



**Inmobiliaria Colonial, SOCIMI, S.A.**

incorporated as a *sociedad anónima* (limited liability company) in Spain  
Registered office: Paseo de la Castellana, 52 – 28046 Madrid, Spain  
Legal Entity Identifier (“LEI”): 95980020140005007414  
(the “Issuer” or “Colonial”)

**NOTICE OF MEETING**

to all holders of the following series of notes (each a “Series” and, together, the “Notes”):

Notes	ISIN	Issue Date	Maturity Date	First Call Date	Aggregate Principal Amount Outstanding
2028 Notes	ES0239140017	14/10/2020	14/10/2028	14/07/2028	EUR500,000,000
2029 Notes	ES0239140025	22/06/2021	22/06/2029	22/03/2029	EUR625,000,000 <sup>(1)</sup>

Note:

(1) Initial amount of €500,000,000 issued on 22 June 2021, additional amount of €125,000,000 issued on 8 July 2021.

**NOTICE IS HEREBY GIVEN that, pursuant to: (i) the terms and conditions of each Series, (ii) the consent solicitation memorandum dated 25 June 2024 (the “Consent Solicitation Memorandum”) and (iii) the Meeting Provisions (as defined in the Consent Solicitation Memorandum), the Board of Directors of the Issuer convenes a General Meeting of Noteholders for each Series (each a “General Meeting”) to be held on 17 July 2024 or, if adjourned, on 31 July 2024, at such times as described in the Consent Solicitation Memorandum, for the purpose of considering and, if thought fit, passing a resolution to amend the terms and conditions of each Series, all as more particularly described in the Consent Solicitation Memorandum (in respect of each Series, a “Consent Solicitation”).**

In order to facilitate the participation of Noteholders, each General Meeting will be held via video conference, without the physical presence of Noteholders. Noteholders are invited to vote in respect of the relevant Resolution (as defined herein) by submitting a Consent Instruction (as defined in the Consent Solicitation Memorandum) in respect of all or some of their Notes. Those Noteholders that wish to attend and vote at the General Meeting via video conference should submit an Attendance Certificate (as defined in the Consent Solicitation Memorandum), all as further described in the Consent Solicitation Memorandum.

**EACH CONSENT SOLICITATION WILL COMMENCE ON 25 JUNE 2024 AND WILL EXPIRE AT 10:30 (CET) ON 16 JULY 2024 OR, IF THE ISSUER CONFIRMS THE CALLING OF AN ADJOURNED GENERAL MEETING, AT 10:30 (CET) ON 30 JULY 2024, UNLESS THE PERIOD FOR SUCH CONSENT SOLICITATION IS EXTENDED OR EARLIER TERMINATED BY THE ISSUER IN ITS SOLE DISCRETION. IN SUCH CASE, THE ISSUER WILL PUBLICLY ANNOUNCE SUCH EXTENSION OR TERMINATION IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF EACH CONSENT SOLICITATION AS SET OUT IN THE CONSENT SOLICITATION MEMORANDUM.**

A description of the action to be taken by Noteholders that wish to participate in the Consent Solicitations is set out in “Procedures for Participating in the Consent Solicitations and/or Voting in Respect of the Proposal” of the Consent Solicitation Memorandum.

**If Noteholders have any questions or requests for assistance in connection with receiving a copy of the Consent Solicitation Memorandum, participating in the Consent Solicitations or the delivery of Consent Instructions or Attendance Certificates, they should contact the Sole Consent Solicitation Agent or the Tabulation and Information Agent, the contact details for whom are on the last page of this Notice.**

Capitalised terms used in this Notice have the meaning given in the Consent Solicitation Memorandum.

## RESOLUTION IN RELATION TO THE 2028 NOTES

The following resolution (the “**Resolution**”) is being proposed as an Extraordinary Resolution (as defined in the Agency Agreement (as defined below)):

“Pursuant to the consent solicitation memorandum dated 25 June 2024 and the notice dated 25 June 2024 (the “**Notice**”) in relation to the calling of the general meeting (the “**General Meeting**”) of the holders (the “**Noteholders**”) of the EUR500,000,000 1.350 per cent. Notes due October 2028 (the “**Notes**”) of Inmobiliaria Colonial, SOCIMI, S.A. (the “**Issuer**”), voting under the quorum and majority conditions required for the General Meeting (as set out in Schedule 1 of the issue and paying agency agreement entered into between the Issuer and Deutsche Bank AG, London Branch relating to the Notes and dated 19 December 2019 (the “**Agency Agreement**”)), the General Meeting hereby:

1. subject to the Issuer not having terminated the Consent Solicitation in respect of the Notes in accordance with the provisions for such termination set out in the Consent Solicitation Memorandum, approves, authorises, consents, sanctions, empowers and directs the Issuer to amend the Terms and Conditions of the Notes in such terms as are set out in Schedule 1 to this Resolution, with such amendments to take effect from the date of the approval of this Resolution by the General Meeting (the “**Proposal**”);
2. approves, authorises, consents, sanctions, empowers and directs the Issuer to:
  - (i) consent and/or confirm its agreement to the implementation of the Proposal (in writing where necessary); and
  - (ii) execute and do all such other deeds, instruments, ancillary documents, acts and things as may be necessary or desirable to carry out and give effect to this Resolution in order to implement the Proposal;
3. acknowledges that the Terms and Conditions of the Notes will remain in full force and effect, and no party or parties intend that the Notes be rescinded, repaid or terminated as a consequence of this Resolution;
4. acknowledges that the payment of the Early Voting and Consent Fee (if payable to eligible Noteholders as further described in the Consent Solicitation Memorandum) shall be conditional on the General Meeting being quorate and validly held and the Resolution being passed at such General Meeting;
5. directs, requests, empowers and authorises the Issuer, the Spanish Paying Agent, the Tabulation and Information Agent and the Sole Solicitation Agent (all as defined in the Consent Solicitation Memorandum) to consent to, concur in and execute all such documents and do all such acts and things considered by each of them in its sole discretion to be necessary, desirable or expedient to carry out and give effect to this Resolution;
6. confirms that it has formed its own view in relation to the actions arising out of this Resolution without any reliance on the Issuer, the Sole Solicitation Agent, the Tabulation and Information Agent or the Spanish Paying Agent;
7. empowers the Issuer so that, in the name and on behalf of the Noteholders, it can carry out any actions and execute any public or private documents that may be necessary or advisable for drafting, granting and recording the minutes of the General Meeting;
8. ratifies, if applicable, the decision of the Issuer to (i) hold and attend the General Meeting by remote means for those Noteholders who have indicated that they wished to attend and vote at the General Meeting, and (ii) prescribe further regulations for attending and voting at the General Meeting by remote means; and
9. empowers the Issuer, with specific powers of substitution and without prejudice to other delegations already granted, so that, in the name and on behalf of the Noteholders, it can appear before a notary and notarise this Resolution, executing any public and private instruments that may be necessary or advisable for such notarisation, appearing before any public or private authorities, foreign or national, that may be advisable to apply and to obtain the registration thereof with the relevant Commercial Registry, if applicable, necessary or desirable, including the power to rectify or amend this Resolution.

Unless the context otherwise requires, capitalised terms not otherwise defined shall have the meanings ascribed to them in the Consent Solicitation Memorandum, the Notice, the Agency Agreement, or as applicable, the terms and conditions of the Notes.”

**Schedule 1**

## TERMS AND CONDITIONS OF THE BOOK-ENTRY NOTES

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

### 1. Introduction

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

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

## 2. Interpretation

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

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

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

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

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

“**Business Day**” means:

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

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

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

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

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

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

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

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

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

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

Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

- (b) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**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 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 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30”;

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

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



where:

“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; and

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

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

where:

“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 Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is

calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

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

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

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

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

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

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

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

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

| [“Fitch” means Fitch Ratings Ltd. or any of its respective successors or affiliates;](#)

| [“Fixed Coupon Amount” has the meaning given in the relevant Final Terms;](#)

| [“Group” means the Issuer and its Subsidiaries;](#)

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

- (a) moneys borrowed in whatever form;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the International Financial Reporting Standards (“**IFRS EU**”), be treated as a

finance or capital lease;

- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding the deferred purchase price of assets or services acquired in the ordinary course of business or otherwise arising from normal trade credit;
- (g) amounts representing the balance deferred and unpaid for a period of more than 365 days of the purchase price of any property except any amount that constitutes an accrued expense or trade payable;
- (h) shares which are expressed to be redeemable;
- (i) without double counting, any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution (each an “Instrument”), where the payment obligations under the relevant Instrument have become effective; and
- (j) without double counting, the amount of any liability in respect of any guarantee or indemnity, where the payment obligations under the relevant guarantee or indemnity have become effective, for any of the items referred to in paragraphs (a) to (i) above;

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

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

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

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

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

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

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

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

Payment Date) or the previous Interest Payment Date (in any other case);

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

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

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

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

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

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

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

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

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

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

- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Material Subsidiary;

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

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

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

“**Moody’s**” means [Moody’s Investors Service, Inc. or any of its respective successors or affiliates](#);

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

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

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

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

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

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

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

“**Payment Business Day**” means:

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

are open payment of debt securities and for dealings in foreign currencies; and

- (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

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

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

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

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

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

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

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

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

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

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

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

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Early Redemption

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

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

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

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

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

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

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

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

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

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

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

“**Regular Period**” means:

- (a) in the case of Book-entry Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Book-entry Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling

in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and

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

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

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

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

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

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

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

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

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

“**Reserved Matter**” means any proposal to change any date fixed for payment of principal or interest in respect of the Book-entry Notes, to reduce the amount of principal or interest payable on any date in



respect of the Book-entry Notes, to alter the method of calculating the amount of any payment in respect of the Book-entry Notes or the date for any such payment, to change the currency of any payment under the Book-entry Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

[“S&P” means S&P Global Ratings Europe Limited, Sucursal en España or any of its respective successors or affiliates;](#)

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

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

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

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

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

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

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

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

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

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

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

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

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

“**Total Assets Value of the Group Colonial**” means, as at each Reference Date, the aggregate value of the total assets of the Group as shown in the Issuer’s audited annual consolidated financial statements or in the Issuer’s semi-annual consolidated financial statements (as applicable) prepared as of the relevant

Reference Date according to IFRS EU ~~and adjusted to exclude any intangible assets and to include the unrealised capital gain arising from the revaluation of the assets for own use as reported in the relevant financial statements;~~

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

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

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

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

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

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

(b) *Interpretation:* In these Book-entry Conditions:

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

### 3. **Form, Denomination and Title**

#### *Form and denomination*

The Book-entry Notes will be issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) in the aggregate nominal amount (the “**Aggregate Nominal Amount**”), specified denomination (the “**Specified Denomination**”) and specified currency (the “**Specified Currency**”) shown in the relevant Final Terms provided that the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Book-entry Notes).

#### *Registration, clearing and settlement*

The Book-entry Notes will be registered with the Spanish Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal (“**Iberclear**”), which is the Spanish Central Securities Depository, with its registered office at Plaza de la Lealtad, 1, 28014, Madrid, Spain. Holders of a beneficial interest in the Book-entry Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold the Book-entry Notes through bridge accounts maintained by each of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) with Iberclear. Iberclear will manage the settlement of the Book-entry Notes, notwithstanding the Issuer’s commitment to assist, when appropriate, on the settlement of the Book-entry Notes through Euroclear and Clearstream, Luxembourg.

The information concerning the International Securities Identification Number Code of the Book-entry Notes (the “**ISIN**”) will be stated in the Final Terms.

#### *Title and transfer*

Title to the Book-entry Notes will be evidenced by book-entries and each person shown in the central registry managed (the “**Spanish Central Registry**”) by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the “**Iberclear Members**”) as being the holder of the Book-entry Notes shall be considered the holder of the principal amount of the Book-entry Notes recorded therein. In these Book-entry Conditions, the “**Holder**” of a Book-entry Note means the person in whose name such Book-entry Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book and “**Noteholder**” shall be construed accordingly and when appropriate, means owners of a beneficial interest in the Book-entry Notes.

One or more certificates (each, a “**Certificate**”) attesting to the relevant Noteholder’s holding of the Book-entry Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where the Holder is itself an Iberclear Member, by Iberclear (in each case, in accordance with the requirements of Spanish law and the relevant Iberclear Member’s or, as the case may be, Iberclear’s procedures) to such Holder upon such Holder’s request.

The Book-entry Notes are issued without any restrictions on their free transferability. Consequently, the Book-entry Notes may be transferred and title to the Book-entry Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and / or Iberclear itself, as applicable. Each Holder will be treated as the legitimate owner (*titular legítimo*) of the relevant Book-entry Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.

#### 4. Status

The Book-entry Notes constitute (subject to the provisions of Condition 5 (*Negative Pledge*)) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all time rank *pari passu* and without any preference among themselves except for any applicable legal and statutory exceptions. Upon insolvency (*concurso*) of the Issuer, the obligations of the Issuer under the Book-entry Notes shall (except for any applicable legal and statutory exceptions) at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer (unless they qualify as subordinated ~~claims pursuant to article 92 of Law 22/2003 of 9 July, on~~ debts under Article 281 of the consolidated text of the Spanish Insolvency Law approved by Royal Decree 1/2020 of 5 May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*), ~~as amended~~ (the “**Spanish Insolvency Law**”) or equivalent legal provisions which replace it in the future).

*Subject to the provisions of Condition 5 (Negative Pledge), in the event of insolvency (concurso) of the Issuer, under the Spanish Insolvency Law, claims relating to the Book-entry Notes (which are not subordinated pursuant to ~~article 92~~ Article 281 of the Spanish Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Spanish Insolvency Law. Ordinary credits rank junior to credits against the insolvency estate (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank senior to subordinated credits.*

*Pursuant to ~~article 59~~ Article 152 of the Spanish Insolvency Law, the accrual of interest (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended as from the date of declaration of the insolvency of the Issuer. Interest on the Book-entry Notes accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of ~~article 92~~ Article 281 of the Spanish Insolvency Law.*

#### 5. Negative Pledge

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

#### 6. Covenants

For so long as any Book-entry Note remains outstanding (as defined in the Agency Agreement), the Issuer shall:

- (a) *Unencumbered Assets*: ensure that as at each Reference Date the Unencumbered Total Assets Value will be at least equal to the Unsecured Debt;
- (b) *Loan-to-Value Ratio*: ensure that as at each Reference Date the Loan-to-Value Ratio will be equal to or lower than ~~55~~60%;

If the Loan-to-Value Ratio exceeds ~~55~~60% as at ~~each~~any Reference Date, the Issuer undertakes to adopt the appropriate measures in order to restore the Loan-to-Value Ratio, including (without limitation) by

means of a repayment of Indebtedness by making:

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

in either case within 6 months (the “**LVR Rebalance Period**”) following the date on which the Issuer first becomes aware that the Loan-to-Value Ratio exceeds ~~55~~60% (the “**LVR Rebalance Remedy**”). The LVR Rebalance Remedy may not be exercised in two consecutive Calculation Periods, and in any event may not be exercised more than three times in total prior to the Maturity Date;

- (c) *Interest Coverage Ratio*: ensure that as at each Reference Date the Interest Coverage Ratio will be equal to or higher than ~~2.00x~~1.75x;
- (d) *Notice to Noteholders*: In addition to Condition 6(e) below, in the event that as at any Reference Date any covenant in Condition 6(a) to 6(c) above is breached (and, in the case of the covenants in Condition 6(a) and Condition 6(b), has not been remedied or a remedy is no longer available, as applicable), promptly (and in any event no later than the following relevant Reporting Date) notify the Noteholders in accordance with Condition ~~19~~18 (*Notices*); and
- (e) *Certificate*: deliver a certificate to the ~~Noteholders through~~Spanish Paying Agent (a copy of which may be obtained by any Noteholder upon request to the Spanish Paying Agent) on each Reporting Date signed by one Authorised Officer of the Issuer, certifying that the Issuer is in compliance with the covenants set out in Conditions 6(a) to 6(c) above as at the relevant Reference Date (or, if applicable, in respect of the covenant in Condition 6(a) only, ~~is in compliance~~ as at ~~the relevant~~such Reporting Date, the Pro Forma Unencumbered Total Assets Value is not less than the Pro Forma Unsecured Debt; or in respect of the covenant in Condition 6(b) only, ~~has been, and is,~~ the Issuer is not in compliance ~~subject to the~~ but intends to exercise ~~of~~ the LVR Rebalance Remedy), and containing (i) the formulae for the calculation of the relevant covenant, and (ii) a statement as to the correctness of such formulae. The Issuer shall deliver to the ~~Noteholders through the~~ Spanish Paying Agent a separate report (a copy of which may be obtained by any Noteholder upon request to the Spanish Paying Agent) issued by the Issuer’s auditors setting out the procedures used to calculate the relevant covenant and reviewing the application of the formulae certified by the Issuer.
- (f) *Definitions*:

As used in this Condition 6:

“**Acceptable Bank**” means any bank or financial institution enjoying a rating of BB+ or above from S&P Global Ratings Europe Limited (“**S&P**”) or Fitch, or of Ba1 or above from Moody’s.

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

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

- (i) said cash is repayable within 30 days following the relevant calculation date;

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

“Cash-Equivalent Investments” means, at all times:

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

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

“Consolidated EBITDA” means “Analytical EBITDA” as set forth in the section entitled “Alternative Performance Measures” in the consolidated management report or the consolidated interim directors’ report of the Issuer’s audited annual consolidated financial statements or semi-annual consolidated financial statements, as applicable.

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

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

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

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

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

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

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

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

- ~~(i) amounts borrowed on loan (whether under a loan agreement or a credit facility);~~
- ~~(i) amounts resulting from the issue of bonds, obligations, promissory notes, bills of exchange or any other similar instrument;~~
- ~~(ii) amounts due by virtue of financial leasing agreements;~~
- ~~(iii) amounts received further to the assignment or discount of bills, commercial effects and other credit rights except for (i) non-recourse assignments; and (ii) the invoices set up by means of the "Norma 19";~~
- ~~(iv) amounts obtained through any other interest bearing operation with the same commercial effects as a loan (including trading with futures or sales subject to a repurchase option);~~
- ~~(v) transactions with derivative instruments that are not used to hedge the interest rate risk or currency fluctuation risk in relation to any financial indebtedness or that can be considered speculative (on the understanding that such transactions will be valued in market value terms);~~

~~(vi) counterguarantees granted in connection with endorsements or any other financial guarantees issued by credit entities (without double counting); and~~

~~(vii) without double counting, the amount of any due and payable liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vii) above.~~

“**Interest Coverage Ratio**” means, ~~on for~~ each Reference Date, the percentage ratio ~~resulting from dividing (i) the Recurring Cash Flow (of Consolidated EBITDA to Net Financial Cost, in each case, based on the 12 months immediately preceding the relevant Reference Date) by (ii) the interest paid under the Total Colonial Debt (based on the 12 months immediately preceding the relevant Reference Date).~~

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

(i) Total ~~Colonial~~ Debt, ~~by the~~ net of Cash and Cash-Equivalent Investments,  
by the

(ii) Total ~~Asset~~ Assets Value of Colonial, net of Cash and Cash-Equivalent Investments,

with respect to each Reference Date.

~~“**Operating Expenses**” means any expenses incurred (or to be incurred, as the case may be), in relation to any Rental Asset of the Issuer or any of its 100% owned Subsidiaries, which are necessary for its adequate operation and maintenance further to accounting standards applicable in Spain, including without limitation: repairs, maintenance, warranty, taxes, insurance, marketing, save that for the purposes of calculating the Loan-to-Value Ratio for an LVR Rebalance Reporting Date, the values set forth in (i) and (ii) above shall include any event that has increased or decreased any such value following the exercise of the LVR Rebalance Remedy between the relevant Reference Date and the corresponding LVR Rebalance Reporting Date.~~

“**LVR Rebalance Reporting Date**” means a date falling within the relevant LVR Rebalance Period.

“**Net Financial Cost**” means “Analytical Financial Result” as set forth in the section entitled “Alternative Performance Measures” in the consolidated management report or the consolidated interim directors’ report of the Issuer’s audited annual consolidated financial statements or semi-annual consolidated financial statements, as applicable, in each case, excluding any one-off extraordinary costs or expenses.

~~“**Recurring Cash Flow**” means (without double counting) the result of:~~

~~(i) EBITDA (which includes, for the sake of clarity, the real property tax),~~

~~(ii) plus the dividends of its Subsidiaries (including Torre Marenostrom, S.L.) not entirely owned,~~

~~(iii) minus the General Costs,~~

~~(iv) plus/minus any changes in Working Capital (Spain),~~

~~(v) plus/minus any maintenance CAPEX (Spain).~~

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



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

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

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

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

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

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

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

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

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

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

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

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

## 7. Fixed Rate Note Provisions

- (a) *Application:* This Condition 7 (*Fixed Rate Note Provisions*) is applicable to the Book-entry Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Book-entry Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 12 (*Payments*). Each Book-entry Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Book-entry Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Spanish Paying Agent has notified the Noteholders that it has received all sums due in respect of the Book-entry Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Book-entry Note for any Interest Period shall be the relevant Fixed Coupon Amount.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Book-entry Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

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

- (a) *Application:* This Condition 8 (*Floating Rate Note Provisions*) is applicable to the Book-entry Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Book-entry Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 8 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Book-entry Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Spanish Paying Agent has notified the Noteholders that it has received all sums due in respect of the Book-entry Notes up to such seventh day

(except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination*: If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Book-entry Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

*provided, however, that* if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, an Independent Financial Adviser shall:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

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

representative for a single transaction in that market at that time,

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

(vi) *Benchmark Replacement:*

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

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

- (ii) If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 8(c)(vi)(iii) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Book-entry Notes in respect of the preceding Interest Period (or alternatively if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period). For the avoidance of doubt, this Condition 8(c)(vi)(ii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 8(c)(vi).
- (iii) If the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines that:
- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 8(c)(vi)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Book-entry Notes (subject to the operation of this Condition 8(c)(vi)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 8(c)(vi)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the

relevant component part thereof) for all future payments of interest on the Book-entry Notes (subject to the operation of this Condition 8(c)(vi)).

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

(x) Notwithstanding any other provision of this Condition 8, if in the Spanish Paying Agent or, as the case may be, Calculation Agent's opinion there is, following determination and notification to such party of any Successor Rate, Alternative Rate, Adjustment Spread and/or any Benchmark Amendments, any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 8, the Spanish Paying Agent or, as the case may be, Calculation Agent shall promptly notify the Issuer thereof and the Issuer, having first consulted with the Independent Adviser, shall direct the Spanish Paying Agent or, as the case may be, Calculation Agent in writing as to which alternative course of action to adopt. If the Spanish Paying Agent or, as the case may be, Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Spanish Paying Agent or, as the case may be, Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

(xi) *Definitions:*

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

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

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

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines in

accordance with Condition 8(c)(vi)(iii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

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

“**Benchmark Event**” means:

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

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

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

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

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

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

- (d) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Book-entry Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
  - (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
    - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
    - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period
- provided, however, that* if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Book-entry Notes in respect of the preceding Interest Period (or alternatively if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period).
- (e) *Maximum or Minimum Rate of Interest*: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount*: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Book-entry Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the



Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Book-entry Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

- (g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Spanish Paying Agent and each competent authority, stock exchange and/or quotation system (if any) by which the Book-entry Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Book-entry Note having the minimum Specified Denomination.
- (h) *Notifications etc.:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Spanish Paying Agent and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

**8A. Interest – Floating Rate Notes referencing SONIA**

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

For the purposes of this Condition 8A:

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

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

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

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

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

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

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

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

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

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

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

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

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

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

- (a) (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to

the Bank Rate over the previous London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

- (b) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

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

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

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

## 9. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 9 (*Zero Coupon Note Provisions*) is applicable to the Book-entry Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but

excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Book-entry Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Spanish Paying Agent has notified the Noteholders that it has received all sums due in respect of the Book-entry Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10. **Redemption and Purchase**

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

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

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Book-entry Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

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

- (1) where the Book-entry Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Book-entry Notes were then due; or
- (2) where the Book-entry Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Book-entry Notes were then due.

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

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

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

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

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

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

- (e) *Substantial Purchase Event:* If a Substantial Purchase Event is specified in the relevant Final Terms as being applicable and a Substantial Purchase Event has occurred and is continuing, then the Issuer may, subject to having given not less than 30 nor more than 60 days' irrevocable notice to the Noteholders,

redeem the Book-entry Notes comprising the relevant Series in whole, but not in part, in accordance with these Book-entry Conditions at any time, in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the date of redemption.

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

- (f) *Partial redemption*: in compliance with the requirements of the principal securities exchange, if any, on which that series of Book-entry Notes are listed, on a pro rata basis by use of a pool factor.
- (g) *Redemption at the option of Noteholders*: If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Book-entry Note redeem such Book-entry Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(g), the holder of a Book-entry Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deliver a duly completed Put Option Notice in the form obtainable from the Spanish Paying Agent at its registered office which will, in turn, forward the Put Option Notice to the Issuer. The Spanish Paying Agent shall deliver a duly completed notice receipt to the relevant Holder. No such notice, once delivered in accordance with the Condition 10(g) may be withdrawn. .
- (h) *Redemption at the option of the Noteholders (Change of control of the Issuer)*: If Put Event is specified in the relevant Final Terms as being applicable, a “**Put Event**” will be deemed to occur if:
  - (i)
    - (A) any person or any persons acting in concert acquire Control of the Issuer (a “**Change of control of the Issuer**”); and
    - (B) on the date (the “**Relevant Date**”) that is the earlier of (a) the date of the first public announcement of the relevant Change of Control of the Issuer and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Book-entry Notes carry:
      - (1) an Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded to a Non-Investment Grade Rating or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency; or
      - (2) a Non-Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from Baa1 to Baa2 or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency;

or

- (3) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

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

- (C) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (B)(1) and (B)(2) above or not to award at least an Investment Grade Rating as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control of the Issuer or the Relevant Potential Change of Control Announcement; and/or
- (ii) the Issuer ceases:
    - (A) to hold or control, directly or indirectly, acting alone or in concert with others, more than 50 per cent. of the Voting Rights of SFL; or
    - (B) to have the right, acting alone or in concert with others, to appoint and/or remove all or the majority of the members of the SFL's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise,

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

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

Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall without delay give notice (a “**Put Event Notice**”) to the Noteholders in accordance with Condition 18 (*Notices*) specifying the nature of the Put Event, the procedure for exercising the Put Option and the date on which the Put Period will end.

To exercise the Put Option, the holder of a Book-entry Note must deliver such Book-entry Note to the Specified Office of the Spanish Paying Agent at any time during normal business hours of the Spanish Paying Agent falling within the period (the “**Put Period**”) of 30 days after a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Specified Office of the Spanish Paying Agent (a “**Put Notice**”) at its registered office which will, in turn, forward the Put Notice to the Issuer. The Spanish Paying Agent shall deliver a duly completed notice receipt to the relevant Holder. No such notice, once delivered in accordance with this Condition 10(h) may be withdrawn. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Book-entry Notes on the Put Date unless previously redeemed (or purchased) and cancelled.

If 85 per cent. or more in principal amount of the Book-entry Notes then outstanding have been redeemed

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

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

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

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

- (k) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Book-entry Notes in the open market or otherwise and at any price. Any Book-entry Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 16(a) (*Meetings of Noteholders; Modification and Waiver*).
- (l) *Cancellation:* All Book-entry Notes so redeemed or purchased by the Issuer or any of its respective Subsidiaries shall be cancelled and may not be reissued or resold.

## 11. **Payments**

- (a) *Principal and interest:* Payments in respect of the Book-entry Notes (in terms of both principal and interest) will be made by transfer to the registered account of the relevant Holder maintained by or on behalf of it with a bank that processes payments in a city in which banks have access to the TARGET2 System, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Business Day on which the payment of principal or interest, as the case may be, falls due. Holders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Book-entry Notes.



None of the Issuer, the Spanish Paying Agent or, if applicable, any of the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Book-entry Notes.

- (b) *Payments subject to fiscal laws:* All payments in respect of the Book-entry Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (c) No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* If the due date for payment of any amount in respect of any Book-entry Note is not a Payment Business Day, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

## 12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Book-entry Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax (the “**Spanish Tax Authorities**”), unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Book-entry Note:
  - (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Book-entry Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Book-entry Note; or
  - (ii) more than 30 days after the Relevant Date except to the extent that the holder of such Book-entry Note would have been entitled to such additional amounts on presenting such Book-entry Note for payment on the last day of such period of 30 days; or
  - (iii) to, or to a third party on behalf of, a holder in respect of whom withholding is to be levied as a consequence of the Issuer having not received, within the time period established by applicable law, the relevant duly executed and completed certificate required in order to comply with the Spanish Law 10/2014 as well as Royal Decree 1065/2007 (each, as amended from time to time), and any other implementing legislation or regulation; or
  - (iv) to, or to a third party on behalf of, a holder, in respect of whose Book-entry Notes the Issuer (or an agent acting on behalf of the Issuer) has not received the information as might be necessary under the applicable law or regulation to allow payments on such Book-entry Note to be made free and

clear from withholding tax or deduction on account of taxes levied by the Kingdom of Spain , including when the Issuer does not receive such information concerning such Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented; or

- (v) any combination of items (i) through (v) above.

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

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

### 13. **Events of Default**

If any of the following events occurs and is continuing:

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

(i) the Pro Forma Unencumbered Total Assets Value, is not less than

(ii) the Pro Forma Unsecured Debt;

and in respect of the covenant in Condition 6(b), the Issuer is in compliance with the Loan-to-Value Ratio following the exercise of the LVR Rebalance Remedy as at ~~a date falling within~~ the relevant LVR

Rebalance Period Reporting Date and, in each case, containing (i) the formulae for the calculation of the relevant covenant, and (ii) a statement as to the correctness of such formulae. The Issuer shall deliver to the ~~Noteholders through~~ Spanish Paying Agent (a copy of which may be obtained by any Noteholder upon request to the Spanish Paying Agent) a separate report issued by the Issuer's auditors setting out the procedures used to calculate the relevant covenant and reviewing the application of the formulae certified by the Issuer; or

- (d) *Cross-Default*: (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries (other than SFL) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries (other than SFL) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 13(d) have occurred equals or exceeds EUR20,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this Condition 13(d) operates); or
- (e) *Enforcement Proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries (other than SFL) and is not discharged or stayed within 60 days, provided that the amount levied, enforced or sued on such distress, attachment or execution, individually or in aggregate with any other amount levied, enforced or sued, exceeds EUR20,000,000; or
- (f) *Security Enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries (other than SFL) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person), provided that the individual or aggregate value of all assets subject to the enforcement exceeds EUR20,000,000; or
- (g) *Insolvency*: the Issuer or any of its Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt (*concurso*) or unable to pay its debts when due, or is declared or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, stops, suspends or threatens to stop or suspend regular payment of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of its debts generally, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting the debts of the Issuer or any of its Material Subsidiaries generally; or
- (h) *Winding-up*: an order is made or an effective resolution passed for the winding-up (*liquidación*) or dissolution (*disolución*) of the Issuer or any of its Material Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or any of its Subsidiaries; or
- (i) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any

necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Book-entry Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Book-entry Notes admissible in evidence in the courts of England is not taken, fulfilled or done; or

- (j) *Illegality*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Book-entry Notes; or
- (k) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (e), (f), (g), (h) and (j) of this Condition 13;

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

#### 14. **Prescription**

Claims for principal shall become void unless made within ten years of the appropriate Relevant Date. Claims for interest shall become void unless made within five years of the appropriate Relevant Date.

#### 15. **Agents**

In acting under the Spanish Agency Agreement and in connection with the Book-entry Notes, the Spanish Paying Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

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

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

Notice of any change in any of the Spanish Paying Agent or in its Specified Office shall promptly be given to the Noteholders.

#### 16. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders*: The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Book-entry Notes, including the modification of any

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

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

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

## 17. Further Issues

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

## 18. Notices

Notices to the Noteholders will be published in the official bulletin of AIAF (*Boletín Diario de ~~AIAF Mercado de BME~~ Renta Fija Unificado-AIAF*) and, where applicable, through the filing by the Issuer of a ~~price sensitive~~ an inside information or other relevant information notice (*comunicación de información ~~relevante o privilegiada~~ u otra información relevante*) with the CNMV. If the Book-entry Notes are also listed in other European regulated market, notices to Noteholders will be published in accordance with the requirements of such regulated market. Any such notice will be deemed to have been given on the date of the first publication. In addition, all notices to Noteholders shall also be made through Iberclear to their respective accountholders.

## 19. Currency Indemnity

Euro is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Book-entry Notes, including damages. Any amount received or recovered in a currency other than Euro (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of

the Euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Euro amount is less than the Euro amount expressed to be due to the recipient under any Book-entry Note, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Book-entry Note or any other judgment or order.

## 20. **Rounding**

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

## 21. **Governing Law and Jurisdiction**

- (a) **Governing Law:** Save as described below, the Book-entry Notes, the Agency Agreement and any non-contractual obligations arising out of or in connection with the Book-entry Notes are governed by English law. The Spanish Agency Agreement and the title, transfer and status of the Book-entry Notes as described in Condition 3 (*Title and Transfer*) and Condition 4 (*Status*), respectively, are governed by Spanish law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Book-entry Notes and accordingly any legal action or proceedings arising out of or in connection with the Book-entry Notes ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition is for the benefit of each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Agent for Service of Process:** The Issuer irrevocably appoints Law Debenture Corporate Services Limited of Fifth~~8th~~ floor, 100 ~~Wood St~~Bishopsgate, London ~~EC2V 7EX~~EC2N 4AG as its agent in England to receive service of process in any Proceedings in England based on any of the Book-entry Notes. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing below shall affect the

right to serve process in any other manner permitted by law.

## RESOLUTION IN RELATION TO THE 2029 NOTES

The following resolution (the “**Resolution**”) is being proposed as an Extraordinary Resolution (as defined in the Agency Agreement (as defined below)):

1. “Pursuant to the consent solicitation memorandum dated 25 June 2024 and the notice dated 25 June 2024 (the “**Notice**”) in relation to the calling of the general meeting (the “**General Meeting**”) of the holders (the “**Noteholders**”) of the EUR625,000,000 0.750 per cent. Notes due June 2029 (the “**Notes**”) of Inmobiliaria Colonial, SOCIMI, S.A. (the “**Issuer**”), voting under the quorum and majority conditions required for the General Meeting (as set out in Schedule 1 of the issue and paying agency agreement entered into between the Issuer and Deutsche Bank AG, London Branch relating to the Notes and dated 18 May 2021 (the “**Agency Agreement**”)), the General Meeting hereby:
2. subject to the Issuer not having terminated the Consent Solicitation in respect of the Notes in accordance with the provisions for such termination set out in the Consent Solicitation Memorandum, approves, authorises, consents, sanctions, empowers and directs the Issuer to amend the Terms and Conditions of the Notes in such terms as are set out in Schedule 1 to this Resolution, with such amendments to take effect from the date of the approval of this Resolution by the General Meeting (the “**Proposal**”);
3. approves, authorises, consents, sanctions, empowers and directs the Issuer to:
  - (i) consent and/or confirm its agreement to the implementation of the Proposal (in writing where necessary); and
  - (ii) execute and do all such other deeds, instruments, ancillary documents, acts and things as may be necessary or desirable to carry out and give effect to this Resolution in order to implement the Proposal;
4. acknowledges that the Terms and Conditions of the Notes will remain in full force and effect, and no party or parties intend that the Notes be rescinded, repaid or terminated as a consequence of this Resolution;
5. acknowledges that the payment of the Early Voting and Consent Fee (if payable to eligible Noteholders as further described in the Consent Solicitation Memorandum) shall be conditional on the General Meeting being quorate and validly held and the Resolution being passed at such General Meeting;
6. directs, requests, empowers and authorises the Issuer, the Spanish Paying Agent, the Tabulation and Information Agent and the Sole Solicitation Agent (all as defined in the Consent Solicitation Memorandum) to consent to, concur in and execute all such documents and do all such acts and things considered by each of them in its sole discretion to be necessary, desirable or expedient to carry out and give effect to this Resolution;
7. confirms that it has formed its own view in relation to the actions arising out of this Resolution without any reliance on the Issuer, the Sole Solicitation Agent, the Tabulation and Information Agent or the Spanish Paying Agent;
8. empowers the Issuer so that, in the name and on behalf of the Noteholders, it can carry out any actions and execute any public or private documents that may be necessary or advisable for drafting, granting and recording the minutes of the General Meeting;
9. ratifies, if applicable, the decision of the Issuer to (i) hold and attend the General Meeting by remote means for those Noteholders who have indicated that they wished to attend and vote at the General Meeting, and (ii) prescribe further regulations for attending and voting at the General Meeting by remote means; and
10. empowers the Issuer, with specific powers of substitution and without prejudice to other delegations already granted, so that, in the name and on behalf of the Noteholders, it can appear before a notary and notarise this Resolution, executing any public and private instruments that may be necessary or advisable for such notarisation, appearing before any public or private authorities, foreign or national, that may be advisable to apply and to obtain the registration thereof with the relevant Commercial Registry, if applicable, necessary or desirable, including the power to rectify or amend this Resolution.



Unless the context otherwise requires, capitalised terms not otherwise defined shall have the meanings ascribed to them in the Consent Solicitation Memorandum, the Notice, the Agency Agreement, or as applicable, the terms and conditions of the Notes.”

**Schedule 1**

## TERMS AND CONDITIONS OF THE BOOK-ENTRY NOTES

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

### 1. Introduction

- (a) *Programme*: Inmobiliaria Colonial, SOCIMI, S.A. (the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to EUR5,000,000,000 in aggregate principal amount of notes in book-entry form (the “**Book-entry Notes**”) and in bearer form. These terms and conditions relate to notes issued under the Programme in book-entry form.
- (b) *Final Terms*: Book-entry Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Book-entry Notes. Each Tranche is the subject of a final terms (the “**Final Terms**”) which completes these terms and conditions (the “**Book-entry Conditions**”). The terms and conditions applicable to any particular Tranche of Book-entry Notes are these Book-entry Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Book-entry Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreements*: The Book-entry Notes are the subject of (i) a Spanish law-governed paying agency agreement dated 18 May 2021 (as amended or supplemented, the “**Spanish Agency Agreement**”) between the Issuer and CaixaBank, S.A. as agent bank (the “**Spanish Paying Agent**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Book-entry Notes) and (ii), in respect of the provisions for meetings of Noteholders (as defined below) and the meaning of “outstanding” in respect of Book-entry Notes only, an amended and restated English law-governed fiscal agency agreement dated 18 May 2021 (as amended or supplemented, the “**Agency Agreement**”) between the Issuer, Deutsche Bank AG, London Branch as fiscal agent and the other parties named therein.
- (d) *Deed of Covenant*: The Book-entry Notes have the benefit of an English law-governed Deed of Covenant (the “**Book-entry Deed of Covenant**”) entered into by the Issuer on or around the date of this Base Prospectus to which these Book-entry Conditions will be affixed. In the Book-entry Deed of Covenant, the Issuer has covenanted in favour of each Noteholder (as defined below) that it will duly perform and comply with the obligations expressed to be undertaken by it in these Book-entry Conditions. The benefit of the Book-entry Deed of Covenant will not imply that the Book-entry Notes benefit from a security interest or that they have a higher ranking than other unsecured and unsubordinated obligations of the Issuer.
- (e) *The Notes*: All subsequent references in these Book-entry Conditions to “Book-entry Notes” are to the Book-entry Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer and on the Issuer’s website at [www.inmocolonial.com](http://www.inmocolonial.com).
- (f) *Summaries*: Certain provisions of these Book-entry Conditions are summaries of the Spanish Agency Agreement and, in respect of the provisions for meetings of Noteholders (as defined below) and the meaning of “outstanding” in respect of Book-entry Notes only, the Agency Agreement and are subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Spanish Agency Agreement and the Agency Agreement applicable to them. Copies of the Spanish Agency Agreement and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Office of the Spanish Paying Agent, the initial Specified Office of which is set out below and on the Issuer’s website at [www.inmocolonial.com](http://www.inmocolonial.com).

## 2. Interpretation

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

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

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

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

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

“**Business Day**” means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

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

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

(a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

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

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

Business Day Convention;

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

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

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

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

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

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“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 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 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

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; and

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

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

where:

“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 Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

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

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

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

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

“**EURIBOR**” means, in respect of any Specified Currency and any Specified Period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over the administration of that rate) (details of historic EURIBOR rates can be obtained from the designated distributor);

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

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

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

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

| “**Fitch**” means Fitch Ratings Ltd. or any of its respective successors or affiliates;

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

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

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

- (a) moneys borrowed in whatever form;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the International Financial Reporting Standards (“IFRS EU”), be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding the deferred purchase price of assets or services acquired in the ordinary course of business or otherwise arising from normal trade credit;
- (g) amounts representing the balance deferred and unpaid for a period of more than 365 days of the purchase price of any property except any amount that constitutes an accrued expense or trade payable;
- (h) shares which are expressed to be redeemable;
- (i) without double counting, any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution (each an “Instrument”), where the payment obligations under the relevant Instrument have become effective; and
- (j) without double counting, the amount of any liability in respect of any guarantee or indemnity, where the payment obligations under the relevant guarantee or indemnity have become effective, for any of the items referred to in paragraphs (a) to (i) above;

~~“Fitch” means Fitch Ratings Ltd. or any of its respective successors or affiliates;~~

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

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

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

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

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

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

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

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or



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

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

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

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

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

**“LIBOR”** means, in respect of any Specified Currency and any Specified Period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate);

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

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

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

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

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

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

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

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

“**Moody’s**” means Moody’s Investors Service, Inc. or any of its respective successors or affiliates;

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

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

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

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

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

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

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

“**Payment Business Day**” means:

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

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

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association,

organisation, state or agency of a state or other entity, whether or not having separate legal personality;

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

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

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

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

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

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

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

**“Rating Agency”** means Moody’s, Fitch or Standard & Poor’s; ~~and~~

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

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

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

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

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

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

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

a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

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

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

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

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

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

“**Regular Period**” means:

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

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

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

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

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

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final

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

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

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

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

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

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

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

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

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

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

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

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

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

“**Standard & Poor’s**” means S&P Global Ratings Europe Limited, Sucursal en España or any of its respective successors or affiliates;

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

“**Substantial Purchase Event**” shall be deemed to have occurred if at least 80 per cent. of the aggregate principal amount of the Book-entry Notes of the relevant Series originally issued (which for these purposes shall include any further Book-entry Notes of the same Series issued subsequently) is

purchased by the Issuer or any Subsidiary of the Issuer (and in each case is cancelled in accordance with Condition 10(l));

–“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system or any successor thereto;

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

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

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

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

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

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

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

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

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

(b) *Interpretation:* In these Book-entry Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Book-entry Note and any other amount in the nature of principal payable pursuant to these Book-entry Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Book-entry Conditions;
- (iii) references to Book-entry Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (iv) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Book-entry Notes; and

- (v) any reference to the Agency Agreement or the Spanish Agency Agreement shall be construed as a reference to the Agency Agreement or the Spanish Agency Agreement, respectively, as amended and/or supplemented up to and including the Issue Date of the Book-entry Notes.

### 3. **Form, Denomination and Title**

#### *Form and denomination*

The Book-entry Notes will be issued in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*) in the aggregate nominal amount (the “**Aggregate Nominal Amount**”), specified denomination (the “**Specified Denomination**”) and specified currency (the “**Specified Currency**”) shown in the relevant Final Terms provided that the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Book-entry Notes).

#### *Registration, clearing and settlement*

The Book-entry Notes will be registered with the Spanish Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal (“**Iberclear**”), which is the Spanish Central Securities Depository, with its registered office at Plaza de la Lealtad, 1, 28014, Madrid, Spain. Holders of a beneficial interest in the Book-entry Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold the Book-entry Notes through bridge accounts maintained by each of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) with Iberclear. Iberclear will manage the settlement of the Book-entry Notes, notwithstanding the Issuer’s commitment to assist, when appropriate, on the settlement of the Book-entry Notes through Euroclear and Clearstream, Luxembourg.

The information concerning the International Securities Identification Number Code of the Book-entry Notes (the “**ISIN**”) will be stated in the Final Terms.

#### *Title and transfer*

Title to the Book-entry Notes will be evidenced by book-entries and each person shown in the central registry managed (the “**Spanish Central Registry**”) by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the “**Iberclear Members**”) as being the holder of the Book-entry Notes shall be considered the holder of the principal amount of the Book-entry Notes recorded therein. In these Book-entry Conditions, the “**Holder**” of a Book-entry Note means the person in whose name such Book-entry Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book and “**Noteholder**” shall be construed accordingly and when appropriate, means owners of a beneficial interest in the Book-entry Notes.

One or more certificates (each, a “**Certificate**”) attesting to the relevant Noteholder’s holding of the Book-entry Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where the Holder is itself an Iberclear Member, by Iberclear (in each case, in accordance with the requirements of Spanish law and the relevant Iberclear Member’s or, as the case may be, Iberclear’s procedures) to such Holder upon such Holder’s request.

The Book-entry Notes are issued without any restrictions on their free transferability. Consequently, the Book-entry Notes may be transferred and title to the Book-entry Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and / or Iberclear itself, as applicable. Each Holder will be treated as the legitimate owner (*titular legítimo*) of the relevant Book-entry Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.

### 4. **Status**

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

Notes shall (except for any applicable legal and statutory exceptions) at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer (unless they qualify as subordinated debts under Article 281 of the consolidated text of the Spanish Insolvency Law approved by Royal Decree 1/2020 of 5 May (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (the “**Spanish Insolvency Law**”) or equivalent legal provisions which replace it in the future).

*Subject to the provisions of Condition 5 (Negative Pledge), in the event of insolvency (concurso) of the Issuer, under the Spanish Insolvency Law, claims relating to the Book-entry Notes (which are not subordinated pursuant to Article 281 of the Spanish Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Spanish Insolvency Law. Ordinary credits rank junior to credits against the insolvency estate (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank senior to subordinated credits.*

*Pursuant to Article 152 of the Spanish Insolvency Law, the accrual of interest (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended as from the date of declaration of the insolvency of the Issuer. Interest on the Book-entry Notes accrued but unpaid as of the commencement of any insolvency procedure of the Issuer shall constitute subordinated claims against the Issuer ranking in accordance with the provisions of Article 281 of the Spanish Insolvency Law.*

#### 5. **Negative Pledge**

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

#### 6. **Covenants**

For so long as any Book-entry Note remains outstanding (as defined in the Agency Agreement), the Issuer shall:

- (a) *Unencumbered Assets*: ensure that as at each Reference Date the Unencumbered Total Assets Value will be at least equal to the Unsecured Debt;
- (b) *Loan-to-Value Ratio*: ensure that as at each Reference Date the Loan-to-Value Ratio will be equal to or lower than ~~55~~60%;

If the Loan-to-Value Ratio exceeds ~~55~~60% as at ~~each~~any Reference Date, the Issuer undertakes to adopt the appropriate measures in order to restore the Loan-to-Value Ratio, including (without limitation) by means of a repayment of Indebtedness by making:

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

in either case within 6 months (the “**LVR Rebalance Period**”) following the date on which the Issuer first becomes aware that the Loan-to-Value Ratio exceeds ~~55~~60% (the “**LVR Rebalance Remedy**”). The LVR Rebalance Remedy may not be exercised in two consecutive Calculation Periods, and in any event may not be exercised more than three times in total prior to the Maturity Date;

- (c) *Interest Coverage Ratio*: ensure that as at each Reference Date the Interest Coverage Ratio will be equal to or higher than ~~2.00x~~1.75x;
- (d) *Notice to Noteholders*: In addition to Condition 6(e) below, in the event that as at any Reference Date



any covenant in Condition 6(a) to 6(c) above is breached (and, in the case of the covenants in Condition 6(a) and Condition 6(b), has not been remedied or a remedy is no longer available, as applicable), promptly (and in any event no later than the following relevant Reporting Date) notify the Noteholders in accordance with Condition ~~19~~18 (*Notices*); and

- (e) *Certificate*: deliver a certificate to the ~~Noteholders through~~Spanish Paying Agent (a copy of which may be obtained by any Noteholder upon request to the Spanish Paying Agent) on each Reporting Date signed by one Authorised Officer of the Issuer, certifying that the Issuer is in compliance with the covenants set out in Conditions 6(a) to 6(c) above as at the relevant Reference Date (or, if applicable, in respect of the covenant in Condition 6(a) only, ~~is in compliance~~ as at ~~the relevant~~such Reporting Date, the Pro Forma Unencumbered Total Assets Value is not less than the Pro Forma Unsecured Debt; or in respect of the covenant in Condition 6(b) only, ~~has been, and is,~~the Issuer is not in compliance ~~subject to the~~but intends to exercise ~~of~~ the LVR Rebalance Remedy), and containing (i) the formulae for the calculation of the relevant covenant, and (ii) a statement as to the correctness of such formulae. The Issuer shall deliver to the ~~Noteholders through the~~ Spanish Paying Agent a separate report (a copy of which may be obtained by any Noteholder upon request to the Spanish Paying Agent) issued by the Issuer's auditors setting out the procedures used to calculate the relevant covenant and reviewing the application of the formulae certified by the Issuer.

- (f) *Definitions*:

As used in this Condition 6:

“**Acceptable Bank**” means any bank or financial institution enjoying a rating of BB+ or above from Standard & Poor's or Fitch, or of Ba1 or above from Moody's.

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

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

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

“**Cash-Equivalent Investments**” means, at all times:

- (i) deposit certificates with a maturity date within the year following the relevant calculation date, issued by an Acceptable Bank or other entity with a similar rating;
- (ii) any investment in negotiable debt obligations, issued by the government of the United States of America, the United Kingdom, any member of the European Economic Area, any Participating Member State, or any instrumental company or agency of any of these enjoying an equivalent rating, with maturity date within the year following the relevant calculation date, not convertible or exchangeable for any other title;
- (iii) a promissory note not able to be converted or exchanged for any other title:
  - (a) for which there is a recognised trading market;
  - (b) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;

- (c) with maturity during the year following the relevant calculation date; and
- (d) enjoying a rating of A-1 or more, from Standard & Poor's, or F1 or above from Fitch, or P-1 or above from Moody's, or, if the promissory note is rated by an issuer with an equivalent rating in relation to its unsecured long-term debt obligations, whose rating has not increased;
- (iv) any negotiable instrument entitled to a discount by the Bank of Spain or European Central Bank and, in any case, accepted by an Acceptable Bank or other similarly rated entity (or its equivalent uncapitalised amount);
- (v) any investment accessible within a 30-day term in monetary market funds, which ~~(i)~~ enjoys a rating of A-1 or above from Standard & Poor's, or F1 or above from Fitch, or P-1 or above from Moody's, ~~and (ii) essentially invests all its assets in securities of the kind described in (i) to (iv) above~~

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

“Consolidated EBITDA” means “Analytical EBITDA” as set forth in the section entitled “Alternative Performance Measures” in the consolidated management report or the consolidated interim directors’ report of the Issuer’s audited annual consolidated financial statements or semi-annual consolidated financial statements, as applicable.

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

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

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

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

~~“EBITDA” means the difference between Rental Income and Operating Expenses.~~

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

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

~~“Indebtedness” means, at all times, the sum of all amounts due by a debtor by virtue of the following:~~

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

“**Interest Coverage Ratio**” means, ~~on for~~ each Reference Date, the percentage ratio ~~resulting from dividing (i) the Recurring Cash Flow (of Consolidated EBITDA to Net Financial Cost, in each case, based on the 12 months immediately preceding the relevant Reference Date) by (ii) the interest paid under the Total Colonial Debt (based on the 12 months immediately preceding the relevant Reference Date).~~

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

- (i) Total ~~Colonial~~ Debt, ~~by the~~ net of Cash and Cash-Equivalent Investments,  
by the
- (ii) Total ~~Asset~~ Assets Value of Colonial, net of Cash and Cash-Equivalent Investments,

with respect to each Reference Date.

~~“**Operating Expenses**” means any expenses incurred (or to be incurred, as the case may be), in relation to any Rental Asset of the Issuer or any of its 100% owned Subsidiaries, which are necessary for its adequate operation and maintenance further to accounting standards applicable in Spain, including without limitation: repairs, maintenance, warranty, taxes, insurance, marketing, save that for the purposes of calculating the Loan-to-Value Ratio for an LVR Rebalance Reporting Date, the values set forth in (i) and (ii) above shall include any event that has increased or decreased any such value following the exercise of the LVR Rebalance Remedy between the relevant Reference Date and the corresponding LVR Rebalance Reporting Date.~~

“**LVR Rebalance Reporting Date**” means a date falling within the relevant LVR Rebalance Period.

“**Net Financial Cost**” means “Analytical Financial Result” as set forth in the section entitled “Alternative Performance Measures” in the consolidated management report or the consolidated interim directors’ report of the Issuer’s audited annual consolidated financial statements or semi-annual consolidated financial statements, as applicable, in each case, excluding any one-off extraordinary costs or expenses.

~~“**Recurring Cash Flow**” means (without double counting) the result of:~~

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

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

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

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

~~“SFL Shares” means the shares representing the capital stock of SFL.~~

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

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

~~“Total Asset Value of Colonial” means the value resulting from adding:~~

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

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

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

~~“Treasury Shares” means the Shares of the Issuer that at any given time are owned by the Issuer.~~

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

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

~~“Working Capital” means, at any date, the Issuer’s Current Assets minus its Current Liabilities~~

## 7. Fixed Rate Note Provisions

- (a) *Application:* This Condition 7 (*Fixed Rate Note Provisions*) is applicable to the Book-entry Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Book-entry Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 12 (*Payments*). Each Book-entry Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Book-entry Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Spanish Paying Agent has notified the Noteholders that it has received all sums due in respect of the Book-entry Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Book-entry Note for any Interest Period shall be the relevant Fixed Coupon Amount.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Book-entry Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

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

- (a) *Application:* This Condition 8 (*Floating Rate Note Provisions*) is applicable to the Book-entry Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Book-entry Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 8 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Book-entry Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the

Spanish Paying Agent has notified the Noteholders that it has received all sums due in respect of the Book-entry Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Book-entry Notes for each Interest Period will be (other than in respect of Notes for which SONIA is specified as the Reference Rate in the relevant Final Terms) determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
  - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

*provided, however, that* if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, an Independent Financial Adviser shall:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, an Independent Financial Adviser shall determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by any one or more major banks in the Principal Financial Centre of the Specified Currency, selected by the Independent Financial Adviser, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is

unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Book-entry Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Book-entry Notes in respect of a preceding Interest Period.

(vi) *Benchmark Replacement:*

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

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

- (ii) If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 8(c)(vi)(iii) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Book-entry Notes in respect of the preceding Interest Period (or alternatively if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period). For the avoidance of doubt, this Condition 8(c)(vi)(ii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 8(c)(vi).
- (iii) If the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines that:
- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 8(c)(vi)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Book-entry Notes (subject to the operation of this Condition 8(c)(vi)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 8(c)(vi)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Book-entry Notes (subject to the operation of this Condition 8(c)(vi)).
- (iv) If the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).
- (v) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 8(c)(vi) and the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines (i) that amendments to these Book-entry Conditions, the Spanish Agency Agreement and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the

Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 8(c)(vi)(vi), without any requirement for the consent or approval of Noteholders, vary these Book-entry Conditions, the Spanish Agency Agreement and/or the Agency Agreement to give effect to such Benchmark Amendments (*provided that* the Benchmark Amendments do not, without the prior agreement of the Spanish Paying Agent, the Paying Agents or the Calculation Agent, as applicable, have the effect of increasing the obligations or duties, or decreasing the rights or protections, of the Spanish Paying Agent, each Paying Agent or the Calculation Agent under these Book-entry Conditions, the Spanish Agency Agreement and/or the Agency Agreement) with effect from the date specified in such notice.

- (vi) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 8(c)(vi) will be notified promptly by the Issuer to the Calculation Agent, the Spanish Paying Agent and, in accordance with Condition 19 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date (which shall not be less than five Business Days prior to the next Interest Determination Date) of the Benchmark Amendments, if any.
- (vii) No later than notifying the Spanish Paying Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
  - (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 8(vi); and
  - (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.
- (viii) The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread and such Benchmark Amendments (if any)) be binding on the Issuer, the Spanish Paying Agent, the Calculation Agent, the Paying Agents and the Noteholders.
- (ix) Without prejudice to Conditions 8(c)(vi)(i) to 8(c)(vi)(v), the Original Reference Rate and the other fallback provisions provided for in Condition 8(c) will continue to apply unless and until a Benchmark Event has occurred.
- (x) Notwithstanding any other provision of this Condition 8, if in the Spanish Paying Agent or, as the case may be, Calculation Agent's opinion there is, following determination and notification to such party of any Successor Rate, Alternative Rate, Adjustment Spread and/or any Benchmark Amendments, any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 8, the Spanish Paying Agent or, as the case may be, Calculation Agent shall promptly notify the Issuer thereof and the Issuer, having first consulted with the Independent Adviser, shall direct the Spanish Paying Agent or, as the case may be, Calculation Agent in writing as to which alternative course of action to adopt. If the Spanish Paying Agent or, as the case may be, Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Spanish Paying Agent or, as the case may be, Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.
- (xi) *Definitions:*

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

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



prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

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

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

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

“**Benchmark Event**” means:

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

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

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

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

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

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

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

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

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

to be applied to the relevant Interest Period).

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

#### **8A. Interest – Floating Rate Notes referencing SONIA**

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

For the purposes of this Condition 8A:

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

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

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

“**d<sub>o</sub>**” means, for any Interest Period, the number of London Banking Days in such Interest Period;

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

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

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

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

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

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

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

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

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

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

- (a) (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest

spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

- (b) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

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

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

#### 9. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 9 (*Zero Coupon Note Provisions*) is applicable to the Book-entry Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Book-entry Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Spanish Paying Agent has notified the Noteholders that it has received all sums due in respect of the Book-entry Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

#### 10. **Redemption and Purchase**

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

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as

may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Book-entry Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

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

- (1) where the Book-entry Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Book-entry Notes were then due; or
- (2) where the Book-entry Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Book-entry Notes were then due.

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

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

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

- (d) *Residual maturity call option:* If the Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (which notice shall specify the date fixed for redemption), redeem

all (but not some only) of the outstanding Book-entry Notes comprising the relevant Series at their principal amount together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than (i) three months before the Maturity Date in respect of Book-entry Notes having a maturity of not more than ten years or (ii) six months before the Maturity Date in respect of Book-entry Notes having a maturity of more than ten years, unless otherwise specified in the relevant Final Terms.

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

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

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

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

- (f) *Partial redemption*: in compliance with the requirements of the principal securities exchange, if any, on which that series of Book-entry Notes are listed, on a pro rata basis by use of a pool factor.

- (g) *Redemption at the option of Noteholders*: If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Book-entry Note redeem such Book-entry Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(g), the holder of a Book-entry Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deliver a duly completed Put Option Notice in the form obtainable from the Spanish Paying Agent at its registered office which will, in turn, forward the Put Option Notice to the Issuer. The Spanish Paying Agent shall deliver a duly completed notice receipt to the relevant Holder. No such notice, once delivered in accordance with the Condition 10(g) may be withdrawn.

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

(i)

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

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

(1) an Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded to a Non-Investment Grade Rating or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency; or

(2) a Non-Investment Grade Rating from any Rating Agency whether provided by

such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from Baa1 to Baa2 or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or

- (3) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

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

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

- (ii) the Issuer ceases:

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

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

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

Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall without delay give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 18 (*Notices*) specifying the nature of the Put Event, the procedure for exercising the Put Option and the date on which the Put Period will end.

To exercise the Put Option, the holder of a Book-entry Note must deliver such Book-entry Note to the Specified Office of the Spanish Paying Agent at any time during normal business hours of the Spanish Paying Agent falling within the period (the "**Put Period**") of 30 days after a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Specified Office of the Spanish Paying Agent (a "**Put Notice**") at its registered office which will, in turn, forward the Put Notice to the Issuer. The Spanish Paying Agent shall deliver a duly completed notice receipt to the relevant Holder. No such notice, once delivered in accordance with this Condition 10(h) may be withdrawn. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Book-entry Notes on the Put Date unless previously redeemed (or purchased) and cancelled.

If 85 per cent. or more in principal amount of the Book-entry Notes then outstanding have been redeemed or purchased pursuant to this Condition 10(h), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the



remaining outstanding Book-entry Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

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

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

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

- (k) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Book-entry Notes in the open market or otherwise and at any price. Any Book-entry Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 16(a) (*Meetings of Noteholders; Modification and Waiver*).
- (l) *Cancellation:* All Book-entry Notes so redeemed or purchased by the Issuer or any of its respective Subsidiaries shall be cancelled and may not be reissued or resold.

## 11. **Payments**

- (a) *Principal and interest:* Payments in respect of the Book-entry Notes (in terms of both principal and interest) will be made by transfer to the registered account of the relevant Holder maintained by or on behalf of it with a bank that processes payments in a city in which banks have access to the TARGET2 System, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Business Day on which the payment of principal or interest, as the case may be, falls due. Holders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Book-entry Notes. None of the Issuer, the Spanish Paying Agent or, if applicable, any of the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Book-entry Notes.
- (b) *Payments subject to fiscal laws:* All payments in respect of the Book-entry Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (c) No commissions or expenses shall be charged to the Noteholders in respect of such payments.

- (d) *Payments on business days:* If the due date for payment of any amount in respect of any Book-entry Note is not a Payment Business Day, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

## 12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Book-entry Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax (the “**Spanish Tax Authorities**”), unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Book-entry Note:
- (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Book-entry Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Book-entry Note; or
  - (ii) more than 30 days after the Relevant Date except to the extent that the holder of such Book-entry Note would have been entitled to such additional amounts on presenting such Book-entry Note for payment on the last day of such period of 30 days; or
  - (iii) to, or to a third party on behalf of, a holder in respect of whom withholding is to be levied as a consequence of the Issuer having not received, within the time period established by applicable law, the relevant duly executed and completed certificate required in order to comply with the Spanish Law 10/2014 as well as Royal Decree 1065/2007 (each, as amended from time to time), and any other implementing legislation or regulation; or
  - (iv) to, or to a third party on behalf of, a holder, in respect of whose Book-entry Notes the Issuer (or an agent acting on behalf of the Issuer) has not received the information as might be necessary under the applicable law or regulation to allow payments on such Book-entry Note to be made free and clear from withholding tax or deduction on account of taxes levied by the Kingdom of Spain, including when the Issuer does not receive such information concerning such Noteholder’s identity and tax residence as may be required in order to comply with the procedures that may be implemented; or
  - (v) any combination of items (i) through (v) above.

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

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

## 13. **Events of Default**

If any of the following events occurs and is continuing:

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

(i) the Pro Forma Unencumbered Total Assets Value, is not less than

(ii) the Pro Forma Unsecured Debt;

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

- (d) *Cross-Default*: (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries (other than SFL) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries (other than SFL) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 13(d) have occurred equals or exceeds EUR20,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this Condition 13(d) operates); or
- (e) *Enforcement Proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries (other than SFL) and is not discharged or stayed within 60 days, provided that the amount levied, enforced or sued on such distress, attachment or execution, individually or in aggregate with any other amount levied, enforced or sued, exceeds EUR20,000,000; or
- (f) *Security Enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries (other than SFL) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person), provided that the individual or aggregate value of all assets subject to the enforcement exceeds EUR20,000,000; or
- (g) *Insolvency*: the Issuer or any of its Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt (*concurso*) or unable to pay its debts when due, or is declared or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, stops, suspends or threatens to stop or suspend regular payment of its debts, proposes or makes any agreement

for the deferral, rescheduling or other readjustment of its debts generally, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting the debts of the Issuer or any of its Material Subsidiaries generally; or

- (h) *Winding-up*: an order is made or an effective resolution passed for the winding-up (*liquidación*) or dissolution (*disolución*) of the Issuer or any of its Material Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or any of its Subsidiaries; or
- (i) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Book-entry Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Book-entry Notes admissible in evidence in the courts of England is not taken, fulfilled or done; or
- (j) *Illegality*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Book-entry Notes; or
- (k) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (e), (f), (g), (h) and (j) of this Condition 13;

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

#### 14. **Prescription**

Claims for principal shall become void unless made within ten years of the appropriate Relevant Date. Claims for interest shall become void unless made within five years of the appropriate Relevant Date.

#### 15. **Agents**

In acting under the Spanish Agency Agreement and in connection with the Book-entry Notes, the Spanish Paying Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

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

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

Notice of any change in any of the Spanish Paying Agent or in its Specified Office shall promptly be

given to the Noteholders.

## 16. Meetings of Noteholders; Modification and Waiver

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

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

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

## 17. Further Issues

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

## 18. Notices

Notices to the Noteholders will be published in the official bulletin of AIAF (*Boletín Diario de ~~AIAF~~ ~~Mercado de BME~~ Renta Fija Unificado-AIAF*) and, where applicable, through the filing by the Issuer of ~~a price sensitive~~ ~~an inside information or other relevant~~ information notice (*comunicación de información ~~relevante o privilegiada~~ u otra información relevante*) with the CNMV. If the Book-entry Notes are also listed in other European regulated market, notices to Noteholders will be published in accordance with the requirements of such regulated market. Any such notice will be deemed to have been given on the date of the first publication. In addition, all notices to Noteholders shall also be made through Iberclear to their respective accountholders.

## 19. Currency Indemnity

Euro is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Book-entry Notes, including damages. Any amount received or recovered in a currency other than Euro (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the Euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Euro amount is less than the Euro amount expressed to be due to the recipient under any

Book-entry Note, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Book-entry Note or any other judgment or order.

20. **Rounding**

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

21. **Governing Law and Jurisdiction**

- (a) **Governing Law:** Save as described below, the Book-entry Notes, the Agency Agreement and any non-contractual obligations arising out of or in connection with the Book-entry Notes are governed by English law. The Spanish Agency Agreement and the title, transfer and status of the Book-entry Notes as described in Condition 3 (*Title and Transfer*) and Condition 4 (*Status*), respectively, are governed by Spanish law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Book-entry Notes and accordingly any legal action or proceedings arising out of or in connection with the Book-entry Notes ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition is for the benefit of each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Agent for Service of Process:** The Issuer irrevocably appoints Law Debenture Corporate Services Limited of ~~Fifth~~8th floor, 100 ~~Wood St~~Bishopsgate, London ~~EC2V 7EX~~EC2N 4AG as its agent in England to receive service of process in any Proceedings in England based on any of the Book-entry Notes. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing below shall affect the right to serve process in any other manner permitted by law.

## Background

The Issuer is inviting Noteholders to consider, and if thought fit, to approve by way of the relevant Resolution, the Proposal, comprising certain amendments to the Conditions. The Issuer is inviting Noteholders to consent to the Proposal pursuant to the relevant Consent Solicitation.

The Consent Solicitation and the Proposal are made on the terms and subject to the conditions contained in the Consent Solicitation Memorandum.

Before making a decision whether to participate in the Consent Solicitations or otherwise vote in respect of the Proposal, Noteholders should carefully consider all of the information in the Consent Solicitation Memorandum.

## Timetable

The indicative timetable is summarised below:

<b>Event</b>	<b>Date</b>
Announcement	25 June 2024
Early Voting and Consent Fee Deadline	10:30 (CET) on 8 July 2024
Expiration Time	10:30 (CET) on 16 July 2024
General Meeting relating to the 2028 Notes	10:00 (CET) on 17 July 2024
General Meeting relating to the 2029 Notes	10:30 (CET) on 17 July 2024
Results announcement and calling of adjourned General Meeting, if applicable	As soon as reasonably possible after the holding of each General Meeting

## General

The attention of Noteholders is particularly drawn to the quorum required for the General Meeting and for an adjourned meeting which is set out in “*Voting and Quorum*” below.

In order to facilitate the participation of Noteholders, each General Meeting will be held via video conference, without the physical presence of Noteholders. Noteholders are invited to vote in respect of the relevant Resolution by submitting a Consent Instruction in respect of all or some of their Notes. Those Noteholders that wish to attend and vote at the General Meeting via video conference should submit an Attendance Certificate, all as further described in the Consent Solicitation Memorandum.

## Early Voting and Consent Fee

Subject to the relevant Resolution being duly passed at a General Meeting, the Issuer will pay, or will arrange for the payment of, the Early Voting and Consent Fee on the Early Voting and Consent Fee Payment Date to each Noteholder who has delivered, or has arranged to have delivered on its behalf, a valid Consent Instruction in favour of such Resolution, which Consent Instruction has been received by the Tabulation and Information Agent at or prior to the Early Voting and Consent Fee Deadline, and where the Noteholder has not withdrawn or revoked such Consent Instruction (in the limited circumstances permitted). Noteholders will not be eligible for the Early Voting and Consent Fee if they (i) appoint a proxy other than the Tabulation and Information Agent to attend and vote at the relevant General Meeting; (ii) attend or seek to attend the relevant General Meeting via videoconference; (iii) submit a Consent Instruction against the Proposal or that is received after the Early Voting and Consent Fee Deadline or (iv) if they revoke their Consent Instructions or unblock their Notes before the date of the relevant General Meeting (in the limited circumstances permitted). As set out under “*Further Information and Terms and Conditions—Withholding Tax*” and Annex A (*Form of Consent Instruction*), payment of the Early Voting and Consent Fee may be made subject to Spanish withholding tax at the rate of 24 per cent.

## **Voting and Quorum**

The quorum required for each General Meeting is one or more persons holding or representing a clear majority of the aggregate principal amount of the relevant outstanding Notes or, at any adjourned General Meeting, one or more persons holding or representing any principal amount of the relevant outstanding Notes.

The majority required at each General Meeting, or, at any adjourned General Meeting, if applicable, to pass the relevant Resolution is a majority of not less than three quarters of the votes cast.

If the relevant Resolution is passed, the Proposal will be binding on all relevant Noteholders, including in relation to those Noteholders who do not consent to the Proposal or do not vote at all.

## **Documents Available for Inspection**

The following documents are available upon request for inspection or collection (as applicable) prior to the relevant General Meeting (or the relevant adjourned General Meeting, if applicable): (a) at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) at the office of the Issuer at Paseo de la Castellana, 52, 28046 Madrid, Spain, and (b) upon request to the Tabulation and Information Agent by email: [inmocolonial@is.kroll.com](mailto:inmocolonial@is.kroll.com):

- this Notice and any notice relating to an adjourned General Meeting, if applicable;
- the Consent Solicitation Memorandum; and
- the relevant Agency Agreement.



**IMPORTANT:**

Noteholders may only participate in the Consent Solicitation in accordance with the procedures set out in “*Procedures for Participating in the Consent Solicitations and/or Voting in Respect of the Proposal*” of the Consent Solicitation Memorandum.

**Any Noteholder that does not appear as a holder in the registers of Iberclear or of an Accountholder must contact the financial entity or Accountholder through which it holds the Notes, so that the latter may carry out the steps necessary to participate in the Consent Solicitations on the terms set out in this Consent Solicitation Memorandum.**

*Noteholders are advised to check with any broker, dealer, commercial bank, custodian, trust company, accountholder or other nominee, intermediary or trustee through which they hold their Notes when such entity would need to receive instructions from a Noteholder in order for such Noteholder to participate in, or (in the limited circumstances in which revocation is permitted) to validly revoke their instruction to participate in, the relevant Consent Solicitation before the deadlines specified in the Consent Solicitation Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission and (where permitted) revocation of instructions will be earlier than the relevant deadlines in the Consent Solicitation Memorandum.*

This notice and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

Noteholders should contact the following for further information:

**The Sole Solicitation Agent  
BNP Paribas**

16, boulevard des Italiens  
75009 Paris  
France

Telephone: +33 1 55 77 78 94

Attention: Liability Management Group  
Email: [liability.management@bnpparibas.com](mailto:liability.management@bnpparibas.com)

**The Tabulation and Information Agent  
Kroll Issuer Services Limited**

The Shard  
32 London Bridge Street  
London SE1 9SG  
United Kingdom

Telephone: +44 20 7704 0880

Attention: David Shilson  
Email: [inmocolonial@is.kroll.com](mailto:inmocolonial@is.kroll.com)