offered)

Reg. S Compliance Category 2; [TEFRA C/TEFRA D/ TEFRA not  
applicable]

### **THIRD PARTY INFORMATION**

[[*Relevant third party information*] has been extracted from [*source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

### **CONFIRMED**

**BANCO SANTANDER, S.A.**

By:

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*Authorised Signatory*

Date

## PART B — OTHER INFORMATION

### 18 LISTING AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Instruments to be listed on [the Official List of Euronext Dublin]/[any other regulated market]<sup>4</sup>/[any unregulated market]/[any other listing authority] [any other stock exchange] [any other quotation system] and application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [the Regulated Market of Euronext Dublin] [any other regulated market] [any other unregulated market] [any other listing authority] [any other stock exchange] [any other quotation system] with effect from [ ].]<sup>5</sup> [Not Applicable.]

[Application has [also] been made by the Issuer (or on its behalf) for the Instruments to be admitted to listing and trading on the Taipei Exchange in the Republic of China (“TPEX”). TPEX is not responsible for the content of these Final Terms, the Base Prospectus [and the amendment[s] and/or supplement[s] thereto] and no representation is made by TPEX to the accuracy or completeness of these Final Terms [and], the Base Prospectus [and the amendment[s] and/or supplement[s] thereto]. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of these Final Terms [and] the Base Prospectus [and the amendment[s] and/or supplement[s] thereto]. Admission to listing and trading of the Instruments on TPEX shall not be taken as an indication of the merits of the Issuer or the Instruments. No assurance can be given as to whether the Instruments will be, or will remain, listed on TPEX. If the Instruments fail to or cease to be listed on TPEX, certain investors may not invest in, or continue to hold or invest in, the Instruments] (*To be inserted if Instruments are listed on the Taipei Exchange*)

Estimate of total expenses related to admissions to trading: [●]

(*Where documenting a fungible issue, indicate that the original Instruments are already admitted to trading.*)

### 19 [RATINGS]

The Instruments to be issued have been rated:

[S&P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[[Other]: [ ]]

[These credit ratings have been issued by [S&P Global Ratings Limited], [Moody's Investor Services España, S.A.] [and Fitch Ratings Ireland Limited] [other].

Each of [S&P Global Ratings Limited], [Moody's Investor Services España, S.A.] [,][and] [Fitch Ratings Ireland Limited] [and] [Specify Other] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such each of [S&P Global Ratings Limited], [Moody's Investor Services España, S.A.] [,][and] [Fitch Ratings Ireland Limited] [and] [Specify Other] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

[A list of rating agencies registered under the CRA Regulation can be found at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.]

[[*Insert the legal name of the relevant credit rating agency entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). [*Insert the legal name of relevant credit rating agency entity*] is therefore not included in the list of credit rating

<sup>4</sup> [In the case of listing the Instruments on an unregulated market, this language and any references to the Prospectus Regulation will be removed.]

<sup>5</sup> [In the case of unlisted Instruments, this language and any references to the Prospectus Regulation will be removed.]

agencies published by the European Securities and Market Authority on its website in accordance with such Regulation.]<sup>6</sup>

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

*(The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

## **20 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

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

[Save as discussed in paragraph 5.4 (*Placing and Underwriting*) of the Base Prospectus for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

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

## **4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reasons for the offer: *(Use of proceeds if other than for general funding purposes of the Group.)* The Instruments are specified as being [“Green Bonds”][“Social Bonds”][“Sustainable Bonds”] and the net proceeds from the issuance of the Instruments will be used as described in “*Use of Proceeds*” in the Base Prospectus.]

Estimated net proceeds: [•]

## **5 [Fixed Rate Instruments only— YIELD**

Indication of yield: [ ]

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

## **6 OPERATIONAL INFORMATION**

ISIN: [ ]

Common Code: [ ]

CUSIP number: [ ]

WKN: [ ] [Not applicable]

Any other clearing system other than [Clearstream Banking AG] [ ]

Euroclear and Clearstream Banking, [Not applicable]

S.A. and the relevant identification numbers:

Delivery: Delivery [against/free of] payment

<sup>6</sup> [For Instruments that receive ratings only.]

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

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

[Yes. Note that the designation “yes” simply means that the Instruments 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,] [*include this text for registered Instruments*] and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intraday 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.][if “yes” selected and the Instruments are deposited with an ICSD, the Instruments must be issued in NGN form]

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

## 7 [ROC TAXATION]

*(To be inserted if Instruments are listed on the Taipei Exchange)*

The following is a general description of the principal of the Republic of China (“ROC”) tax consequences for investors receiving interest in respect of, or disposing of, the Instruments and is of a general nature based on the Issuer’s understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.

This general description is based upon the law as in effect on the date hereof and that the Instruments will be issued, offered, sold and re-sold, directly or indirectly, to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Instruments.

### ***Interest on the Instruments***

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest [or deemed interest] to be paid on the Instruments.

ROC corporate holders must include the interest [or deemed interest] (*applicable for Zero Coupon Instruments only*) receivable under the Instruments as part of their taxable income and pay income tax at a flat rate of 20 per cent (unless the total taxable income for a fiscal year is under NT\$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax (“AMT”) is not applicable.

### ***Sale of the Instruments***

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax (“STT”) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Instruments will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Instruments will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Instruments. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the ordinary income tax calculated pursuant to the Income Basic Tax Act of the ROC (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders may be carried over 5 years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

*[Specify]*

## **8 [ROC SETTLEMENT AND TRADING]**

*(To be inserted if Instruments are listed on the Taipei Exchange)*

[investor with a securities book-entry account with a ROC securities broker and a foreign currency deposit account with a ROC bank may request the approval of the Taiwan Depository & Clearing Corporation (“TDCC”) to the settlement of the Instruments through the account of TDCC with Euroclear or Clearstream, Luxembourg and if such approval is granted by the TDCC, the Instruments may be so cleared and settled. In such circumstances, TDCC will allocate the respective Instruments position to the securities book-entry account designated by such investor in the ROC. The Instruments will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEX as domestic bonds.

In addition, an investor may apply to TDCC (by filing in a prescribed form) to transfer the Instruments in its own account with Euroclear or Clearstream, Luxembourg to the TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets.

For such investors who hold their interests in the Instruments through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Instruments to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second ROC business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one ROC business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.]”