



# TELEFÓNICA EMISIONES, S.A.U.

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

EUR 40,000,000,000

## PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS

unconditionally and irrevocably guaranteed by

# TELEFÓNICA, S.A.

(incorporated with limited liability in the Kingdom of Spain)

This document comprises a base prospectus ("**Base Prospectus**") for the purposes of Article 8 of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority for the purposes of the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed under Irish and EU law pursuant to the Prospectus Regulation. Such approval by the Central Bank should not be considered as an endorsement of the Issuer or the Guarantor (each as defined herein) nor as an endorsement of the quality of any Instruments (as defined below) that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Instruments. Such approval relates only to the securities which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**") and/or which are to be offered to the public in any Member State (as defined below) of the European Economic Area (the "**EEA**").

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Instruments issued under the Programme within twelve months after the date hereof to be admitted to the official list (the "**Official List**") and to trading on the regulated market of Euronext Dublin. References in this Base Prospectus to Instruments being "listed" (and all related references) shall mean that such Instruments have been admitted to the Official List and have been admitted to trading on the regulated market of Euronext Dublin. This Base Prospectus (as supplemented from time to time) is valid to 11 April 2026. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of the 12-month validity period which will expire on 10 April 2026.

This Base Prospectus gives information with regard to Telefónica Emisiones, S.A.U., Telefónica, S.A. and the issue of debt instruments (the "**Instruments**") under the programme described above (the "**Programme**") during the period of twelve months after the date hereof.

The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II.

See "**Risk Factors**" for a discussion of certain factors to be considered in connection with an investment in the Instruments.

Potential investors should note the statements on pages 101 to 106 regarding the tax treatment in Spain of income obtained in respect of the Instruments. In particular, payments on the Instruments will be exempt from Spanish withholding tax if the Issue and Paying Agent provides the Issuer and the Guarantor with certain documentation in a timely manner.

Tranches of Instruments issued under the Programme will be rated or unrated. Where a Tranche of Instruments is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Instruments already issued. Where a Tranche of Instruments is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Instruments will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**EU CRA Regulation**") or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**") or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Each of S&P Global Ratings Europe Limited ("**S&P**"), Moody's Investors Service España, S.A. ("**Moody's**") and Fitch Ratings Ireland Limited ("**Fitch**") has rated the Guarantor, see page 119. Each of S&P, Moody's and Fitch is established in the EEA, registered under the EU CRA Regulation and, as of the date of this Base Prospectus, included in the list of credit rating agencies published by the European Securities and Market Authority ("**ESMA**") on its website, <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk> in accordance with the EU CRA Regulation. The rating which each of S&P, Moody's and Fitch has given to the Guarantor is endorsed by S&P Global Ratings UK Limited, Moody's Investors Service Ltd and Fitch Ratings Ltd., respectively, each of which is established in the UK and registered under the UK CRA Regulation.

**A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

Arranger for the Programme

### BNP PARIBAS

Dealers

BANCO SABADELL  
BofA SECURITIES  
COMMERZBANK  
GOLDMAN SACHS BANK EUROPE SE  
J.P. MORGAN  
MORGAN STANLEY  
NATWEST

BARCLAYS  
CAIXABANK  
CRÉDIT AGRICOLE CIB  
HSBC  
MEDIABANCA  
MUFG  
SANTANDER CORPORATE & INVESTMENT BANKING

BBVA  
CITIGROUP  
DEUTSCHE BANK  
IMI - INTESA SANPAOLO  
MIZUHO  
NATIXIS  
SMBC

SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

UNICREDIT

11 April 2025

## IMPORTANT NOTICES

Each of Telefónica Emisiones, S.A.U. (the "**Issuer**") and Telefónica, S.A. ("**Telefónica**", the "**Company**" or the "**Guarantor**") accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Instruments issued under the Programme. To the best of the knowledge of the Issuer and the Guarantor, the information contained in the Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

References herein to the "*Programme Date*" are to the date specified on the cover of this Base Prospectus.

## CERTAIN TERMS AND CONVENTIONS

As used herein, "**Telefónica**", the "**Telefónica Group**" or the "**Group**" mean Telefónica, S.A. and its consolidated subsidiaries, unless the context requires otherwise.

Certain technical terms and conventions are set out in "*Certain Terms and Conventions*" on pages 3 to 7 in the Subordinated Notes Programme Base Prospectus (as defined herein).

**This Base Prospectus should be read and construed with any amendment or supplement thereto and with any other documents incorporated by reference (see "*Documents Incorporated by Reference*") and, in relation to any Series (as defined herein) of Instruments, should be read and construed together with the relevant Final Terms (as defined herein).**

**No person has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or, as the case may be, the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger or any Dealer (as defined herein).**

**No representation or warranty is made or implied by the Arranger, the Dealers or any of their respective affiliates, and neither the Arranger, the Dealers nor any of their respective affiliates has authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date thereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer, the Guarantor or the Group since the date thereof or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented or the statement of financial position date of the most recent financial statements and annual accounts which are deemed to be incorporated into this Base Prospectus by reference or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Instruments, see "*Subscription and Sale*". In particular, Instruments and the guarantee thereof have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and may include Instruments in bearer form which are subject to US tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to US persons. Neither this Base Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by the Issuer, the Guarantor, the Arranger, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Instruments. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer, the Guarantor and the Group.

The maximum aggregate principal amount of Instruments outstanding at any one time under the Programme will not exceed EUR 40,000,000,000 (and for this purpose, any Instruments denominated in another currency shall be translated into Euro at the date of the agreement to issue such Instruments calculated in accordance with the provisions of the Dealership Agreement as defined under "*Subscription and Sale*"). The maximum aggregate principal amount of Instruments which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement.

This Base Prospectus describes in summary form certain Spanish tax implications and procedures in connection with an investment in the Instruments (see "*Risk Factors — Risks in relation to Spanish Taxation*" and "*Taxation and Disclosure of Information in Connection with Payments — Taxation in the Kingdom of Spain*"). Holders of Instruments must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Instruments.

Each prospective investor should have regard to the risk factors described on pages 8 to 20 and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Instruments before deciding to invest.

The Final Terms relating to a specific Tranche of Instruments may provide that it is the Issuer's intention to apply an amount, which at the Issue Date of the relevant Instruments, is equal to the net proceeds of the issue of such Instruments to fund, in whole or in part, Eligible Projects (as defined in "*Use of Proceeds*" herein), in which case the relevant Instruments will be identified as "ESG Instruments" in the title of the Instruments in the applicable Final Terms.

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including in relation to, but not limited to, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "EU Taxonomy Regulation") and any related technical screening criteria, the EuGB label or the optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds under Regulation (EU) 2023/2631 (the "EU Green Bond Regulation"), Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including green, sustainable or social bond principles or other similar principles or guidance published by the International Capital Market Association (the "ICMA Principles")) or any requirements of such labels or market standards as they may evolve from time to time. Any ESG Instruments issued under this Programme will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in Telefónica's Sustainable Financing Framework. Each prospective investor should have regard to the factors described in the Sustainable Financing Framework and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Instruments before deciding to invest.

The Dealers have not undertaken, nor are responsible for, any assessment of the eligibility criteria for selecting investments in Eligible Projects, any verification of whether the Eligible Projects meet such eligibility criteria, or the monitoring of the use of proceeds. Investors should refer to Telefónica's website, the Sustainable Financing Framework and the Second Party Opinion (each as defined in "*Use of Proceeds*" herein) for information. Sustainability B.V., the provider of the Second Party Opinion, was appointed by Telefónica. The Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in any Instruments, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact. No assurance or representation is given by the Issuer, the Guarantor, any of the Dealers or any other person as to the suitability or reliability for any

purpose whatsoever of the Second Party Opinion or any other opinion, review or certification of any third party (including any post-issuance reports prepared by an external reviewer) made available in connection with an issue of ESG Instruments (whether or not solicited by the Issuer or any affiliate). For the avoidance of doubt, any such opinion or certification is not incorporated in this Base Prospectus. Any such opinion or certification is not a recommendation by the Issuer, the Guarantor, the Dealers or any other person to buy, sell or hold any such ESG Instruments and is current only as of the date it was issued. As at the date of this Base Prospectus, the providers of such opinions, reviews, certifications and post-issuance reports are not subject to any specific regulatory or other regime or oversight. Whilst the EU Green Bond Regulation will introduce a supervisory regime of external reviewers of European Green Bonds but this is not due to take full effect until 21 June 2026 and would not apply to external reviewers in respect of an issue of ESG Instruments. The Second Party Opinion and any other such opinion, review, certification or post-issuance report is not, nor should be deemed to be, a recommendation by the Issuer, the Guarantor, the Dealers, or any other person to buy, sell or hold any Instruments and is current only as of the date it is issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The criteria and/or considerations that form the basis of the Second Party Opinion or any other opinion, review, certification or post-issuance report may change at any time and the Second Party Opinion or any other opinion, review, certification or post-issuance report may be amended, updated, supplemented, replaced and/or withdrawn. The Sustainable Finance Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus. The Sustainable Finance Framework, the Second Party Opinion and any other such opinion, review, certification or post-issuance report does not form part of, nor is incorporated by reference in, this Base Prospectus.

In the event that any such ESG Instruments are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Guarantor, the Dealers or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Guarantor, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such ESG Instruments or that any such listing or admission to trading will be maintained during the life of the ESG Instruments.

While it is the intention of the Issuer to apply the proceeds of ESG Instruments for Eligible Projects and to report on the use of proceeds or Eligible Projects as described in "Use of Proceeds" and the Sustainable Financing Framework, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in the manner anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of the ESG Instruments or to report on the use of proceeds or Eligible Projects as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with the ESG Instruments or the failure of the ESG Instruments to meet investors' expectations or requirements regarding any "green", "sustainable", "social" or similar labels will constitute an event of default or breach of contract with respect to any of the ESG Instruments.

All references in this Base Prospectus to "\$", "dollar", "U.S.\$" and "US Dollar" are to United States dollars, the lawful currency of the United States of America; all references to "sterling", "pound sterling", "GBP" or "£" are to the lawful currency of the United Kingdom; all references to "A\$" are to Australian dollars, the lawful currency of Australia; all references to "Renminbi" and "CNY" are to Renminbi Yuan, the lawful currency of The People's Republic of China; references to "Venezuelan bolivar" are to Venezuelan bolívars fuertes, the lawful currency of Venezuela; references to "Argentinian peso" are to the Argentinian peso, the lawful currency of Argentina; references to the "Colombian peso" are to the Colombian peso, the lawful currency of Colombia; references to "Peruvian soles" are to the Peruvian nuevo sol, the lawful currency of Peru; references to "Hong Kong dollar" are to the Hong Kong dollar, the lawful currency of Hong Kong; references to the "Japanese Yen" are to the Japanese Yen, the lawful currency of Japan; references to

"Brazilian real" or "reais" are to the Brazilian real, the lawful currency of Brazil; references to "\$\$" are to the Singaporean dollar, the lawful currency of Singapore; and all references to "Euro", "EUR" and "€" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

In connection with the issue of any Tranche of Instruments, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Instruments is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Instruments and 60 days after the date of the allotment of the relevant Tranche of Instruments. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

#### IMPORTANT – EUROPEAN ECONOMIC AREA RETAIL INVESTORS

If the applicable Final Terms in respect of any Instruments includes a legend entitled "*Prohibition of Sales to European Economic Area Retail Investors*", the Instruments are not intended to be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

#### IMPORTANT - UK RETAIL INVESTORS

If the applicable Final Terms in respect of any Instruments includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act, as amended ("**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

#### PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

The applicable Final Terms in respect of any Instruments may include a legend entitled "*Singapore Securities and Futures Act Product Classification*" which will state the product classification of the Instruments pursuant to section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). If applicable, the Issuer will make a determination in relation to each issue about the classification of the Instruments being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

## MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The applicable Final Terms in respect of any Instruments may include a legend titled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise none of the Arranger, the Dealers and any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

## PRODUCT GOVERNANCE UNDER UK MiFIR

The applicable Final Terms in respect of any Instruments may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

## NOTICE TO CANADIAN INVESTORS

The Instruments may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are "accredited investors" (as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario)) and are "permitted clients" (as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations). Any resale of the Instruments must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada might provide a Canadian investor with remedies for rescission or damages if this Base Prospectus (including any amendment hereto) contains a misrepresentation; **provided that** the remedies for rescission or damages are exercised by the investor within the time limit prescribed by the securities legislation of the investor's province or territory. The investor should refer to any applicable provisions of the securities legislation of its province or territory for particulars of these rights and/or consult with a legal adviser.

## EU BENCHMARKS REGULATION

Interest and/or other amounts payable under the Instruments may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation. The registration status of any administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

## CONTENTS

	Page
KEY FEATURES OF THE PROGRAMME .....	2
RISK FACTORS .....	8
DOCUMENTS INCORPORATED BY REFERENCE .....	21
TERMS AND CONDITIONS OF THE INSTRUMENTS .....	24
FORM OF GUARANTEE .....	76
FORM OF FINAL TERMS .....	82
USE OF PROCEEDS .....	97
TELEFÓNICA EMISIONES, S.A.U. ....	99
TELEFÓNICA, S.A. ....	100
TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH PAYMENTS .....	101
SUBSCRIPTION AND SALE .....	111
GENERAL INFORMATION .....	117

## KEY FEATURES OF THE PROGRAMME

*The following is a brief summary only and should be read in conjunction with the rest of this document and, in relation to any Instruments, in conjunction with the relevant Final Terms and, to the extent applicable, the Terms and Conditions of the Instruments set out herein. Copies of Final Terms in relation to Instruments to be listed on Euronext Dublin will be published on the website of the Euronext Dublin (<https://live.euronext.com/>).*

<b>Issuer</b>	Telefónica Emisiones, S.A.U.
<b>Issuer Legal Entity Identifier (LEI):</b>	549300Y5MFC4SW5Z3K71
<b>Guarantor</b>	Telefónica, S.A.
<b>Guarantee</b>	The Guarantor has, in a Deed of Guarantee dated 11 April 2025 (the " <b>Guarantee</b> "), unconditionally and irrevocably guaranteed the due and punctual payment of all amounts under the Instruments.
<b>Arranger</b>	BNP PARIBAS.
<b>Dealers</b>	Banco Bilbao Vizcaya Argentaria, S.A., Banco de Sabadell, S.A., Banco Santander, S.A., Barclays Bank Ireland PLC, BNP PARIBAS, BofA Securities Europe SA, CaixaBank, S.A, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe, Intesa Sanpaolo S.p.A., J.P. Morgan SE, Mediobanca – Banca di Credito Finanziario S.p.A., Mizuho Bank Europe N.V., Morgan Stanley Europe SE, MUFG Securities (Europe) N.V., Natixis, NatWest Markets N.V., SMBC Bank EU AG, Société Générale and UniCredit Bank GmbH and any other dealer appointed from time to time by the Issuer and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Instruments.
<b>Issue and Paying Agent</b>	The Bank of New York Mellon, London Branch.
<b>Registrar</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch.
<b>Listing Agent</b>	Matheson LLP.
<b>Programme Amount</b>	EUR 40,000,000,000 in aggregate principal amount of Instruments outstanding at any one time (and, for this purpose, any Instruments denominated in another currency shall be translated into Euro at the date of the agreement to issue such Instruments using the spot rate of exchange for the purchase of such currency against payment of Euro being quoted by the Issue and Paying Agent at the time agreed between the Issuer and the Relevant Dealer in respect of the relevant Tranche was made or such other rate as the Issuer and the Relevant Dealer may agree). The maximum aggregate principal amount of Instruments which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under " <i>Subscription and Sale</i> ".
<b>Issuance in Series</b>	Instruments will be issued in series (each, a " <b>Series</b> "). Each Series may comprise one or more tranches (" <b>Tranches</b> " and each, a " <b>Tranche</b> ") issued on different issue dates. The Instruments of each Series will all be subject to identical terms, except that (i) the issue date and the amount of the first payment of interest may be different in respect of different Tranches and (ii) a Series may comprise Instruments in bearer form and Instruments in registered form and Instruments in more than one denomination. The Instruments of each Tranche will all be subject to



identical terms in all respects save that a Tranche may comprise Instruments in bearer form and Instruments in registered form and may comprise Instruments of different denominations.

#### **Form of Instruments**

Instruments may be issued in bearer form or in registered form. In respect of each Tranche of Instruments issued in bearer form, the Issuer will deliver a temporary global Instrument or (if so specified in the relevant Final Terms in respect of Instruments to which US Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") applies (as so specified in such Final Terms)) a permanent global Instrument. Each such global Instrument which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each such global Instrument which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each temporary global Instrument will be exchangeable for a permanent global Instrument or, if so specified in the relevant Final Terms, for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Final Terms) in registered form in accordance with its terms. Each permanent global Instrument will be exchangeable for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Final Terms) in registered form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, have interest coupons ("**Coupons**") attached and, if appropriate, a talon ("**Talon**") for further Coupons attached and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon or, if so specified in the relevant Final Terms, have payment receipts ("**Receipts**") attached. Instruments in registered form may not be exchanged for Instruments in bearer form unless otherwise specified in the relevant Final Terms.

#### **Eurosystem Eligibility**

If the Global Instruments are stated in the applicable Final Terms to be issued in NGN form, on or prior to the original issue date of the Tranche, the Global Instruments will be delivered to a Common Safekeeper and Euroclear and Clearstream, Luxembourg, or any other relevant clearing system, will be informed whether or not the Instruments are intended to be held in a manner to enable them to be considered as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem ("**Eurosystem eligible collateral**").

Depositing the Global Instruments intended to be held as Eurosystem eligible collateral with a Common Safekeeper does not necessarily mean that the Instruments will be recognised as Eurosystem eligible collateral either upon issue, or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met. In the case of Instruments issued in NGN form which are not intended to be held as Eurosystem eligible collateral as of their issue date, should the Eurosystem eligibility criteria be amended in the future so that such Instruments are capable of meeting the eligibility criteria, such Instruments may then be deposited with Euroclear or Clearstream, Luxembourg, or any other relevant clearing system, as Common Safekeeper.

<b>Currencies</b>	Instruments may be denominated in any currency or currencies subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Status of Instruments</b>	Instruments may be issued on a subordinated or unsubordinated basis, as specified in the relevant Final Terms.
<b>Status of the Guarantee</b>	The obligations of the Guarantor under the Guarantee are either subordinated or unsubordinated, as specified in the applicable Final Terms.
<b>Issue Price</b>	Instruments may be issued at any price, as specified in the relevant Final Terms. The issue price and the principal amount of the relevant Tranche of Instruments will be determined before filing of the relevant Final Terms of each Tranche on the basis of the then prevailing market conditions.
<b>Maturities</b>	<p>Instruments may have any maturity of not less than one month, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>Where Instruments have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Instruments is carried out from an establishment maintained by the Issuer in the United Kingdom, such Instruments must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of Section 19 of FSMA by the Issuer.</p>
<b>Redemption</b>	Instruments will be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms.
<b>Early Redemption</b>	Early redemption will, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, be permitted for taxation reasons as mentioned in <i>"Terms and Conditions of the Instruments — Early Redemption for Taxation Reasons"</i> , but will otherwise be permitted only to the extent specified in the relevant Final Terms.
<b>Interest</b>	Instruments may be interest bearing or non-interest bearing, as specified in the Final Terms. Interest may accrue at a fixed or floating rate and may vary during the lifetime of the relevant Series.
<b>Denomination</b>	Instruments will be issued in such denominations as may be specified in the relevant Final Terms, subject to a minimum denomination of EUR 100,000 (or, if the Instruments are denominated in a currency other than Euro, the equivalent amount in such currency at the date of issue) in the case of Instruments to be admitted to trading on a regulated market as defined in Article 4, paragraph 1, point 21 of MiFID II, and in compliance with all applicable legal and/or regulatory and/or central bank requirements. In the event that Condition 1.05(c) is stated in the relevant Final Terms as being applicable, the Clearing Systems will not permit trades other than in the denominations specified in the Final Terms or in integral multiples thereof.
<b>Taxation</b>	Payments in respect of Instruments will be made without withholding or deduction for, or on account of, any present or future taxes, duties,

assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor will (subject to certain exceptions) pay such additional amounts as will result in the holders of Instruments or Coupons (the "**Holders**") receiving such amounts as they would have received in respect of such Instruments or Coupons had no such withholding or deduction been required. In addition to certain customary exceptions, no such additional amounts shall be payable to: (a) Holders who are resident for tax purposes in Spain; and (b) on any payment of income under the Instruments if the Issuer or the Guarantor does not receive such information from the Issue and Paying Agent in a timely manner as may be required in order to comply with the applicable Spanish tax reporting obligations (see "*Terms and Conditions of the Instruments — Taxation*" and "*Taxation and Disclosure of Information in Connection with Payments*").

**Negative Pledge**

The Instruments will have the benefit of a negative pledge as described in Condition 4 (*Negative Pledge*).

**Cross Default**

The Instruments will have the benefit of a cross default as described in Condition 7 (*Events of Default*).

**Information requirements under Spanish Tax Law**

**Provided that** the special tax regime contained under the First Additional Provision of Law 10/2014 applies to the Instruments in accordance with article 44.5 of Royal Decree 1065/2007, income obtained in respect of the Instruments will not be subject to withholding tax in Spain, **provided that** the Instruments are originally registered in a non-Spanish clearing and settlement entity recognised by Spanish legislation or by the legislation of another OECD country and that the Issue and Paying Agent provides the Issuer and the Guarantor, in a timely manner, with certain information relating to the Instruments. See "*Taxation and Disclosure of Information in Connection with Payments*".

If the Issue and Paying Agent fails to provide the Issuer and the Guarantor with the required information described under "*Taxation and Disclosure of Information in Connection with Payments — Taxation in the Kingdom of Spain — Information about the Instruments in Connection with Payments*" in a timely manner, the Issuer will be required to withhold tax and pay income in respect of the relevant Instruments net of the Spanish withholding tax applicable to such payments (as at the date of this Base Prospectus, at the rate of 19 per cent.).

If this were to occur, affected Holders will receive a refund of the amount withheld, with no need for action on their part, if the Issue and Paying Agent submits the required information to the Issuer and the Guarantor no later than the 10<sup>th</sup> calendar day of the month immediately following the relevant payment date. In addition, Holders may apply directly to the Spanish tax authorities for any refund to which they may be entitled. Neither the Issuer nor the Guarantor will pay additional amounts in respect of any such withholding tax.

None of the Issuer, the Guarantor, the Arranger, the Dealers, the Registrar or any clearing system (including Euroclear and Clearstream, Luxembourg) assume any responsibility therefor.

**Governing Law**

The terms and conditions of the Instruments, all related contractual documentation and all non-contractual obligations arising out of or in connection with the terms and conditions of the Instruments and all related

contractual documentation will be governed by English law. The status of the Instruments and of the Guarantee are governed by Spanish law. See "*Terms and Conditions of the Instruments — Law and Jurisdiction*".

<b>Listing and Trading</b>	Applications have been made for Instruments issued using this Base Prospectus to be admitted during a period of twelve months after the date hereof to listing on the Official List and to trading on the regulated market of Euronext Dublin.
<b>Terms and Conditions</b>	The " <i>Terms and Conditions of the Instruments</i> " set out herein will be applicable to each Series of Instruments issued subject to Law 10/2014. Final terms will be prepared in respect of each Tranche of Instruments (the " <b>Final Terms</b> "). The terms and conditions applicable to each Tranche will be those set out herein under " <i>Terms and Conditions of the Instruments</i> " as completed by the relevant Final Terms.
<b>Enforcement of Instruments Global Form</b>	In the case of Instruments in global form, Holders' rights will be supported by a Deed of Covenant dated 11 April 2025, a copy of which will be available for inspection at the specified office of the Issue and Paying Agent.
<b>Clearing Systems</b>	Euroclear, Clearstream, Luxembourg and/or, in relation to any Instruments, any other clearing system as may be specified in the relevant Final Terms.
<b>Selling Restrictions</b>	For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material under the laws of the United States of America, the United Kingdom, Japan, the EEA (including the Kingdom of Spain and Belgium), Australia, Hong Kong, the People's Republic of China and Singapore, see " <i>Subscription and Sale</i> ". Additional restrictions may apply to each Series, as specified in the relevant Final Terms.
<b>Credit Ratings</b>	<p>Tranches of Instruments may be rated or unrated and, if rated, such ratings will be specified in the relevant Final Terms.</p> <p>In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA but which is certified under the EU CRA Regulation.</p> <p>Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but which is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK but which is certified under the UK CRA Regulation.</p> <p>A rating is not a recommendation to buy, sell or hold Instruments and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
<b>Redenomination and Exchangeability</b>	The relevant Final Terms will indicate whether the Issuer may elect that, with effect from the Redenomination Date, the Instruments of that Tranche (if the currency of such Tranche is not the Euro) shall be

redenominated in Euro (if Redenomination is specified) or become exchangeable for Instruments denominated in Euro (if Exchangeability is specified).

**Issuer Substitution**

The Conditions include provisions for the substitution of the Issuer, as described under Condition 18 (*Substitution; Merger, Consolidation, etc. Only on Certain Terms*).

**Use of Proceeds**

The net proceeds of the issue of each Tranche of Instruments will either be applied by the Issuer, the Guarantor and/or the Group to meet part of their general financing requirements or to finance and/or refinance, in whole or in part, Eligible Projects, in which case the relevant Instruments will be identified as "ESG Instruments" in the title of the Instruments in the applicable Final Terms.

## RISK FACTORS

*Any investment in the Instruments is subject to a number of risks. Prior to investing in the Instruments, prospective investors should carefully consider risk factors associated with any investment in the Instruments, the business of the Group and the industry(ies) in which the Group operates, together with all other information contained in this Base Prospectus including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Instruments" below or elsewhere in this Base Prospectus have the same meanings in this section.*

*The Issuer and the Guarantor have identified in this Base Prospectus a number of risk factors which could materially adversely affect their businesses and ability to make payments due under the Instruments and believe that the risk factors described below represent the principal risks inherent in investing in the Instruments.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Instruments but are the material risks that the Issuer and the Guarantor believe to be the most relevant to an assessment by a prospective investor of whether to consider an investment in the Instruments. Additional risks and uncertainties relating to the Telefónica Group that are not known to the Telefónica Group as at the date of this Base Prospectus, or that the Telefónica Group deems immaterial as at such date, may individually or cumulatively also have a material adverse effect on Telefónica's business, prospects, results of operations and/or financial position and, if any such risk should occur, the price of the Instruments may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Instruments is suitable for them in light of the information in this Base Prospectus and their personal circumstances.*

*The Issuer is a special purpose vehicle and investors should therefore consider the financial condition and liquidity of Telefónica and the Telefónica Group in addition to that of the Issuer. The Telefónica Group intends to provide the Issuer with liquidity by way of intra-group arrangements or other transfers of value in order for the Issuer to fulfil its obligations under the Instruments.*

*The Telefónica Group's business is affected by a series of risk factors that affect exclusively the Telefónica Group, as well as a series of factors that are common to businesses of the same sector. The main risks and uncertainties faced by Telefónica, which could affect its business, financial condition, results of operations and/or cash flows are set out in the sections of the Subordinated Notes Programme Base Prospectus referred to below and must be considered jointly with the information set out in the Telefónica Group's financial statements for the year ended 31 December 2024 (the "**2024 Consolidated Financial Statements**").*

*These risks are currently considered by the Telefónica Group to be material, specific and relevant in making an informed investment decision in respect of Telefónica. However, the Telefónica Group is subject to other risks that have not been included in this section based on the Telefónica Group's assessment of their specificity and materiality based on the Telefónica Group's assessment of their probability of occurrence and the potential magnitude of their impact. The assessment of the potential impact of any risk is both quantitative and qualitative considering, among other things, potential economic, compliance, reputational and environmental, social and governance ("**ESG**") impacts.*

*Risks relating to the Telefónica Group are presented in the sections of the Subordinated Notes Programme Base Prospectus referred to below grouped into four categories:*

- Business;*
- Operational;*
- Financial; and*
- Legal and compliance.*

*Separately, the risks relating to withholding on the Instruments, the subordination of Subordinated Instruments, the Instruments generally and any particular structure of Instruments (including Instruments denominated in Renminbi) are also presented.*

*These categories are not presented in order of importance. However, within each category, the risk factors are presented in descending order of importance, as determined by Telefónica at the date of this Base*

*Prospectus. Telefónica may change its views about their relative importance at any time, especially if new internal or external events arise.*

**Risks related to the Telefónica Group.**

Prospective investors should consider the following sections set out in the Subordinated Notes Programme Base Prospectus:

- (a) *"Risks related to Business Activities"* on pages 21 to 28 of the Subordinated Notes Programme Base Prospectus;
- (b) *"Operational Risks"* on pages 28 to 29 of the Subordinated Notes Programme Base Prospectus;
- (c) *"Financial Risks"* on pages 29 to 34 of the Subordinated Notes Programme Base Prospectus; and
- (d) *"Legal and Compliance Risks"* on pages 34 to 35 of the Subordinated Notes Programme Base Prospectus.

**Risks related to withholding.**

***Risks in relation to Spanish taxation***

The Issuer and the Guarantor are required to receive certain information relating to the Instruments. If such information is not received by the Issuer or the Guarantor, as the case may be, in a timely manner, the Issuer will be required to apply Spanish withholding tax to any payment of income in respect of the relevant Instruments.

Provided that the special tax regime contained under the First Additional Provision of Law 10/2014 applies to the Instruments, in accordance with article 44.5 of Royal Decree 1065/2007, payments of income in respect of the Instruments will be made without withholding tax in Spain provided that the Instruments are originally registered in a non-Spanish clearing and settlement entity recognised by Spanish legislation or by the legislation of another OECD country and that the Issue and Paying Agent provides the Issuer and the Guarantor in a timely manner with a certificate containing certain information relating to the Instruments in the Spanish language substantially in the form set out in Exhibit I, attached hereto.

This information must be provided by the Issue and Paying Agent to the Issuer and the Guarantor, before the close of business on the Business Day (as defined in *"Terms and Conditions of the Instruments"*) immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Instruments (each a **"Payment Date"**) is due.

The Issuer, the Guarantor and the Issue and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Instruments. If, despite these procedures, the relevant information is not received by the Issuer and the Guarantor on each Payment Date, the Issuer will withhold tax at the then-applicable rate (as at the date of this Base Prospectus, 19 per cent.) from any payment in respect of the relevant Instruments. Neither the Issuer nor the Guarantor will pay any additional amounts with respect to any such withholding.

The Issue and Paying Agency Agreement provides that the Issue and Paying Agent will, to the extent applicable, comply with the relevant procedures to deliver the required information concerning the Instruments to the Issuer and the Guarantor in a timely manner. See *"Taxation and Disclosure of Information in Connection with Payments — Taxation in the Kingdom of Spain — Information about the Instruments in Connection with Payments"*.

These procedures may be modified, amended or supplemented, among other reasons, to reflect a change in applicable Spanish law, regulation, ruling or an administrative interpretation thereof. None of the Issuer, the Guarantor, the Arranger or the Dealers assumes any responsibility therefor.

## **Risks Relating to Subordinated Instruments.**

### ***The Issuer's obligations under the Subordinated Instruments are subordinated***

The Issuer's obligations under the Subordinated Instruments will be unsecured and subordinated obligations of the Issuer and, in the event of the Issuer being declared insolvent (*en concurso*) under Spanish insolvency law, will rank *pari passu* with all other present and future contractually subordinated obligations of the Issuer, except for subordinated obligations pursuant to Articles 281.1.3° to 281.1.7° of the Spanish Insolvency Law and subordinated obligations prescribed by law to, and subordinated obligations which are expressed to, rank junior to the Subordinated Instruments. See "*Terms and Conditions of the Instruments — Status of the Instruments and the Guarantee*". By virtue of such subordination, payments to a Holder of a Subordinated Instrument will, in the event of Issuer being declared in insolvency (*concurso*) under Spanish insolvency law, only be made after all obligations of the Issuer resulting from higher ranking claims (including subordinated obligations pursuant to Article 281.1.1.° of the Spanish Insolvency Law) have been satisfied. A Holder may therefore recover less than the holders of unsubordinated or subordinated liabilities of the Issuer under Article 281.1.1.° of the Spanish Insolvency Law. Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Subordinated Instruments will lose all or some of its investment should the Issuer become insolvent.

### ***Subordinated Instruments will be guaranteed on a subordinated basis***

The Guarantor's obligations under the Guarantee in relation to Subordinated Instruments will be unsecured and subordinated obligations of the Guarantor. In the event of the Guarantor being declared insolvent (*en concurso*) under Spanish insolvency law, the Guarantor's obligations under the Guarantee in relation to Subordinated Instruments will rank *pari passu* with all other present and future contractually subordinated obligations of the Guarantor, except for subordinated obligations pursuant to Articles 281.1.3° to 281.1.7° of the Spanish Insolvency Law and subordinated obligations prescribed by law to, and subordinated obligations which are expressed to, rank junior to the Guarantee. See "*Terms and Conditions of the Instruments — Status of the Instruments and the Guarantee*".

Holders of Subordinated Instruments are advised that unsubordinated liabilities of the Guarantor may also arise out of events that are not reflected on the balance sheet of the Guarantor including, without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such guarantees will become unsubordinated liabilities of the Guarantor that in the insolvency of the Guarantor will need to be paid in full before the obligations under the Guarantee in relation to Subordinated Instruments may be satisfied.

### ***Risks arising in connection with EU insolvency law***

From 26 June 2017, Regulation 2015/848 on insolvency proceedings (recast) (the "**EU Insolvency Regulation**") is applicable to all the EU countries except for Denmark. This means that this regulation shall be applicable to all those insolvency proceedings that are initiated in an EU country (except for Denmark), when the centre of main interest of the debtor is located in such countries.

If the centre of main interests of a company is in one Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open insolvency proceedings against that company only if such company has an "establishment" in the territory of such other Member State. An "establishment" is defined as any place of operations where a debtor carries out or has carried out in the 3-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets. The effects of those insolvency proceedings opened in that other Member State are restricted to the assets of the company situated in such other Member State and so may impact the ability of Holders to commence insolvency proceedings against the Issuer or the Guarantor outside the centre of main interest of such companies.

### ***Risks arising in connection with the Spanish Insolvency Law***

Law 16/2022, of 5 September (*Ley 16/2022, de 5 de septiembre, de reforma del texto refundido de la Ley Concursal*) has amended the consolidated text of the Spanish Insolvency Law approved by Legislative 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**"). The main aim of this amendment



is to implement the restructuring framework required by Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on Restructuring Frameworks). In addition, it has introduced other changes to the insolvency proceedings in Spain. The amendments to the Spanish Insolvency Law came into force, subject to certain exceptions, on 26 September 2022.

The Spanish Insolvency Law regulates insolvency proceedings (which are court-supervised), as opposed to out-of-court liquidation (which, pursuant to Spanish corporate law, is only available when the debtor has sufficient assets to meet its liabilities). The Spanish full-blown insolvency proceeding (bankruptcy), which is referred to as "*concurso*", applies to all persons or entities (save for limited exceptions specifically contemplated in the Spanish Insolvency Law). These proceedings may lead either to reorganisation through the implementation of an arrangement between the creditors and the debtor (*convenio*) or to the liquidation of the debtor's assets (the latter being the most frequent outcome).

A debtor (and in the case of a company, its directors) is required to apply for insolvency proceedings, when it is not able to meet its current obligations (*insolvencia actual*), within the term of two months as from the moment that it knows that or should have known that it is insolvent. The debtor is also entitled to apply for such insolvency proceedings when it expects that it will be insolvent within the next three months (*insolvencia inminente*). In addition, the new law introduced the concept of "likelihood of insolvency" (*probabilidad de insolvencia*), which is when it is objectively foreseeable that the debtor will be unable to regularly fulfil its obligations within the next two years.

The court resolution declaring the insolvency proceedings (*auto de declaración de concurso*) contains an express request for the creditors to declare debts owed to them, within a one-month period as from the day after the publication of the insolvency proceeding in the Spanish Official Gazette (*Boletín Oficial del Estado*), providing documentation to justify such credits. Based on the documentation provided by the creditors and that is held by the debtor, the court receivers draw up an inventory and a list of acknowledged creditors and classify them according to the categories established under law: (i) debts against the insolvency estate; (ii) debt benefiting from special privileges; (iii) debt benefiting from general privileges (including certain labour and tax debt); (iv) ordinary debt; and (v) subordinated debt (including that held by certain individuals or entities connected with the debtor).

As a general rule, insolvency proceedings are not compatible with other enforcement proceedings. When compatible, the law extends the jurisdiction of the court dealing with insolvency proceedings, which is, then, legally authorised to handle any enforcement proceedings or interim measures affecting the debtor's assets (whether based upon civil, labour or administrative law).

Holders should be aware that in case of liquidation of the Issuer and/or the Guarantor within an insolvency proceeding, according to the ranking established by the Spanish Insolvency Law: (i) post-insolvency claims would rank ahead insolvency claims (other than those covered by *in rem security*); (ii) their claims against the Issuer and/or the Guarantor would be (as either ordinary or subordinated claims) behind other classes of creditors set out above (as applicable); and (iii) subordinated creditors have more limited chances of collection than senior creditors. In the event that an arrangement is approved with the support of the majorities set out by the Spanish Insolvency Law (subordinated creditors cannot vote), their credits against the Issuer and/or the Guarantor could be subject to a haircut or a standstill. Holders should also be aware that accrual of interest shall be suspended from the date of the declaration of insolvency.

The general duty to file for bankruptcy within the aforementioned two-month period does not apply if the debtor notifies the applicable court that it has initiated negotiations with its creditors to obtain support for a restructuring plan, as set out in Articles 585 *et seq.* of the Spanish Insolvency Law. The pre-insolvency stay (*comunicación de inicio de negociaciones*) is available as a type of legal protection that the debtor under (at least) likelihood of insolvency may request to avoid the attachment of its necessary assets by its creditors. By means of the pre-insolvency filing, the debtor gains an additional three-months period (or up to six months, if extended) as from the date when the debtor gives such notice, to achieve a restructuring plan with its creditors and one further month to file for bankruptcy, if after the above mentioned period of three months (or of six months if extended) has elapsed without an agreement being reached and the situation of insolvency persists. During that period, enforcement actions are stayed, subject to certain exceptions and conditions. Additionally, during this period, directors' legal duty to file for insolvency (in

case of actual insolvency) or to wind up the company (in the event of a capital impairment situation -i.e., its net equity is below a half of its share capital-) is suspended.

A restructuring plan may as well be negotiated and submitted for Court approval if the debtor is in a situation of likely, actual or imminent insolvency. Under the Spanish Insolvency Law, the effects of a restructuring plan can be imposed on all types of creditors and claims (subject to specific exceptions), including trade creditors, one or multiple classes of creditors and, with certain exceptions, even the debtor's shareholders. Public creditors can only be subject to the plan if very strict requirements are complied with.

#### **Risks Relating to the Instruments.**

##### ***Modification, waivers and substitution.***

The Terms and Conditions for each Tranche of Instruments contain provisions for calling meetings of holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. The Terms and Conditions for each Tranche of Instruments also provide that the parties to the Issue and Paying Agency Agreement may, without the consent of holders, agree to (i) any modification of the Instruments, the Terms and Conditions, the Deed of Guarantee and the Deed of Covenant that is of a formal, minor or technical nature or which is made to correct a manifest error; or (ii) any other modification which, in the opinion of such parties, is not materially prejudicial to the interests of the Holders.

Provided the Instruments remain subject to Law 10/2014 at all times, the Guarantor or any of its Subsidiaries (as defined below) (each a "**Substitute Debtor**") may also, without the consent of the Holders, assume the obligations of the Issuer (or any previous Substitute Debtor) under and in respect of any Instruments. Any such substitution will be subject to the conditions set out in the Terms and Conditions which include, among other things that no Event of Default, would be triggered by such substitution and that if the Substitute Debtor is not the Guarantor, a covenant is provided by the Guarantor in favour of the Holders of the relevant Instruments guaranteeing the obligations of the Substitute Debtor.

##### ***The Instruments may be redeemed prior to maturity.***

If in the case of any particular Tranche of Instruments the relevant Final Terms specifies that the Instruments are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Instruments at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Instruments.

##### ***No limitation on further indebtedness.***

There is no restriction on the amount of further indebtedness which the Issuer or the Guarantor may issue, incur or guarantee. The incurrence of any such further indebtedness or the granting of any guarantees in respect thereof or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on the insolvency, winding-up, liquidation or dissolution of the Issuer or the Guarantor (as the case may be).

If the Issuer's and/or the Guarantor's financial condition were to deteriorate, the Holders could suffer direct and materially adverse consequences, including loss of interest and, if the Issuer and/or the Guarantor were liquidated (whether voluntarily or not), the Holders could suffer loss of their entire investment.

##### ***There is no active trading market for the Instruments.***

Instruments issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Instruments which is already issued). If the Instruments are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Guarantor. Although applications have been made for the Instruments issued under the Programme to be admitted to listing on the Official List and to trading on the regulated market of Euronext Dublin, there is no assurance that such applications will be accepted, that any particular Tranche of Instruments will be so admitted or that an active trading market

will develop or, if developed, that it will continue. In addition, the ability of the Dealers to make a market in the Instruments may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Instruments. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Instruments which may result in holders of the Instruments being unable to sell Instruments on a timely basis, or without incurring a loss on their investment.

#### ***Floating Rate Instruments.***

Investments in Instruments that bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such rate. Typically, the relevant margin will not change throughout the life of the Instruments but there could be a periodic adjustment (as specified in the applicable Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Instruments may be volatile if changes, particularly short-term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of such Instruments upon the next periodic adjustment of the relevant reference rate.

#### ***Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future.***

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also, to the use of a benchmark rate. In the EU, for example, Regulation (EU) No. 2016/1011, as amended (the "**EU Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the EU, subject to certain transitional provisions. Similarly, Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Benchmarks Regulation**") applies the provision of, contribution of input data to, and the use of, a benchmark within the UK, subject to certain transitional provisions.

Legislation such as the EU Benchmarks Regulation or the UK Benchmarks Regulation, if applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index – for example, if the methodology or other terms of the benchmark are changed in the future in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined to be by a regulator to be "no longer representative". Such factors could (amongst other things) have the effect of reducing or increasing the rate or level or may affect the volatility of the published rate or level of the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks", or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with the Euro Short Term Rate ("**€STR**") or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 5.13 (*Benchmark Replacement*)), or result in adverse consequences to holders of any Instruments linked to such benchmark (including Floating Rate Instruments whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Instruments, the return on the relevant Instruments and the trading market for securities (including the Instruments) based on the same benchmark.

***The administrator of SONIA, SOFR or €STR or any related indices may make changes that could change the value of SONIA, SOFR or €STR or any related index, or discontinue SONIA, SOFR or €STR or any related index***

Newer reference rates or any related indices and rates that fall outside the scope of the EU Benchmarks Regulation and UK Benchmarks Regulation may also be subject to changes or discontinuation. For example, the Bank of England, the Federal Reserve Bank of New York or the European Central Bank (or their successors) as administrators of Sterling Overnight Index Average ("**SONIA**") (and the SONIA Compounded Index), the Secured Overnight Financing Rate ("**SOFR**") (and the SOFR Compounded Index) or the euro short-term rate ("**€STR**"), respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Holders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

***Interest rate "fallback" arrangements may lead to Notes performing differently or the effective application of a "fixed rate"***

If a relevant benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in "*Terms and Conditions of the Instruments*"), as applicable, occurs, the Terms and Conditions of the Instruments provide for certain fallback arrangements. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective.

Any such changes may result in the Instruments performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. It is also possible that such an event may be deemed to have occurred prior to the issue date for a Series of Instruments. Moreover, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the "*Terms and Conditions of the Instruments*") in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time. Additionally, in certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used, which may result in the effective application of a fixed rate for Floating Rate Instruments.

Any such consequences could have a material adverse effect on the value of and return on any such Instruments. Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Instruments linked to or referencing a benchmark.

***Methodologies for the calculation of risk-free rates (including overnight rates or forward-looking rates) as reference rates for Floating Rate Instruments may vary and may evolve***

"Risk-free" rates, such as SONIA, SOFR and €STR, as reference rates for Eurobonds, have become more commonly used as benchmark rates for bonds in recent years. Most of the rates are backwards-looking, but the methodologies to calculate the risk-free rates are not uniform. Such different methodologies may result in slightly different interest amounts being determined in respect of otherwise similar securities.

The Issuer may in the future also issue Instruments referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index or €STR that differ materially in terms of interest determination when compared with any previous Instruments issued by it under this Programme.

Such variations could result in reduced liquidity or increased volatility or might otherwise affect the market price of any Instruments that reference a risk-free rate issued under this Programme from time to time. In addition, investors should consider how any mismatch between applicable conventions for the use of reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Instruments referencing such risk-free rates. Investors should consider these matters when making their

investment decision with respect to any Instruments which reference SONIA, SOFR, €STR or any related indices.

***It is not possible to calculate interest rates in advance for Instruments which reference SONIA, SOFR, €STR or any related indices***

Interest on Instruments which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may therefore be difficult for investors in Instruments which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Instruments.

Further, in contrast to Instruments linked to interbank offered rates, if Instruments referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 7 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final rate of interest payable in respect of such Instruments shall be determined by reference to a shortened period ending immediately prior to the date on which the Instruments become due and payable or are scheduled for redemption.

***In respect of any Instruments issued as ESG Instruments, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor and may not meet investor expectations or requirements.***

The Final Terms relating to any specific Tranche of Instruments may provide that it will be the Issuer's intention to apply an amount which at the Issue Date of the relevant ESG Instrument is equal to the net proceeds from an offer of such Instruments specifically for Eligible Projects in accordance with Telefónica's Sustainable Financing Framework as described under "*Use of Proceeds*" below. A prospective investor should have regard to the information set out in the section "*Use of Proceeds*" and determine for itself the relevance of such information for the purpose of an investment in such ESG Instruments together with any other investigation it deems necessary.

No assurance is given that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Sustainable Financing Framework (including in relation to, but not limited to, the EU Taxonomy Regulation and any related technical screening criteria, the EuGB label and the optional disclosures regime under the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including ICMA Principles).

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including in relation to, but not limited to, the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including the ICMA Principles) or any requirements of such labels or market standards as they may evolve from time to time. Any ESG Instruments issued under this Programme will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in Telefónica's Sustainable Financing Framework. It is not clear if the establishment under the EU Green Bond Regulation of the EuGB label and the optional disclosures regime for bonds issued as "environmentally sustainable" could have an impact on investor demand for, and pricing of, green, social or sustainable use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures template, such as the ESG Instruments issued under this Programme. It could result in reduced liquidity or lower demand or could otherwise affect the market price of any ESG Instruments issued under this Programme that do not comply with the requirements of the EU Green Bond Regulation.

While it is the intention of the Issuer to allocate an amount equal to the net proceeds of any Instruments issued as ESG Instruments to Eligible Projects, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in, or substantially in, the manner and timeframe anticipated and, accordingly, that the Issuer will be able to use an amount equal to the net proceeds of the issue of such ESG Instruments for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated.

The Issuer does not undertake to ensure that there are at any time sufficient Eligible Projects to allow for allocation of an amount equal to the net proceeds of the issue of such ESG Instruments in full.

Each prospective investor should have regard to the factors described in Telefónica's Sustainable Financing Framework the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of any ESG Instruments before deciding to invest. Telefónica's Sustainable Financing Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus. Telefónica's Sustainable Financing Framework does not form part of, nor is incorporated by reference, in this Base Prospectus.

***No assurance of suitability or reliability of any second party opinion or any other opinion or certification of any third party relating to any ESG Instruments***

Sustainalytics B.V. has issued an independent opinion, dated 26 July 2023, on Telefónica's Sustainable Financing Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability of the Second Party Opinion or any opinion, review or certification of any third party (including any post-issuance reports prepared by an external reviewer) made available in connection with an issue of Instruments issued as ESG Instruments. The Second Party Opinion and any other such opinion, review, certification or post-issuance report is not intended to address any credit, market or other aspects of any investment in any ESG Instrument, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of any ESG Instruments. The Second Party Opinion and any other opinion, review, certification or post-issuance report is not a recommendation to buy, sell or hold any such ESG Instruments and is current only as of the date it was issued.

The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion, review, certification or post-issuance report may change at any time and the Second Party Opinion and any other opinion, review, certification or post-issuance report may be amended, updated, supplemented, replaced and/or withdrawn at any time. Any withdrawal of the Second Party Opinion or any other opinion, review, certification or post-issuance report may have a material adverse effect on the value of any ESG Instruments in respect of which such opinion, review, certification or post-issuance report is given and /or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. As at the date of this Base Prospectus, the providers of such opinions, reviews, certifications or post-issuance reports are not subject to any specific regulatory or other regime or oversight. Whilst the EU Green Bond Regulation will introduce a supervisory regime of external reviewers of European Green Bonds but this is not due to take full effect until 21 June 2026 and would not apply to external reviewers in respect of an issue of ESG Instruments. Prospective investors must determine for themselves the relevance of the Second Party and any other opinion, review, certification or post-issuance report and/or the information contained therein. The Second Party Opinion and any other such opinion, review, certification or post-issuance report does not form part of, nor is incorporated by reference, in this Base Prospectus.

***No assurance that ESG Instruments will be admitted to trading on any dedicated "green", "sustainable", "social" (or similar) segment of any stock exchange or market, or that any admission obtained will be maintained***

In the event that any such Instruments are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by that any such listing or admission to trading will be obtained in respect of any such Instruments or that any such listing or admission to trading will be maintained during the life of the Instruments.

***If any of the above risks outlined in this ESG Instruments risk factor materialise this may have a material adverse effect on the value of such Instruments and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the***

***Instruments as a result of the Instruments not falling within the investor's investment criteria or mandate).***

***No breach of contract or Event of Default***

None of a failure by the Issuer to allocate the proceeds of any Instruments issued as ESG Instruments to finance and/or refinance Eligible Projects or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of ESG Instruments or the failure of the Instruments issued as ESG Instruments to meet investors' expectations or requirements regarding any "green", "sustainable", "social" or similar labels (including in relation to, but not limited to, the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including the ICMA Principles) will constitute an Event of Default or breach of contract with respect to any of the Instruments issued as ESG Instruments.

***ESG Instruments are not linked to the performance of the Eligible Projects, do not benefit from any arrangements to enhance the performance of the Instruments or any contractual rights derived solely from the intended use of proceeds of such Instruments***

The performance of the ESG Instruments is not linked to the performance of the relevant Eligible Projects or the performance of Telefónica in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the ESG Instruments and the Eligible Projects. Consequently, neither payments of principal and/or interest on the ESG Instruments nor any rights of holders of the Instruments shall depend on the performance of the relevant Eligible Projects or the performance of Telefónica in respect of any such environmental or similar targets. Holders of any ESG Instruments shall have no preferential rights or priority against the assets of any Eligible Project nor benefit from any arrangements to enhance the performance of the Instruments.

***Because Instruments in global form are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantor.***

Instruments issued under the Programme may be represented by one or more global Instruments. Such global Instruments will be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant global Instrument, investors will not be entitled to receive definitive Instruments. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the global Instruments. While the Instruments are represented by one or more global Instruments, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Instruments are represented by one or more global Instruments the Issuer and the Guarantor will discharge their payment obligations under the Instruments by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a global Instrument must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Instruments. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the global Instruments.

Holders of beneficial interests in the global Instruments will not have a direct right to vote in respect of the relevant Instruments. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the global Instruments will not have a direct right under the global Instruments to take enforcement action against the Issuer or the Guarantor in the event of a default under the relevant Instruments but will have to rely upon their rights under the Deed of Covenant.

***Exchange rate fluctuations may affect the value of the Instruments.***

The Issuer will pay principal and interest on the Instruments in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified

Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Instruments, (ii) the Investor's Currency-equivalent value of the principal payable on the Instruments, and (iii) the Investor's Currency equivalent market value of the Instruments.

Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. Any of the foregoing events could adversely affect the price of the Instruments.

***Any decline in the credit ratings of the Issuer and/or the Guarantor or change in the status of the rating agencies may affect the market value of the Instruments.***

The Instruments may be assigned a rating by S&P, Moody's or Fitch. The rating granted by each of S&P, Moody's, Fitch or any other rating assigned to the Instruments may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Instruments. A credit rating is not a statement as to the likelihood of deferral of interest on the Instruments. Holders have a greater risk of deferral of interest payments than persons holding other securities with similar credit ratings but no, or more limited, interest deferral provisions.

Furthermore, as a result of the EU CRA Regulation, if the status of a rating agency rating the Instruments changes or the rating is not endorsed by a credit rating agency registered under the EU CRA Regulation, European regulated investors may no longer be able to use the rating for regulatory purposes. Similarly, as a result of the UK CRA Regulation, if the status of a rating agency rating the Instruments changes or the rating is not endorsed by a credit rating agency registered under the UK CRA Regulation, UK regulated investors may no longer be able to use the rating for regulatory purposes. In both cases, any such change could cause the Instruments to be subject to different regulatory treatment. This may result in such UK or European regulated investors, as applicable, selling the Instruments, which may impact the value of the Instruments and any secondary market trading.

#### **Risks relating to Instruments denominated in Renminbi.**

A description of risks which may be relevant to an investor in Instruments denominated in Renminbi ("**Renminbi Instruments**") are set out below.

***Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Instruments.***

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the People's Bank of China (the "**PBoC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite Renminbi internationalisation pilot programmes and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the



PRC and the ability of the Issuer or the Guarantor to source Renminbi to finance its obligations under Instruments denominated in Renminbi.

***There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Instruments and the Issuer's or Guarantor's ability to source Renminbi outside the PRC to service Renminbi Instruments.***

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBoC has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions (the "**Renminbi Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business-participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC, although the PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated, or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Instruments. To the extent the Issuer or the Guarantor is required to source Renminbi in the offshore market to service its Renminbi Instruments, there is no assurance that the Issuer or the Guarantor will be able to source such Renminbi on satisfactory terms, if at all.

***Investment in the Renminbi Instruments is subject to exchange rate risks.***

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. Recently, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the US dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. The Issuer and the Guarantor will make all payments of interest and principal with respect to the Renminbi Instruments in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in US dollar terms may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the US dollar or other foreign currencies, the value of the investment made by a holder of the Renminbi Instruments in US dollars or other applicable foreign currency will decline.

***Investment in the Renminbi Instruments is subject to currency risk.***

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Instruments as a result of Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Conditions), the Issuer shall be entitled, on giving not less than five or more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in US Dollars on the due date at the US Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be. Investors may therefore not receive payments on the Renminbi Instruments in Renminbi in certain circumstances, and may incur costs or delays in exchanging any such payments to US Dollar for Renminbi.

***Investment in the Renminbi Instruments is subject to interest rate risks.***

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Instruments may carry a fixed interest rate, the trading price of the Renminbi Instruments will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the Renminbi Instruments propose to sell their Renminbi Instruments before their maturity, they may receive an offer lower than the amount they have invested.

***Payments with respect to the Renminbi Instruments may be made only in the manner designated in the Renminbi Instruments.***

All payments to investors in respect of the Renminbi Instruments will be made solely (i) for so long as the Renminbi Instruments are represented by global certificates held with the common depositary or common safekeeper, as the case may be, for Clearstream, Luxembourg and Euroclear or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or (ii) for so long as the Renminbi Instruments are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Neither the Issuer nor the Guarantor can be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

***Gains on the transfer of the Renminbi Instruments may become subject to income taxes under PRC tax laws.***

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Instruments by non-PRC resident enterprise or individual holders may be subject to PRC enterprise income tax ("EIT") or PRC individual income tax ("IIT") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of Renminbi Instruments but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident individual holder from the transfer of Renminbi Instruments.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Instruments by non-PRC resident enterprise or individual holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, holders who are residents of Hong Kong, including enterprise holders and individual holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Instruments.

Therefore, if enterprise or individual resident holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of Renminbi Instruments, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual holders of Renminbi Instruments reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Instruments may be materially and adversely affected.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) English language translations of the audited consolidated financial statements of the Guarantor for the year ended 31 December 2024 including the notes thereto, as set out on pages 3 to 218 of the document entitled "*Consolidated Annual Report 2024*", and the auditor's report attached thereto, which are available on <https://www.telefonica.com/en/wp-content/uploads/sites/5/2025/02/Consolidated-Annual-Accounts-2024.pdf>;
- (b) English language translations of the audited consolidated financial statements of the Guarantor for the year ended 31 December 2023 including the notes thereto, as set out on pages 3 to 212 of the document entitled "*Consolidated Annual Report 2023*", and the auditor's report attached thereto, which are available on <https://www.telefonica.com/en/wp-content/uploads/sites/5/2024/02/Consolidated-Annual-Accounts-2023.pdf>;
- (c) English language translations of the audited financial statements of the Issuer for the year ended 31 December 2024 including the notes thereto, as set out on pages 1 to 25 of the document entitled "*Telefónica Emisiones, S.A.U. Independent auditor's report, Annual Accounts for the year ended 31 December 2024 and Management Report*", and the auditor's report attached thereto, which are available on <https://www.telefonica.com/en/wp-content/uploads/sites/5/2025/03/20241231-financial-reports-issuer-year-2024.pdf>; and
- (d) English language translations of the audited financial statements of the Issuer for the year ended 31 December 2023 including the notes thereto, as set out on pages 1 to 24 of the document entitled "*Telefónica Emisiones, S.A.U. Independent auditor's report, Annual Accounts for the year ended 31 December 2023 and Management Report*", and the auditor's report attached thereto, which are available on <https://www.telefonica.com/en/wp-content/uploads/sites/5/2024/04/20230403-annual-accounts-telefonica-emisiones-2023.pdf>;
- (e) the following sections of the base prospectus in relation to the Issuer's EUR 15,000,000,000 programme for the issuance of subordinated notes (the "**Subordinated Notes Programme Base Prospectus**"), which are available on <https://www.telefonica.com/en/wp-content/uploads/sites/5/2025/04/20250411-Prospectus-Hybrid-Program-2025.pdf>
  - (i) "*Certain Terms and Conventions*" on pages 3 to 7;
  - (ii) "*Risks related to Business Activities*" on pages 21 to 28;
  - (iii) "*Operational Risks*" on pages 28 to 29;
  - (iv) "*Financial Risks*" on pages 29 to 34;
  - (v) "*Legal and Compliance Risks*" on pages 34 to 35;
  - (vi) "*Telefónica Emisiones, S.A.U.*" on pages 126 to 127; and
  - (vii) "*Telefónica, S.A.*" on pages 128 to 157;
- (f) the Terms and Conditions of the Instruments on pages 17 to 46 of the Base Prospectus dated 8 July 2005 relating to the Programme (the "**2005 Conditions**"), which are available on [https://www.telefonica.com/documents/162467/246889/2005\\_emtn-program.pdf](https://www.telefonica.com/documents/162467/246889/2005_emtn-program.pdf);
- (g) the Terms and Conditions of the Instruments as set out on pages 19 to 47 of the Base Prospectus dated 5 July 2006 relating to the Programme (the "**2006 Conditions**"), which are available on <https://www.telefonica.com/documents/162467/246894/11jul06-emtn-program.pdf>;
- (h) the Terms and Conditions of the Instruments as set out on pages 20 to 48 of the Base Prospectus dated 3 July 2009 relating to the Programme (the "**2009 Conditions**"), which are available on [https://www.telefonica.com/documents/162467/247367/090707\\_EMTN\\_July\\_2009\\_Base\\_Prospectus.pdf](https://www.telefonica.com/documents/162467/247367/090707_EMTN_July_2009_Base_Prospectus.pdf);

- (i) the Terms and Conditions of the Instruments as set out on pages 22 to 50 of the Base Prospectus dated 23 June 2010 relating to the Programme (the "**2010 Conditions**"), which are available on [https://www.telefonica.com/documents/162467/247516/100630\\_EMTN\\_June\\_2010\\_Base\\_Prospectus.pdf](https://www.telefonica.com/documents/162467/247516/100630_EMTN_June_2010_Base_Prospectus.pdf);
- (j) the Terms and Conditions of the Instruments as set out on pages 22 to 51 of the Base Prospectus dated 20 June 2011 relating to the Programme (the "**2011 Conditions**"), which are available on [https://www.telefonica.com/documents/162467/247801/201106020\\_EMTN\\_June\\_2011\\_Base\\_Prospectus.pdf](https://www.telefonica.com/documents/162467/247801/201106020_EMTN_June_2011_Base_Prospectus.pdf);
- (k) the Terms and Conditions of the Instruments as set out on pages 20 to 49 of the Base Prospectus dated 12 June 2012 relating to the Programme (the "**2012 Conditions**"), which are available on [https://www.telefonica.com/documents/162467/248092/20120612\\_Base\\_Prospectus\\_EMTN.pdf](https://www.telefonica.com/documents/162467/248092/20120612_Base_Prospectus_EMTN.pdf);
- (l) the Terms and Conditions of the Instruments as set out on pages 23 to 54 of the Base Prospectus dated 12 June 2013 relating to the Programme (the "**2013 Conditions**"), which are available on [https://www.telefonica.com/documents/162467/248266/20130612\\_Base\\_prospectus\\_EMTN\\_junio\\_2013.pdf](https://www.telefonica.com/documents/162467/248266/20130612_Base_prospectus_EMTN_junio_2013.pdf);
- (m) the Terms and Conditions of the Instruments as set out on pages 24 to 57 of the Base Prospectus dated 10 June 2014 relating to the Programme (the "**2014 Conditions**"), which are available on [https://www.telefonica.com/documents/162467/248458/20140610\\_Prospectus\\_June\\_2014.pdf](https://www.telefonica.com/documents/162467/248458/20140610_Prospectus_June_2014.pdf);
- (n) the Terms and Conditions of the Instruments as set out on pages 27 to 60 of the Base Prospectus dated 5 June 2015 relating to the Programme (the "**2015 Conditions**"), which are available on [https://www.telefonica.com/documents/162467/248647/20150612\\_EMTN\\_june\\_2015\\_Base\\_Prospectus.pdf](https://www.telefonica.com/documents/162467/248647/20150612_EMTN_june_2015_Base_Prospectus.pdf);
- (o) the Terms and Conditions of the Instruments as set out on pages 25 to 58 of the Base Prospectus dated 13 September 2016 relating to the Programme (the "**2016 Conditions**"), which are available on [https://www.telefonica.com/es/wp-content/uploads/sites/4/2021/08/20160913\\_Programa\\_EMTN\\_2016.pdf](https://www.telefonica.com/es/wp-content/uploads/sites/4/2021/08/20160913_Programa_EMTN_2016.pdf);
- (p) the Terms and Conditions of the Instruments as set out on pages 25 to 60 of the Base Prospectus dated 29 June 2017 relating to the Programme (the "**2017 Conditions**"), which are available on [https://www.rns-pdf.londonstockexchange.com/rns/6307J\\_-2017-6-29.pdf?\\_ga=2.64858348.2144833970.1552419309-265962326.1552419309](https://www.rns-pdf.londonstockexchange.com/rns/6307J_-2017-6-29.pdf?_ga=2.64858348.2144833970.1552419309-265962326.1552419309);
- (q) the Terms and Conditions of the Instruments as set out on pages 27 to 64 of the Base Prospectus dated 19 June 2018 relating to the Programme (the "**2018 Conditions**"), which are available on [https://www.rns-pdf.londonstockexchange.com/rns/9044R\\_1-2018-6-19.pdf?\\_ga=2.57075177.2144833970.1552419309-265962326.1552419309](https://www.rns-pdf.londonstockexchange.com/rns/9044R_1-2018-6-19.pdf?_ga=2.57075177.2144833970.1552419309-265962326.1552419309);
- (r) the Terms and Conditions of the Instruments as set out on pages 32 to 70 of the Base Prospectus dated 12 April 2019 relating to the Programme (the "**2019 Conditions**"), which are available on <https://www.telefonica.com/documents/162467/144985159/20190412-Prospectus-EMTN-2019.pdf/784d6be5-2fca-f712-7917-f43f3de52c77>;
- (s) the Terms and Conditions of the Instruments on pages 36 to 73 of the Base Prospectus dated 14 April 2020 relating to the Programme (the "**2020 Conditions**"), which are available on <https://www.telefonica.com/documents/162467/145831833/20200414-Prospectus-EMTN-2020.pdf/a45243b5-e4c1-c411-23f9-12b1e625e27d>;
- (t) the Terms and Conditions of the Instruments on pages 30 to 67 of the Base Prospectus dated 15 April 2021 relating to the Programme (the "**2021 Conditions**"), which are available on <https://www.telefonica.com/es/wp-content/uploads/sites/4/2021/08/20210416-Prospectus-EMTN-2021-1.pdf>;
- (u) the Terms and Conditions of the Instruments on pages 34 to 82 of the Base Prospectus dated 6 April 2022 relating to the Programme (the "**2022 Conditions**"), which are available on <https://www.telefonica.com/en/wp-content/uploads/sites/5/2022/04/20220406-Prospectus-EMTN-2022.pdf>;

- (v) the Terms and Conditions of the Instruments on pages 36 to 85 of the Base Prospectus dated 11 April 2023 relating to the Programme (the "**2023 Conditions**"), which are available on <https://www.telefonica.com/es/wp-content/uploads/sites/4/2023/04/20230412-Base-Prospectus-EMTN-2023.pdf>; and
- (w) the Terms and Conditions of the Instruments on pages 40 to 89 of the Base Prospectus dated 11 April 2024 relating to the Programme (the "**2024 Conditions**"), which are available on <https://www.telefonica.com/en/wp-content/uploads/sites/5/2024/04/20240409-Base-Prospectus-EMTN-2024.pdf>.

Translations in English have been translated from the original Spanish, and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy, the Spanish language version of the relevant document prevails.

For so long as the Programme remains in effect or any Instruments shall be outstanding, copies of the documents above may be inspected during normal business hours at the registered/head office of the Issuer and the Guarantor, and in addition, such documents may be viewed on the following website: [www.telefonica.com](http://www.telefonica.com). For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on such website does not form part of this Base Prospectus.

Any information contained in the documents listed at (a) to (w) (inclusive) above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and the Guarantor and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to supersede statements contained in this Base Prospectus (or any earlier supplement) or in a document which is incorporated by reference in this Base Prospectus. The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Instruments, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Instruments.

Any documents which are themselves incorporated by reference in the information incorporated by reference in this Base Prospectus will not form part of this Base Prospectus.

All documents incorporated by reference have been filed with the Central Bank and Euronext Dublin.

## TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following are the Terms and Conditions of the Instruments which, as completed in relation to any Instruments by Part A of the relevant Final Terms, will be applicable to each Series of Instruments, **provided that** the text contained herein in italics is included for information and shall not form part of the Terms and Conditions:*

The Instruments of each Tranche are constituted in accordance with a public deed of issuance (the "**Public Deed of Issuance**") to be executed before a Spanish notary public on or prior to the issue date, and which shall contain, among other information, the terms and conditions of the Instruments. The Instruments are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement (as amended, supplemented, restated or replaced from time to time, the "**Issue and Paying Agency Agreement**") dated 11 April 2025 and made between Telefónica Emisiones, S.A.U. (the "**Issuer**"), Telefónica, S.A. (the "**Guarantor**"), The Bank of New York Mellon, London Branch in its capacity as Issue and Paying Agent (the "**Issue and Paying Agent**", which expression shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such), The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as registrar (the "**Registrar**", which expression shall include any successor to The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as such) and the paying agents named therein (the "**Paying Agents**", which expression shall include the Issue and Paying Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement). The Instruments have the benefit of a deed of covenant (the "**Deed of Covenant**") dated 11 April 2025 and executed by the Issuer in relation to the Instruments and a deed of guarantee (the "**Guarantee**") dated 11 April 2025, executed by the Guarantor in favour of the Holders (as defined below). Copies of the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection during normal business hours at the specified office of each of the Paying Agents and the Registrar. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Instruments. Each Tranche will be the subject of final terms (each, "**Final Terms**"), a copy of which will be available for inspection during normal business hours at the specified office of the Issue and Paying Agent and/or, as the case may be, the Registrar (as defined in Condition 2.02). References in these Terms and Conditions to Instruments are to Instruments of the relevant Series and any references to Coupons (as defined in Condition 1.06) and Receipts (as defined in Condition 1.07) are to Coupons and Receipts relating to Instruments of the relevant Series.

References in these Terms and Conditions to the Final Terms are to the Final Terms prepared in relation to the Instruments of the relevant Tranche or Series.

For so long as any of the Instruments is represented by a Permanent Global Instrument or Temporary Global Instrument (as defined below) held on behalf of Euroclear Bank SA/NV (Euroclear) and/or Clearstream Banking, S.A. (Clearstream, Luxembourg) (the "**Clearing Systems**") each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the Holder of a particular nominal amount of such Instruments (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Instruments standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Paying Agents as the Holder of such nominal amount of such Instruments for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Instruments, for which purpose the bearer of the relevant Bearer Instrument in global form or the registered Holder of the relevant Registered Instrument in global form shall be treated by the Issuer, the Guarantor and any Paying Agent as the Holder of such nominal amount of such Instruments in accordance with and subject to the terms of the relevant Temporary Global Instrument or Permanent Global Instrument and the expression Holder and related expressions shall be construed accordingly.

In respect of any Instruments, references herein to these Terms and Conditions are to these terms and conditions as completed by the Final Terms.

1. **Form and Denomination**

- 1.01 Instruments are issued in bearer form ("**Bearer Instruments**") or in registered form ("**Registered Instruments**"), as specified in the Final Terms, and are serially numbered. Registered Instruments will not be exchangeable for Bearer Instruments unless the Final Terms specify otherwise.

***Bearer Instruments***

- 1.02 The Final Terms shall specify whether US Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") or US Treasury Regulation § 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") shall apply. Each Tranche of Bearer Instruments is represented upon issue by a temporary global Instrument (a "**Temporary Global Instrument**"), unless the Final Terms specifies otherwise or the TEFRA C Rules apply.

Where the Final Terms applicable to a Tranche of Bearer Instruments specifies that the TEFRA C Rules apply, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a permanent global Instrument (a "**Permanent Global Instrument**").

Interests in the Temporary Global Instrument may be exchanged for:

- (i) interests in a Permanent Global Instrument; or
- (ii) if so specified in the Final Terms, definitive instruments in bearer form ("**Definitive Instruments**") and/or (in the case of a Series comprising both Bearer Instruments and Registered Instruments and if so specified in the Final Terms) Registered Instruments.

Exchanges of interests in a Temporary Global Instrument for Definitive Instruments or, as the case may be, a Permanent Global Instrument, will be made only on or after the Exchange Date (as specified in the Final Terms) and (unless the Final Terms specifies that the TEFRA C Rules are applicable to the Instruments) provided certification as to the beneficial ownership thereof as required by US Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant Clearing System for whose account the Temporary Global Instrument is held) has been received. An exchange for Registered Instruments will be made at any time or from such date as may be specified in the Final Terms, in each case, without any requirement for certification.

- 1.03 The bearer of any Temporary Global Instrument shall not (unless, upon due presentation of such Temporary Global Instrument for exchange (in whole but not in part only) for a Permanent Global Instrument or for delivery of Definitive Instruments and/or Registered Instruments, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Instruments represented by such Temporary Global Instrument which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.
- 1.04 Unless the Final Terms specifies that the TEFRA C Rules are applicable to the Instruments and are subject to Condition 1.03, if any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by US Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant Clearing System for whose account the Temporary Global Instrument is held) has been received by Euroclear or Clearstream, Luxembourg or any such other relevant Clearing System. Payments of amounts due in respect of a Permanent Global Instrument or (subject to Condition 1.03) a Temporary Global Instrument (if the Final Terms specifies that the TEFRA C Rules are applicable to the Instruments) will be made through Euroclear or Clearstream, Luxembourg or any other relevant Clearing System without any requirement for certification.

- 1.05 Interests in a Permanent Global Instrument will be exchanged by the Issuer in whole but not in part only for Definitive Instruments and/or (in the case of a Series comprising both Bearer and Registered Instruments and if so specified in the Final Terms) Registered Instruments, (a) if an Event of Default (as defined in Condition 7.01) occurs in respect of any Instrument of the relevant Series and the Instruments become due and payable; or (b) if any of Euroclear, Clearstream, Luxembourg and any other relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of public holidays), announces an intention to cease business permanently or in fact does so or announces its intention to withdraw its acceptance of the Instruments for clearance and settlement through its system or in fact does so; or (c) if so specified in the Final Terms, at the option of the Holder of such Permanent Global Instrument upon such Holder's request, in all cases at the cost and expense of the Issuer<sup>1</sup>. In order to exercise the option contained in (c) of the preceding sentence, the Holder must, not less than 45 days before the date upon which the delivery of such Definitive Instruments and/or Registered Instruments is required, deposit the relevant Permanent Global Instrument with the Issue and Paying Agent at its specified office with the form of exchange notice endorsed thereon duly completed. If the Issuer does not make the required delivery of Definitive Instruments and/or Registered Instruments by 6.00 p.m. (London time) on the day on which the relevant notice period expires or, as the case may be, the thirtieth day after the day on which such Permanent Global Instrument becomes due to be exchanged and, in the case of (a) above, such Instrument is not duly redeemed (or the funds required for such redemption are not available to the Issue and Paying Agent for the purposes of effecting such redemption and remain available for such purpose) by 6.00 p.m. (London time) on the thirtieth day after the day at which such Instrument became immediately redeemable such Permanent Global Instrument will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.
- 1.06 Interest-bearing Definitive Instruments have attached thereto at the time of their initial delivery coupons ("**Coupons**"), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Interest-bearing Definitive Instruments, if so specified in the Final Terms, have attached thereto at the time of their initial delivery a talon ("**Talon**") for further coupons and the expression "**Coupons**" shall, where the context so requires, include Talons.
- 1.07 Instruments, the principal amount of which is repayable by instalments ("**Instalment Instruments**") which are Definitive Instruments, have endorsed thereon a grid for recording the repayment of principal or, if so specified in the Final Terms, have attached thereto at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the instalments of principal.

## **Denomination**

### **Denomination of Bearer Instruments**

- 1.08 Bearer Instruments are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms (subject to a minimum denomination of EUR 100,000 in the case of Instruments to be admitted to trading on a regulated market as defined in Article 4, paragraph 1, point 21 of Directive 2014/65/EU, as amended, (or, if the Instruments are denominated in a currency other than Euro, the equivalent amount in such currency at the date of issue)). Bearer Instruments of one denomination may not be exchanged for Bearer Instruments of any other denomination.

In the event that Condition 1.05(c) is stated in the relevant Final Terms as being applicable, the Clearing Systems will not permit trades other than in the denominations specified in the Final Terms or in integral multiples thereof.

---

<sup>1</sup> *The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Instruments includes language substantially to the following effect: "EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Instruments which is to be represented on issue by a Permanent Global Instrument exchangeable for Definitive Instruments and/or Registered Instruments.*



### ***Denomination of Registered Instruments***

- 1.09 Registered Instruments are in the minimum denomination specified in the Final Terms (subject to a minimum denomination of EUR 100,000 in the case of Instruments to be admitted to trading on a regulated market as defined in Article 4, paragraph 1, point 21 of Directive 2014/65/EU, as amended, (or, if the Instruments are denominated in a currency other than Euro, the equivalent amount in such currency at the date of issue)) or integral multiples thereof.

### ***Currency of Instruments***

- 1.10 The Instruments are denominated in such currency as may be specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

### ***2. Title and Transfer***

- 2.01 Title to Bearer Instruments, Receipts and Coupons passes by delivery. References herein to the "**Holders**" of Bearer Instruments or of Receipts or Coupons are to the bearers of such Bearer Instruments or such Receipts or Coupons and shall, in relation to Instruments represented by a Temporary Global Instrument or Permanent Global Instrument, be construed as provided above.
- 2.02 Title to Registered Instruments passes by registration in the register which shall be kept by the Registrar pursuant to the Issue and Paying Agency Agreement. For the purposes of these Terms and Conditions, "**Registrar**" means, in relation to any Series comprising Registered Instruments, the Registrar as specified in the Final Terms, **provided always that** where such Series is listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, "**Registrar**" shall mean the Registrar with its specified office in Luxembourg. References herein to the "**Holders**" of Registered Instruments are to the persons in whose names such Registered Instruments are so registered in the relevant register.
- 2.03 The Holder of any Bearer Instrument, Coupon or Registered Instrument will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

### ***Transfer of Registered Instruments and exchange of Bearer Instruments for Registered Instruments***

- 2.04 A Registered Instrument may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement, be transferred in whole or in part only (**provided that** such part is, or is an integral multiple of, the minimum denomination specified in the Final Terms) upon the surrender of the Registered Instrument to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.
- 2.05 If so specified in the Final Terms, the Holder of Bearer Instruments may exchange the same for the same aggregate principal amount of Registered Instruments upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement. In order to exchange a Bearer Instrument for a Registered Instrument, the Holder thereof shall surrender such Bearer Instrument at the specified office outside the United States of the Issue and Paying Agent or of the Registrar together with a written request for the exchange. Each Bearer Instrument so surrendered must be accompanied by all unmatured Receipts and Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 2.06) where the exchange date would, but for the provisions of Condition 2.06, occur between the Record Date (as defined in Condition 9B.03) for such payment of interest and the date on which such payment of interest falls due.
- 2.06 Each new Registered Instrument to be issued upon the transfer of a Registered Instrument or the exchange of a Bearer Instrument for a Registered Instrument will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date, be available for collection by

each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such exchange or transfer be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Issue and Paying Agent after the Record Date in respect of any payment due in respect of Registered Instruments shall be deemed not to be effectively received by the Registrar or the Issue and Paying Agent until the day following the due date for such payment.

For the purposes of these Terms and Conditions,

- (i) **"Relevant Banking Day"** means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Instrument for a Registered Instrument where such request for exchange is made to the Issue and Paying Agent, in the place where the specified office of the Issue and Paying Agent is located;
- (ii) the **"exchange date"** shall be the Relevant Banking Day following the day on which the relevant Bearer Instrument shall have been surrendered for exchange in accordance with Condition 2.05; and
- (iii) the **"transfer date"** shall be the Relevant Banking Day following the day on which the relevant Registered Instrument shall have been surrendered for transfer in accordance with Condition 2.04.

2.07 The issue of new Registered Instruments on transfer or on the exchange of Bearer Instruments for Registered Instruments will be effected without charge by or on behalf of the Issuer, the Issue and Paying Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Issue and Paying Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

2.08 No Holder may require the transfer of a Registered Instrument to be registered or a Temporary Global Instrument or, as the case may be, Permanent Global Instrument to be exchanged for a Registered Instrument (i) during the period of 15 days ending on the due date for redemption of that Instrument; (ii) during the period of 15 days prior to any date on which Instruments may be redeemed by the Issuer at its option pursuant to Condition 6.03 (*Optional Early Redemption (Call)*) or (iii) after any such Instrument has been drawn for redemption in whole or in part.

### 3. **Status of the Instruments and the Guarantee**

#### 3A ***Status — Unsubordinated Instruments***

This Condition 3A (*Status — Unsubordinated Instruments*) is applicable in relation to Instruments specified in the Final Terms as being unsubordinated or not specified as being subordinated (**"Unsubordinated Instruments"**).

The Instruments constitute direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and (unless they qualify as subordinated debts under Article 281 of the restated text of the Spanish Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May (as amended from time to time, the **"Spanish Insolvency Law"**)) in the event of insolvency (*concurso*) of the Issuer will at all times rank *pari passu* without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, except for such payment obligations that are preferred by law under Articles 242, 270 and 280 of the Spanish Insolvency Law.

*Interest on the Instruments accrued but unpaid as at the commencement of any insolvency proceeding (concurso) relating to the Issuer under Spanish law shall thereupon constitute subordinated obligations of the Issuer ranking below its unsecured and unsubordinated obligations. Under Spanish law, accrual of interest on the Instruments shall be suspended from the date of any declaration of insolvency.*

### 3B **Status — Subordinated Instruments**

Instruments may be issued on a subordinated basis ("**Subordinated Instruments**"), as specified in the Final Terms.

The Subordinated Instruments constitute direct, unsecured and subordinated obligations of the Issuer and in the event of insolvency (*concurso*) of the Issuer will at all times rank *pari passu* among themselves and *pari passu* with all other present and future contractually subordinated obligations of the Issuer, except for subordinated obligations pursuant to Articles 281.1.3° to 281.1.7° of the Spanish Insolvency Law and subordinated obligations prescribed by law to, and subordinated obligations which are expressed to, rank junior to the Subordinated Instruments.

*In the event of insolvency (concurso) of the Issuer, under the Spanish Insolvency Law, claims relating to the Subordinated Instruments will fall within the category of "subordinated debts" (créditos subordinados, as defined in Article 281.1.2° of the Spanish Insolvency Law). The obligations of the Issuer under the Subordinated Instruments, whether on account of principal, interest or otherwise, are subordinated to all other unsubordinated obligations of the Issuer. After payment in full of unsubordinated debts, the Issuer will meet subordinated debts in the order set out by Article 281.1 of the Spanish Insolvency Law (and on a pro rata basis within each class), which can be summarised as follows: (i) claims lodged belatedly or inaccurately in the context of insolvency proceedings (concurso); (ii) contractually subordinated debt (such as the Subordinated Instruments); (iii) certain interest (such as interest due on the Instruments accrued and unpaid until the commencement of the insolvency proceedings (concurso)); (iv) fines; (v) claims of creditors which are specially related to the Issuer; (vi) debt arising from transactions set aside by Spanish courts in the context of insolvency proceedings (rescisión concursal) and in respect of which the court has determined that the relevant creditor has acted in bad faith and (vii) credits arising from agreements with reciprocal obligations, as referred to in articles 158, 163, 166 and 167 of the Spanish Insolvency Law, whenever the court rules, prior to the court receiver's (administrador concursal) report of insolvency, that the creditor has, on a repetitive basis, impeded the performance of the agreement to the detriment of the insolvency proceedings.*

### 3C **Status — Unsubordinated Guarantee**

This Condition 3C (*Status — Unsubordinated Guarantee*) is applicable to all Instruments other than those which are specified in the Final Terms as being guaranteed on a subordinated basis.

3C.01 Pursuant to the Guarantee, the Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Instruments. The obligations of the Guarantor under the Guarantee (which expression includes any covenant which may be given pursuant to Condition 18.01(a)(iii)) constitute direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Guarantor and (subject as aforesaid) (unless they qualify as subordinated credits under Article 281 of the Spanish Insolvency Law) in the event of the insolvency (*concurso*) of the Guarantor will at all times rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, except for such payment obligations that are preferred by law under Articles 242, 270 and 280 of the Spanish Insolvency Law.

3C.02 The Guarantor undertakes not to evidence by means of a Spanish Public Document (as defined below) any Relevant Indebtedness of the Guarantor or any guarantee or surety given by the Guarantor in respect of any Relevant Indebtedness of any other Person unless, not later than one day prior thereto, the obligations of the Guarantor under the Guarantee are also notarised or intervened as aforesaid at the expense of the Guarantor except that the provisions of this Condition 3C.02 shall not apply to such Relevant Indebtedness which is, pursuant to mandatory provisions of the laws of the Kingdom of Spain, required to be notarised or intervened as aforesaid.

"**Spanish Public Document**" means a public deed granted before, or a document or instrument witnessed by, a Notary (*escritura pública otorgada ante, o póliza o efecto intervenido por, Notario*).

*From the entry into force of Law 22/2003, of 9 July (Ley 22/2003, de 9 de julio, Concursal), on 1 September 2004, now replaced by the Spanish Insolvency Law, and in accordance with the Spanish insolvency procedures (concurso), creditors whose rights arise from a Spanish Public Document, including Holders, do not have a preference to enforce their rights and do not rank ahead of other creditors whose rights may be recognised by virtue of a document which is not a Spanish Public Document.*

### 3D **Status — Subordinated Guarantee**

Subordinated Instruments will be guaranteed on a subordinated basis.

The payment obligations of the Guarantor under the Guarantee in relation to Subordinated Instruments constitute direct, unsecured and subordinated obligations of the Guarantor and in the event of insolvency (*concurso*) of the Guarantor will at all times rank *pari passu* among themselves and *pari passu* with all other present and future contractually subordinated obligations of the Guarantor, except for subordinated obligations pursuant to Articles 281.1.3º to 281.1.7º of the Spanish Insolvency Law and subordinated obligations prescribed by law to, and subordinated obligations which are expressed to, rank junior to the Guarantee.

*In the event of insolvency (concurso) of the Guarantor, under the Spanish Insolvency Law, claims relating to the Subordinated Guarantee will fall within the category of "subordinated debts" (créditos subordinados, as defined in Article 281.1.2º of the Spanish Insolvency Law). After payment in full of unsubordinated debts, the Guarantor will meet subordinated debts in the order set out by Article 281.1 of the Spanish Insolvency Law (and pro rata within each class), which can be summarised as follows: (i) claims lodged belatedly or inaccurately in the context of insolvency proceedings; (ii) contractually subordinated debt (such as the claims under the Subordinated Guarantee); (iii) certain interest; (iv) fines; (v) claims of creditors which are specially related to the Guarantor; (vi) debt arising from transactions set aside by Spanish courts in the context of insolvency proceedings (rescisión concursal) and in respect of which the court has determined that the relevant creditor has acted in bad faith; and (vii) credits arising from agreements with reciprocal obligations, as referred to in articles 158, 163, 166 and 167 of the Spanish Insolvency Law, whenever the court rules, prior to the court receiver's (administrador concursal) report of insolvency, that the creditor has, on a repetitive basis, impeded the performance of the agreement to the detriment of the bankruptcy proceedings.*

### 4. **Negative Pledge**

This Condition 4 (*Negative Pledge*) applies to Unsubordinated Instruments only.

So long as any of the Instruments of a Series remains outstanding (as defined in the Issue and Paying Agency Agreement) each of the Issuer and the Guarantor undertakes that it will not create or have outstanding any Encumbrance (as defined below) upon the whole or any part of its assets, present or future, in order to secure any Relevant Indebtedness (as defined below) issued or guaranteed by the Issuer, the Guarantor or by any other Person (as defined below) unless (a) such Instruments are equally and rateably secured therewith, or (b) such other security is provided as may be approved by an Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of Holders of Instruments of the relevant Series, in each case for as long as such Relevant Indebtedness shall be so secured; **provided, however, that** the foregoing restriction shall not apply to any Encumbrance securing Relevant Indebtedness issued or guaranteed by the Guarantor, the Issuer or any other Person if the Relevant Indebtedness so secured (i) was originally offered, distributed or sold primarily to residents of the Kingdom of Spain, (ii) by its terms matures within one year of its date of issue, or (iii) the Encumbrance affects the assets of an entity which, when the Encumbrance was created, was unrelated to the Issuer or the Guarantor, and which was subsequently acquired by the Issuer or the Guarantor; and **provided, further, that** nothing in this Condition 4 (*Negative Pledge*) shall limit the ability of the Issuer or the Guarantor, as the case may be, to grant or permit to subsist Encumbrances over any or all of their respective present or future assets to secure Relevant Indebtedness issued or guaranteed by the Issuer, the Guarantor or any other Person, to the extent that the aggregate principal amounts so secured do not exceed 5 per cent. of the consolidated net tangible assets (as defined below) of the Guarantor, as reflected in the most recent statement of financial position (prepared in accordance with IFRS adopted by the

European Union at the date of such computation and as applied by the Guarantor) prior to the time such Relevant Indebtedness was issued or guaranteed.

As used in these Terms and Conditions, "**Person**" means any individual, corporation, partnership, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof, "**Encumbrance**" means any mortgage, pledge, lien or other charge, and "**Relevant Indebtedness**" means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, a certificate of indebtedness or in the form of, or represented or evidenced by, bonds, notes or other securities which, in any of the above cases, is or are, or is or are capable of being, quoted, listed, dealt in or traded on a stock exchange or other recognised securities market. For the purposes of avoiding any doubt in respect of asset-backed financings originated by the Issuer or the Guarantor, the expression "obligation for the payment of borrowed money" as used in the definition of Relevant Indebtedness does not include obligations of the Issuer or the Guarantor which, pursuant to the requirements of law and accounting principles generally accepted in the Kingdom of Spain need not, and are not, reflected in the balance sheet of the Issuer or the Guarantor, as the case may be.

As used in this Condition 4 (*Negative Pledge*), "**consolidated net tangible assets of the Guarantor**" means the total amount of assets of the Guarantor and its consolidated Subsidiaries (as defined below), including investments in unconsolidated subsidiaries, (as defined below) after deduction of (i) goodwill in consolidation and (ii) intangible assets; and "**Subsidiary**" means any company in respect of which the Guarantor owns, directly or indirectly, more than half of the voting rights of the shares of such company, or when the Guarantor owns half or less of the voting power but controls such company, i.e. has the power to govern the financial and operating policies of such company so as to obtain benefits from its activities.

## 5. **Interest**

### ***Interest***

- 5.01 Instruments may be interest-bearing or non interest-bearing, as specified in the Final Terms. Words and expressions appearing in this Condition 5 (*Interest*) and not otherwise defined herein or in the Final Terms shall have the meanings given to them in Condition 5.14 (*Definitions*).

### ***Interest-bearing Instruments***

- 5.02 Instruments which are specified in the Final Terms as being interest-bearing shall bear interest from their Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date.

### ***Floating Rate Instruments – Screen Rate Determination***

- 5.03 Other than in respect of Instruments for which SONIA, SOFR and/or €STR or any related index is specified as the reference rate in the relevant Final Terms, if the Final Terms specifies the Interest Rate applicable to the Instruments as being a Floating Rate it shall also specify which page (the "**Relevant Screen Page**") on the Reuters Screen or any other information vending service shall be applicable. If such a page is so specified, the Interest Rate applicable to the relevant Instruments for each Interest Accrual Period shall be determined by the Calculation Agent on the following basis:

- (i) the Calculation Agent will determine the Reference Rate (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the Reference Rates) in the relevant currency for a period of the duration of the relevant Interest Accrual Period 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 Interest Rate 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 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 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 so appears for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period or if the Relevant Screen Page is unavailable, then the Calculation Agent shall determine such rate or rates in accordance with the process specified in the paragraphs below of this Condition 5.03 (*Floating Rate Instruments – Screen Rate Determination*) as if such rate(s) were the Reference Rate;

- (iii) if, on any Interest Determination Date, no such Reference Rate so appears (or, as the case may be, if fewer than two such Reference Rates so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations of the Reference Rate and will determine the arithmetic mean (rounded as aforesaid) of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) at which deposits in the relevant currency are offered by four major banks in the London interbank market or, in the case of Instruments denominated or payable in Euro, the Euro zone interbank market (unless otherwise specified in the relevant Final Terms), selected by the Calculation Agent, at approximately the Relevant Time on the Interest Determination Date to prime banks in the Euro zone interbank market in the case of EURIBOR for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (iv) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (v) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (or, in the case of Instruments denominated in Euro, in such financial centre or centres within the Euro zone as the Calculation Agent may select) selected by the Calculation Agent, at approximately 11.00 a.m. (Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid)) on the first day of the relevant Interest Accrual Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

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

#### ***Floating Rate Instruments – ISDA Determination***

- 5.04 If ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Instruments 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 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 (**provided that** in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the

selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee) and under which:

(A) if the Final Terms specify either "**2006 ISDA Definitions**" or "**2021 ISDA Definitions**" as the applicable ISDA Definitions:

- (i) the Floating Rate Option is as specified in the relevant Final Terms;
- (ii) the Designated Maturity, if applicable, is a period specified in the relevant Final Terms;
- (iii) the relevant Reset Date unless otherwise specified in the relevant Final Terms has the meaning given to it in the ISDA Definitions; and
- (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Interest Rate 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 Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer (and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;

(v) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Final Terms and:

(A) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Final Terms;

(B) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or

(C) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(vi) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Final Terms and:

- (A) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Final Terms;
  - (B) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or
  - (C) if Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and
- (vii) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; and
  - (viii) if the specified Floating Rate Option is EUR-EURIBOR or EUR-EURIBOR Reuters and an Index Cessation Event occurs the Applicable Fallback Rate will be determined as if the Fallback Observation Day in respect of a Reset Date and the relevant Interest Period was five Business Days preceding the related Interest Payment Date;
- (B) references in the ISDA Definitions to:
    - (i) **"Confirmation"** shall be references to the relevant Final Terms;
    - (ii) **"Calculation Period"** shall be references to the relevant Interest Period;
    - (iii) **"Termination Date"** shall be references to the Maturity Date;
    - (iv) **"Effective Date"** shall be references to the Interest Commencement Date; and
  - (C) if the Final Terms specify "2021 ISDA Definitions" as being applicable:
    - (i) **"Administrator/Benchmark Event"** shall be disappplied; and
    - (ii) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".
  - (D) Unless otherwise defined, capitalised terms used in this Condition 5.04 shall have the meaning ascribed to them in the ISDA Definitions.

***Floating Rate Instruments – Instruments referencing SONIA (Screen Rate Determination)***

- 5.05 This Condition 5.05 is applicable to the Instruments only if the Floating Rate Instrument Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is



specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, and the "**Reference Rate**" is specified in the relevant Final Terms as being "SONIA".

(A) Where "SONIA" is specified as the Reference Rate in the Final Terms, the Interest Rate 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.

(B) For the purposes of this Condition 5.05:

"**Compounded Daily SONIA**", with respect to an Interest Period, will be calculated by the Calculation Agent on each 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:

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

"**d**" means the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**D**" is the number specified in the relevant Final Terms (or, if no such number is specified, 365);

"**do**" means the number of London Banking Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**i**" means 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:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last London Banking Day in such 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 Instruments 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", in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"**Observation 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 Instruments become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or if no such period is specified, five London Banking Days;

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

"**SONIAi**" means the SONIA Reference Rate for:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, 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.*

- (C) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Bank 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, subject to Condition 5.13 (*Benchmark Replacement*), be:
  - (i) the sum of (a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; and (b) 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
  - (ii) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) 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) or (b) if this is more recent, the latest determined rate under (A).
- (D) Subject to Condition 5.13 (*Benchmark Replacement*), if the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 5.05, 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 Instruments for the first Interest Period had the Instruments 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).

***Floating Rate Instruments – Instruments referencing SOFR (Screen Rate Determination)***

5.06 This Condition 5.06 is applicable to the Instruments only if the Floating Rate Instrument Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, and the "**Reference Rate**" is specified in the relevant Final Terms as being "SOFR".

(A) Where "SOFR" is specified as the Reference Rate in the Final Terms, the Interest Rate for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

(B) For the purposes of this Condition 5.06:

"**Benchmark**" means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 5.06.

*Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.*

*If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 5.06(C) below will apply.*

"**Compounded SOFR**" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

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

"**d**" is the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

"**D**" is the number specified in the relevant Final Terms (or, if no such number is specified, 360);

"do" is the number of U.S. Government Securities Business Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

"i" is a series of whole numbers from one to do, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period,

to and including the last U.S. Government Securities Business Day in such period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Instruments are due and payable);

**"ni"** for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1");

**"Observation Period"** in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Instruments become due and payable);

**"p"** for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or if no such period is specified, five U.S. Government Securities Business Days;

**"SOFR"** with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **"SOFR Determination Time"**); or
- (ii) Subject to Condition 5.06(C) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

**"SOFR Administrator"** means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

**"SOFR Administrator's Website"** means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFRi**" means the SOFR for:

- (i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant U.S. Government Securities Business Day "i"; and

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

- (C) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Instruments in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the holders of the Instruments.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Instruments, shall become effective without consent from the holders of the Instruments or any other party.

For the purposes of this Condition 5.06(C):

"**Benchmark**" means, initially, Compounded SOFR, as such term is defined above; **provided that** if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" shall mean the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate instruments at such time and (B) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the issuer or its designee as of the Benchmark Replacement Date:

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

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

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

- (i) in the case of clause (i) or (ii) of the definition of **"Benchmark Transition Event,"** the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of **"Benchmark Transition Event,"** the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

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

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a

resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (D) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 5.06(C) above will be notified promptly by the Issuer to the Issue and Paying Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 14 (*Notices*), the Holders of the Instruments. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

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

- (i) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 5.06; and
  - (ii) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.
- (E) If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 5.06, 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 Instruments for the first Interest Period had the Instruments 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).

***Floating Rate Instruments – Instruments referencing €STR (Screen Rate Determination)***

5.07 This Condition 5.07 is applicable to the Instruments only if the Floating Rate Instrument Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, and the "**Reference Rate**" is specified in the relevant Final Terms as being "**€STR**".

(A) Where "**€STR**" is specified as the Reference Rate in the Final Terms, the Interest Rate for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

(B) For the purposes of this Condition 5.07:

"**Compounded Daily €STR**" means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where:

"**d**" means the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**D**" means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

"**do**" means the number of TARGET Settlement Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable



methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

**"€STRI"** means the €STR reference rate for:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant TARGET Settlement Day "i".

**"i"** is a series of whole numbers from one to "do", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Instruments are due and payable);

**"ni"** for any TARGET Settlement Day "i" in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "i" up to (but excluding) the following TARGET Settlement Day;

**"Observation Period"** means, in respect of any Interest Period, the period from (and including) the date falling "p" TARGET Settlement Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "p" TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Instruments become due and payable; and

**"p"** for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or, if no such period is specified, five TARGET Business Days.

- (C) Subject to Condition 5.13 (*Benchmark Replacement*), if, where any Interest Rate is to be calculated pursuant to Condition 5.07(A) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (D) Subject to Condition 5.13 (*Benchmark Replacement*), if the Interest Rate cannot be determined in accordance with the foregoing provisions of Condition 5.07(A) above, 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 Instruments for the first Interest Period had the Instruments 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).

***Floating Rate Instruments – Instruments Referencing SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)***

5.08 This Condition 5.08 is applicable to the Instruments only if the Floating Rate Instrument Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, and "Index Determination" is specified in the relevant Final Terms as being applicable.

- (A) Where "Index Determination" is specified in the relevant Final Terms as being applicable, the Interest Rate for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\frac{(\text{Compounded Index End}}{\text{Compounded Index Start}} - 1) \times \frac{\text{Numerator}}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

"**Compounded Index**" means either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the relevant Final Terms;

"**Compounded Index End**" means the relevant Compounded Index value on the End date;

"**Compounded Index Start**" means the relevant Compounded Index value on the Start date;

"**d**" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

"**End**" means the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"**Index Days**" means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

"**Numerator**" means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

"**Relevant Decimal Place**" shall, unless otherwise specified in the Final Terms, be the fifth decimal place rounded up or down, if necessary (with 0.000005 being rounded upwards); and

"**Relevant Number**" is as specified in the applicable Final Terms, but, unless otherwise specified shall be five.

"**SONIA Compounded Index**" means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

"**SOFR Compounded Index**" means the Compounded SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of

SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

"**Start**" means the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

- (B) If, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Final Terms and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 5.05 or Condition 5.06, as applicable) had been specified instead in the Final Terms, and in each case "Observation Shift" had been specified as the Observation Method in the relevant Final Terms, and where the Observation Period for the purposes of that definition in Condition 5.05 or Condition 5.06 (as applicable) shall be deemed to be the same as the Relevant Number specified in the Final Terms and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if (i) (in the case of SONIA Compounded Index) a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 5.13 (*Benchmark Replacement*) shall apply and (ii) (in the case of SOFR Compounded Index) a Benchmark Transition Event and its related Benchmark Replacement Date has occurred in respect of SOFR, the provisions of Condition 5.06(C) shall apply.

#### ***Maximum or Minimum Rate of Interest***

- 5.09 If any Maximum or Minimum Rate of Interest is specified in the Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

#### ***Floating Rate Instruments - Accrual of Interest***

- 5.10 Interest shall accrue on the Outstanding Principal Amount of each Instrument during each Interest Accrual Period from the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Instrument, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 6.12) or the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (both before and after any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which the Issue and Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 14 (*Notices*) that the Issue and Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

#### ***Interest Amount(s), Calculation Agent and Reference Banks***

- 5.11 If a Calculation Agent is specified in the Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the amount(s) of interest payable (the "**Interest Amount(s)**") in respect of each denomination of the Instruments (in the case of Bearer Instruments) and the minimum denomination (in the case of Registered Instruments) for the relevant Interest Accrual Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Redemption Amount or any Instalment Amount to be notified to the Issue and Paying Agent,

the Registrar (in the case of Registered Instruments), the Issuer, the Guarantor and the Holders in accordance with Condition 14 (*Notices*) and, if the Instruments are listed on a stock exchange and such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth Banking Day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the relevant stock exchange. The Interest Amounts (**provided that** any modifications are *de minimis*) and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period or the Interest Period. If the Instruments become due and payable under Condition 7 (*Events of Default*), the Interest Rate and the accrued interest payable in respect of the Instruments shall nevertheless continue to be calculated as previously in accordance with this Condition. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer, the Guarantor and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer and the Guarantor will procure that there shall at all times be appointed a Calculation Agent, if provision is made for one in the Terms and Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

### ***Calculations and Adjustments***

- 5.12 The amount of interest payable in respect of each Instrument for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Instruments are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination. Renminbi denominated Fixed Rate Instruments will have a variable coupon amount applying the "Actual/365 (Fixed)" Day Count Fraction (as defined below). The amount of interest payable in respect of any Instrument for any period for which a Fixed Coupon Amount is not specified shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount by the Day Count Fraction (as defined in Condition 5.14 (*Interest — Definitions*)), rounding the resulting figure as described below and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Instrument divided by the Calculation Amount. The amount of interest payable in respect of a short or long initial or final Interest Period may be specified as a "Broken Amount" in the relevant Final Terms. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the 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, (e) in the case of Renminbi denominated Fixed Rate Instruments, all amounts will be rounded to the nearest CNY0.01, CNY0.005 and, the case of Hong Kong dollar denominated Fixed Rate Instruments, to the nearest HK\$0.01, HK\$0.005, being rounded upwards and (e) all amounts denominated in Euro or 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.

The calculation of any interest amount in respect of any Temporary Global Instrument, any Permanent Global Instrument or any Registered Instrument in global form will be calculated on the aggregate outstanding principal amount of the Instruments represented by such Temporary

Global Instrument, Permanent Global Instrument or Registered Instrument in global form, as the case may be, and not by reference to the Calculation Amount.

### ***Benchmark Replacement***

5.13 Notwithstanding the provisions above in this Condition 5 (*Interest*) and other than in the case of a U.S. dollar-denominated floating rate Instrument for which the Reference Rate is specified in the relevant Final Terms as being "SOFR" or "SOFR Compounded Index", if the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions of this Condition 5.13 (*Benchmark Replacement*) shall apply.

- (i) The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer and the Independent Adviser determining, no later than three Business Days prior to the relevant Interest Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.13 (ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5.13 (iii)) and any Benchmark Amendments (in accordance with Condition 5.13 (iv)).
- (ii) If the Issuer and the Independent Adviser:
  - A. agree that there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.13 (iii)) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Instruments (subject to the subsequent operation of this Condition 5.13 (*Benchmark Replacement*)); or
  - B. agree that there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.13 (iii)) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Instruments (subject to the subsequent operation of this Condition 5.13 (*Benchmark Replacement*)); or
  - C. the Issuer and the Independent Adviser do not agree on the selection of a Successor Rate or an Alternative Rate, the fallback provisions set out in Condition 5.03 (*Floating Rate Instruments – Screen Rate Determination*), Condition 5.04 (*Floating Rate Instruments – ISDA Determination*), Condition 5.05 (*Floating Rate Instruments – Instruments Referencing SONIA (Screen Rate Determination)*), Condition 5.07 (*Floating Rate Instruments – Instruments Referencing €STR (Screen Rate Determination)*) (as applicable) and Condition 5.08 (*Floating Rate Instruments – Instruments Referencing SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*) shall continue to apply.
- (iii) If the Issuer and the Independent Adviser agree (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).
- (iv) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.13 (*Benchmark Replacement*) and the Issuer and the Independent Adviser agree: (i) that amendments to these Conditions and/or the Issue and Paying 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 5.13 (*Benchmark*

*Replacement*) (v), without any requirement for the consent or approval of Holders, vary these Conditions and/or the Issue and Paying Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice. In connection with any such variation in accordance with this Condition 5.13 (iv), the Issuer shall comply with the rules of any stock exchange on which the Instruments are for the time being listed or admitted to trading.

- (v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.13 (*Benchmark Replacement*) will be notified promptly by the Issuer to the Issue and Paying Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 14 (*Notices*), the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any and will be binding on the Issuer, the Guarantor, the Issue and Paying Agent, the Calculation Agent, the Paying Agents and the Holders.
- (vi) Without prejudice to the obligations of the Issuer under Condition 5.13(i) to (v), the Original Reference Rate and the fallback provisions provided for in Condition 5.03 (*Floating Rate Instruments – Screen Rate Determination*), Condition 5.04 (*Floating Rate Instruments – ISDA Determination*), Condition 5.05 (*Floating Rate Instruments – Instruments Referencing SONIA (Screen Rate Determination)*), Condition 5.07 (*Floating Rate Instruments – Instruments Referencing €STR (Screen Rate Determination)*) (as applicable) or Condition 5.08 (*Floating Rate Instruments – Instruments Referencing SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with this Condition 5.13 (*Benchmark Replacement*).

### **Definitions**

- 5.14 In these Terms and Conditions, unless the context otherwise requires, the following terms shall have the meanings set out below:

**"2006 ISDA Definitions"** means, in relation to a Series of Instruments, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Instruments of such Series) as published by ISDA (copies of which may be obtained from ISDA at [www.isda.org](http://www.isda.org)).

**"2021 ISDA Definitions"** means, in relation to a Series of Instruments, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Instruments of such Series, as published by ISDA on its website ([www.isda.org](http://www.isda.org)).

**"Additional Business Centre"** means the city or cities specified as such in the relevant Final Terms.

**"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 Issuer, following consultation with the Independent Adviser and acting 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 Holders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

- (ii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or is in customary market usage in the debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or
- (iii) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate.

**"Alternative Rate"** means an alternative benchmark or screen rate which the Issuer determines, following consultation with the Independent Adviser, 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 Instruments.

**"Applicable Business Day Convention"** means the Business Day Convention which may be specified in the Final Terms as applicable to any date in respect of the Instruments unless the Final Terms specifies **"No Adjustment"** in relation to any date in which case such date shall not be adjusted in accordance with any Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates, Interest Period End Dates and any other date or dates in respect of any Instruments.

**"Banking Day"** means, in respect of any city, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city.

**"Benchmark Event"** means:

- (i) the Original Reference Rate has ceased to be published as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the Original Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of the Original Reference Rate) it has ceased publishing the Original Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the **"Specified Future Date"**); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified future date (the **"Specified Future Date"**), be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will, by a specified future date (the **"Specified Future Date"**), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Instruments; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is or will, by a specified future date (the **"Specified Future Date"**), be no longer representative of an underlying market; or
- (vi) it has or will, by a specified date within the following six months, become unlawful for any Paying Agent, Calculation Agent, the Issuer, the Guarantor or any other party to calculate any payments due to be made to any Holders using the Original Reference Rate (as applicable) (including, without limitation, under Regulation (EU) 2016/1011, if applicable),

and, notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) above and the Specified Future Date is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

**"Business Day"** means:

- (i) in relation to Instruments denominated or 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;
- (ii) in relation to Instruments denominated or payable in Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed; and
- (iii) in relation to Instruments for which the Reference Rate is specified as SOFR in the relevant Final Terms, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;
- (iv) in relation to Instruments for which the Reference Rate is specified as SONIA in the relevant Final Terms, any weekday that is a London Banking Day and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;
- (v) in relation to Instruments payable in any other currency, a day on which commercial banks are open for business and foreign exchange markets settle payments in the Relevant Financial Centre in respect of the relevant currency and in each (if any) Additional Business Centre.

**"Business Day Convention"** means a convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day and the following terms, where specified in the Final Terms and used in conjunction with the term "Business Day Convention" in relation to any date applicable to any Instruments, shall have the following meanings:

- (i) **"Following Business Day Convention"** means that such date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that such 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;
- (iii) **"Preceding Business Day Convention"** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (iv) **"FRN Convention"** or **"Eurodollar Convention"** means that each such 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 Final Terms as the Specified Period after the calendar month in which the preceding such date occurred, **provided that:**
  - (a) 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;
  - (b) 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
  - (c) 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.



"**Calculation Agent**" means such agent as may be specified in the Final Terms as the Calculation Agent.

"**Calculation Amount**" has the meaning given in the relevant Final Terms.

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

- (i) If "**Actual/Actual (ICMA)**" is specified hereon and the Calculation Period is equal to or shorter than the Regular Period (as defined below) during which it falls, the relevant Day Count Fraction will be the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods in any year;
- (ii) If "**Actual/Actual (ICMA)**" is specified hereon and the Calculation Period is longer than one Regular Period, interest will be calculated on the basis of 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;
- (iii) If "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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);
- (iv) If "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (v) If "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (vi) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

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

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

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

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

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30,

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

For the purposes of this definition of Day Count Fraction "**Regular Period**" means:

- (i) in the case of Instruments 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;

- (ii) in the case of Instruments 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
- (iii) in the case of Instruments 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.

"**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 (for example, Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (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 EURIBOR rates can be obtained from the designated distributor).

"**Euro zone**" means the zone comprising the Member States of the European Union that participate or are participating in the European Monetary Union and that adopt or have adopted the Euro as their lawful currency.

"**First Interest Payment Date**" means the date specified in the relevant Final Terms.

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer (at its own expense) under Condition 5.13 (*Benchmark Replacement*).

"**Interest Accrual Period**" means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period **provided always that** the first Interest Accrual Period shall commence on and include the Interest Commencement Date and the final Interest Accrual Period shall end on but exclude the date of final maturity.

"**Interest Commencement Date**" means the date of issue of the Instruments (as specified in the Final Terms) or such other date as may be specified as such in the Final Terms.

"**Interest Determination Date**" means, in respect of any Interest Accrual Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the Final Terms prior to the first day of such Interest Accrual Period, or if none is specified:

- (i) in the case of Instruments denominated in Euro, on the second Business Day prior to the first day of such Interest Accrual Period; or
- (ii) in the case of Instruments denominated in Pounds Sterling, the first day of such Interest Accrual Period; or
- (iii) in any other case, the date falling two London Banking Days prior to the first day of such Interest Accrual Period.

"**Interest Payment Date**" means the First Interest Payment Date and any date or dates specified as such in the Final Terms and, if an Applicable Business Day Convention is specified in the Final

Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention at such Specified Period of calendar months following the date of issue of the Instruments (in the case of the First Interest Payment Date) or the previous Interest Payment Date (in any other case).

**"Interest Period"** means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date **provided always that** the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the date of final maturity.

**"Interest Period End Date"** means the date or dates specified as such in the Final Terms and, if an Applicable Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or, if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the Final Terms, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Instruments.

**"Interest Rate"** means the rate or rates (expressed as a percentage *per annum*) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Instruments specified in the Final Terms.

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor).

**"ISDA Definitions"** means either the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the relevant Final Terms.

**"Law 10/2014"** means Law 10/2014 of 26 June, on the regulation, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*).

**"Margin"** has the meaning given in the relevant Final Terms.

**"Maturity Date"** has the meaning given in the relevant Final Terms.

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

**"Outstanding Principal Amount"** means, in respect of an Instrument, its principal amount less, in respect of any Instalment Instrument, any principal amount on which interest shall have ceased to accrue in accordance with Condition 5.06 (*Accrual of Interest*) or otherwise as indicated in the Final Terms.

**"Reference Banks"** means such banks selected by the Issuer in the market that is most closely connected with the Reference Rate.

**"Reference Rate"** means EURIBOR, SONIA, SOFR or €STR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms. Other than in the case of U.S. dollar-denominated floating rate Instruments for which the "Reference Rate" is specified in the relevant Final Terms as being SOFR, the term Reference Rate shall, following the occurrence of a Benchmark Event under Condition 5.13 (*Benchmark Replacement*), include any Successor Rate or Alternative Rate and shall, if a Benchmark Event should occur subsequently in respect of any such Successor Rate or Alternative Rate, also include any further Successor Rate or further Alternative Rate.

**"Relevant Financial Centre"** means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of "Business Day" in the ISDA Definitions.

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

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

**"Relevant Time"** means the time as of which any rate is to be determined as specified in the Final Terms or, if none is specified, at which it is customary to determine such rate.

**"Reuters Screen"** means, when used in connection with a designated page and any designated information, the display page so designated on the Reuter Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying such information).

**"Specified Period"** has the meaning given in the relevant Final Terms.

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

**"T2"** means the real time gross settlement system operated by the Eurosystem or any successor system.

**"TARGET Settlement Day"** means any day on which T2 is open for the settlement of payments in Euro.

## **6. Redemption and Purchase**

### ***Redemption at Maturity***

- 6.01 Unless previously redeemed, or purchased and cancelled, or unless such Instrument is stated in the Final Terms as having no fixed maturity date, each Instrument shall be redeemed at its final redemption amount (the **"Final Redemption Amount"**) (which shall be its Outstanding Principal Amount) (or, in the case of Instalment Instruments, in such number of instalments and in such amounts (**"Instalment Amounts"**) as may be specified in the Final Terms) on the date or dates (or, in the case of Instruments which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the Final Terms.

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

- 6.02 If, in relation to any Series of Instruments, (i) as a result of any change in the laws, regulations or publication of new rulings of the Kingdom of Spain or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings (including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations or interpretations thereof that differs from the previously generally accepted position) which becomes effective on or after the date of issue of such Instruments or any other date specified in the Final Terms, (1) the Issuer or, as the case may be, the Guarantor (if a demand were made under the Guarantee) would be required to pay additional amounts as provided in Condition 8 (*Taxation*) or (2) the Guarantor or any Subsidiary of the Guarantor is or would be required to deduct or withhold tax on any payment to the Issuer to enable the Issuer to make any payment (whether in respect of principal, premium, interest or otherwise); (ii) in each case, the payment of such additional amount in the case of (1) above or such deduction

or withholding in the case of (2) above cannot be avoided by the Issuer or the Guarantor or such Subsidiary taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer or the Guarantor to the Issue and Paying Agent of a certificate signed by one director of the Issuer or two directors of the Guarantor stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Instruments which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Instruments in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Instruments comprising the relevant Series at their early tax redemption amount (the "**Early Redemption Amount (Tax)**") (which shall be their Outstanding Principal Amount or such other redemption amount as may be specified in the Final Terms), together with accrued interest thereon **provided, however, that** no such notice of redemption may be given earlier than 90 days (or, in the case of Instruments which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Instruments plus 60 days) prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Instruments then due.

If, pursuant to Condition 18.02(ii)(a), a Person into which the Issuer or the Guarantor is merged or to whom the Issuer or the Guarantor has conveyed, transferred or leased its properties or assets has been or would be required to pay any additional amounts as therein provided, each Series of Instruments may be redeemed at the option of such Person in whole, but not in part, in accordance with the first paragraph of this Condition 6.02 (*Early Redemption for Tax Reasons*), which paragraph shall apply *mutatis mutandis*.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 6.06 (*Optional Early Redemption (Put)*).

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

- 6.03 If this Condition 6.03 (*Optional Early Redemption (Call)*) is specified in the Final Terms as being applicable, then the Issuer may, having given the appropriate notice and subject to such conditions as may be specified in the Final Terms, redeem all (but not, unless and to the extent that the Final Terms specifies otherwise, some only) of the Instruments of the relevant Series at their call early redemption amount (the "**Optional Redemption Amount (Call)**") (which shall be their Outstanding Principal Amount or such other redemption amount as may be specified in the Final Terms), together with accrued interest thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 6.06 (*Optional Early Redemption (Put)*).

- 6.04 The appropriate notice referred to in Condition 6.03 (*Optional Early Redemption (Call)*) is a notice given by the Issuer to the Holders of the Instruments of the relevant Series in accordance with Condition 14 (*Notices*), which notice shall be irrevocable and shall specify:

- the Series of Instruments subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Instrument or Permanent Global Instrument) the serial numbers of the Instruments of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than 10 days nor more than 60 days after the date on which such notice is given and which shall be such date or the next of such dates ("**Optional Redemption Date(s) (Call)**") or a day falling within such period ("**Call Option Period**"), as may be specified in the Final Terms and which is, in the case of Instruments which bear interest at a floating rate, a date upon which interest is payable; and

- the Optional Redemption Amount (Call) at which such Instruments are to be redeemed.
- If "**Make-Whole Amount**" is specified as the Optional Redemption Amount (Call) in the applicable Final Terms, the Optional Redemption Amount (Call) will be an amount calculated by the Calculation Agent equal to the higher of:
  - (i) 100 per cent. of the Outstanding Principal Amount of the Instruments to be redeemed; and
  - (ii) the sum of the present values of the Outstanding Principal Amount of the Instruments to be redeemed and the Remaining Term Interest on such Instruments (exclusive of interest accrued to the Optional Redemption Date (Call)) discounted to the relevant Optional Redemption Date (Call) on an annual basis (based on the actual number of days elapsed divided by 365 (in the case of a leap year, 366)) at a rate equal to the sum of: (x) the Reference Bond Rate and (y) the specified Redemption Margin,

**provided however that**, if the Optional Redemption Date (Call) occurs on or after the earliest date on which the Residual Maturity Call Option may be exercised in accordance with Condition 6.08 (*Residual Maturity Call Option*) (if specified as applicable in the relevant Final Terms), the Make-Whole Amount will be the Outstanding Principal Amount of the Instruments.

For the avoidance of doubt, the Issuer will pay any interest accrued on the Instruments to, but excluding, the relevant Optional Redemption Date (Call).

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6.04 by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Paying Agents and all Holders and (in the absence as aforesaid) no liability to the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**"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 Instruments 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 Instruments and of a comparable maturity to the remaining term of the Instruments;

**"Financial Adviser"** means an independent and internationally recognised financial adviser selected by the Issuer at its own expense;

**"Redemption Margin"** shall be as set out in the applicable Final Terms;

**"Reference Bond"** shall be as set out in the applicable Final Terms or, if no such bond is set out or if such bond is no longer outstanding, shall be the FA Selected Bond;

**"Reference Bond Price"** means, with respect to the relevant Optional Redemption Date (Call), (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 Calculation Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**"Reference Bond Rate"** means, with respect to the relevant Optional Redemption Date (Call), 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 Optional Redemption Date;

**"Reference Date"** will be set out in the relevant notice of redemption;

**"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 the relevant Optional Redemption Date (Call), 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 Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer; and

**"Remaining Term Interest"** means, with respect to any Instrument, the aggregate amount of scheduled payment(s) of interest on such Instrument for the remaining term of such Instrument determined on the basis of the rate of interest applicable to such Instrument from and including the relevant Optional Redemption Date (Call).

### ***Partial Redemption***

6.05 If the Instruments of a Series are to be redeemed in part only on any date in accordance with Conditions 6.03 and 6.04 (*Optional Early Redemption (Call)*):

- in the case of Bearer Instruments (other than a Temporary Global Instrument or Permanent Global Instrument), the Instruments to be redeemed shall be drawn by lot in such European city as the Issue and Paying Agent may specify, or identified in such other manner or in such other place as the Issue and Paying Agent may approve and deem appropriate and fair;
- in the case of a Temporary Global Instrument or a Permanent Global Instrument, the Instruments to be redeemed shall be selected in accordance with the rules of Euroclear and/ or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amounts, at their discretion) and/or any other relevant clearing system; and
- in the case of Registered Instruments, the Instruments shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, **provided always that** the amount redeemed in respect of each Instrument shall be equal to the minimum denomination thereof or an integral multiple thereof,

subject always to compliance with all applicable laws and the requirements of any competent authority, stock exchange and/or quotation system (if any) on which the relevant Instruments may have been admitted to listing, trading and/or quotation.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.07 (*Transfer of Registered Instruments and Exchange of Bearer Instruments for Registered Instruments*) which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

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

6.06 If this Condition 6.06 (*Redemption and Purchase — Optional Early Redemption (Put)*) is specified in the Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date specified in the relevant Put Notice (as defined below) at its put early redemption amount (the **"Optional Redemption Amount (Put)"**) (which shall be its Outstanding Principal Amount or such other redemption amount as may be specified in the Final Terms), together with accrued interest thereon. In order to exercise such option, the Holder must, not less than 45 days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates (**"Optional Redemption Date(s) (Put)"**) or a day falling within



such period ("**Put Period**") as may be specified in the Final Terms), deposit the relevant Instrument (together, in the case of an interest-bearing Definitive Instrument, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 9A.06 apply)) during normal business hours at the specified office of, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the Registrar together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a Temporary Global Instrument or Permanent Global Instrument or Registered Instrument, the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the Final Terms or an integral multiple thereof). No Instrument so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement).

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.07 (*Transfer of Registered Instruments and Exchange of Bearer Instruments for Registered Instruments*) which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

The Holder of an Instrument may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Issuer of its option to redeem such Instrument under either Condition 6.02 (*Early Redemption for Tax Reasons*) or 6.03 (*Optional Early Redemption (Call)*).

#### ***Redemption following a Substantial Purchase Event***

- 6.07 If this Condition 6.07 (*Redemption following a Substantial Purchase Event*) is specified in the Final Terms as being applicable, then if a Substantial Purchase Event has occurred, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Holders in accordance with Condition 14 (*Notices*), which notice shall be irrevocable, redeem the Instruments of the relevant Series in whole, but not in part, in accordance with these Conditions at any time, in each case at their Outstanding Principal Amount, together with any accrued and unpaid interest up to (but excluding) the date fixed for redemption.

A "**Substantial Purchase Event**" shall be deemed to have occurred if at least 75 per cent., or such other threshold as may be specified in the relevant Final Terms (the "**Substantial Purchase Event Threshold**"), of the aggregate principal amount of the Instruments of the relevant Series originally issued (which for these purposes shall include any Further Instruments issued pursuant to Condition 15 (*Further Issues*)) is purchased by the Issuer, the Guarantor or any subsidiary of the Guarantor (and in each case is cancelled in accordance with Condition 6.10 (*Cancellation of Redeemed and Purchased Instruments*)), other than by way of a redemption at the option of the Issuer in accordance with Condition 6.03 (*Optional Early Redemption (Call)*), if the "Make-Whole Amount" is specified as the Optional Redemption Amount (Call) in the applicable Final Terms.

#### ***Residual Maturity Call Option***

- 6.08 If this Condition 6.08 (*Residual Maturity Call Option*) is specified in the Final Terms as being applicable, the Issuer may, on giving not less than 10 nor more than 60 days' irrevocable notice to the Holders in accordance with Condition 14 (*Notices*), which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Residual Maturity Call Option Redemption Date**"), redeem all (but not only some) of the Instruments of the relevant Series at their Outstanding Principal Amount, together any accrued and unpaid interest up to (but excluding) the date fixed for redemption, which shall be no earlier than (i) three months before the Maturity Date in respect of Instruments having a maturity of not more than ten years or (ii) six months before the Maturity Date in respect of Instruments having a maturity of more than ten years.

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 Instruments. All Instruments in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6.08 (*Residual Maturity Call Option*).

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

- 6.09 The Issuer, the Guarantor or any of the Guarantor's other Subsidiaries (as defined in Condition 18 (*Substitution; Merger, Consolidation, etc. Only on Certain Terms*)) may at any time purchase Instruments in the open market or otherwise and at any price **provided that** all unmatured Receipts and Coupons appertaining thereto are purchased therewith.

### ***Cancellation of Redeemed and Purchased Instruments***

- 6.10 All unmatured Instruments redeemed in accordance with this Condition 6 (*Redemption and Purchase*) will be cancelled forthwith and may not be reissued or resold. Unmatured Instruments, Receipts and Coupons purchased in accordance with this Condition 6 (*Redemption and Purchase*) may, at the option of the Issuer, be cancelled, reissued or, as the case may be, resold.

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

- 6.11 The provisions of Condition 5.07 (*Interest — Interest Amount(s), Calculation Agent and Reference Banks*) and the last paragraph of Condition 5.08 (*Interest — Calculations and Adjustments*) shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the Final Terms to be made by the Calculation Agent (as defined in Condition 5.10 (*Interest — Definitions*)).
- 6.12 References herein to "**Redemption Amount**" shall mean, as appropriate, the Final Redemption Amount, the final Instalment Amount, Early Redemption Amount (Tax), Optional Redemption Amount (Call), Optional Redemption Amount (Put) and Early Termination Amount.

## **7. Events of Default**

- 7.01 If any of the following events (each an "**Event of Default**") occurs and is continuing:
- (i) the Issuer fails to pay, and the Guarantor fails to honour the Guarantee with respect to payments of, any principal, premium (if any) or interest due in respect of the Instruments of the relevant Series or any of them and such default continues for a period of 21 days; or
  - (ii) the Issuer fails to perform any other obligation arising from the Instruments of that Series or the Guarantor fails to perform any other obligation arising under the Guarantee of such Instruments and such failure continues for more than 60 days (90 days if the failure to perform relates to an obligation of the Issuer or the Guarantor arising under Condition 18 (*Substitution; Merger, Consolidation, etc. Only on Certain Terms*)) following the service by any Holder on the Issuer and the Guarantor of a written notice specifying such failure and requiring it to be remedied, and stating that such notice is a "**Notice of Default**" hereunder; or
  - (iii) the Issuer or the Guarantor fails to fulfil (taking into account any applicable grace periods) any payment obligation in excess of EUR 100,000,000 or its equivalent in any other currency under any Relevant Indebtedness or under any guarantee or suretyship provided for under any Relevant Indebtedness of others, and this failure remains uncured for 30 days; or
  - (iv) the holders of any Relevant Indebtedness of the Issuer or the Guarantor accelerate any payment obligation in excess of EUR 100,000,000 or its equivalent in any other currency as a result of the Issuer or the Guarantor entering into a transaction described under Condition 18 (*Substitution; Merger, Consolidation, etc. Only on Certain Terms*)), which transaction constitutes an event of default in respect of such other Relevant Indebtedness; or
  - (v) (1) the Issuer or the Guarantor announces its inability to meet its financial obligations; or (2) a court commences insolvency proceedings against the Issuer or Guarantor; or (3) the Issuer or Guarantor goes into liquidation, unless it is done in connection with a merger or other form of business combination with another company and that company assumes all the obligations of the Issuer or the Guarantor, as the case may be, in connection with the

Instruments; or (4) the Issuer or Guarantor makes a filing seeking relief under any applicable bankruptcy or insolvency laws; or

- (vi) the Guarantee ceases to be valid or legally binding for any reason,

then any Holder of an Instrument of the relevant Series in respect of such Instrument may, by written notice to the Issuer and the Guarantor, declare that such Instruments or Instrument (as the case may be) and (if the Instruments or Instrument are or is interest-bearing) all interest then accrued but unpaid on such Instruments or Instrument (as the case may be) shall be forthwith due and payable, whereupon the same shall (to the extent permitted by applicable Spanish law) become immediately due and payable at its early termination amount (the "**Early Termination Amount**") (which shall be its Outstanding Principal Amount or such other redemption amount as may be specified in the Final Terms), together with all interest accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Instruments of the relevant Series shall have been cured.

*The Spanish Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators within one month from the last official publication of the court order declaring the insolvency, (ii) contractual provisions granting one party the right to suspend, modify or terminate by reason only of the other's insolvency declaration or opening of the liquidation phase, the communication of the opening of negotiations (or other similar circumstances) or the presentation of a restructuring plan (or similar circumstances) will not be enforceable, (iii) interest accrued and unpaid until the commencement of the insolvency proceedings (concurso) (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated, and (iv) 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 from the date of the declaration of insolvency.*

## 8. **Taxation**

- 8.01 All amounts payable by or on behalf of the Issuer or the Guarantor, as the case may be, (whether in respect of principal, interest or otherwise) in respect of the Instruments will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Instrument or Coupon:

- (i) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the Kingdom of Spain other than (a) the mere holding of such Instrument or Coupon or (b) the receipt of principal, interest or other amount in respect of such Instrument or Coupon; or
- (ii) to, or to a third party on behalf of, a Holder who fails to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the taxing jurisdiction of such Holder, if such claim or compliance is required by statute, treaty, regulation or administrative practice of the taxing jurisdiction of the Issuer as a condition to relief or exemption from such taxes; or
- (iii) in relation to any estate, inheritance, gift, sales, transfer or similar taxes; or

- (iv) to, or to a third party on behalf of, a Holder if the Issuer or the Guarantor does not receive in a timely manner certain information about the Instruments of such Holder as it is required by the applicable Spanish tax laws and regulations, including a duly executed and completed certificate from the Issue and Paying Agent, pursuant to Law 10/2014 and Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29 July and any implementing legislation or regulation; or
  - (v) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting such relevant Instrument or Coupon to another Paying Agent in a Member State of the European Union; or
  - (vi) presented for payment more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty days; or
  - (vii) to, or to a third party on behalf of an individual resident for tax purposes in the Kingdom of Spain if the Spanish tax authorities determine that payments made to such individuals are not exempt from Spanish withholding tax and require a withholding to be made; or
  - (viii) to, or to a third party on behalf of, a Holder who is a fiduciary, a partnership, a limited liability company or anything other than the sole beneficial owner of that payment, to the extent to which that payment would be required by the laws of Spain to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in that limited liability company or a beneficial owner who would not have been entitled to any additional amounts had it been the Holder; or
  - (ix) any withholding or deduction that is imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations thereunder ("FATCA"), any intergovernmental agreement between the United States and any other jurisdiction implementing or relating to FATCA, any law, regulation, guidance or interpretations enacted or issued in any jurisdiction with respect thereto, or any agreements entered into in connection with the implementation thereof.
- 8.02 For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Issue and Paying Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 14 (Notices).
- 8.03 If the Issuer or the Guarantor becomes subject generally at any time (as a result of change in domicile for taxation purposes only) to any taxing jurisdiction other than the Kingdom of Spain references in Condition 6.02 (*Redemption and Purchase — Early Redemption for Tax Reasons*) and Condition 8.01 to the Kingdom of Spain shall be read and construed as references to the Kingdom of Spain and/or to such other jurisdiction(s).
- 8.04 Any reference in these Terms and Conditions to "principal" and/or "interest" in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 8 (*Taxation*). Unless the context otherwise requires, any reference in these Terms and Conditions to "**principal**" shall include any premium payable in respect of an Instrument, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and "**interest**" shall include all amounts payable pursuant to Condition 5 (*Interest*) and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

See "Taxation and Disclosure of Information in Connection with Payments — Taxation in the Kingdom of Spain — Information about the Instruments in Connection with Payments" for a fuller description of certain tax considerations relating to the Instruments and the formalities that must be followed so that Holders may receive the payments under the Instruments free from Spanish withholding tax.

9. **Payments**

9A ***Payments — Bearer Instruments***

9A.01 This Condition 9A (*Payments — Bearer Instruments*) is applicable in relation to Instruments in bearer form.

9A.02 Payment of amounts (other than interest) due in respect of Bearer Instruments will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Bearer Instruments at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Instrument which is a Definitive Instrument with Receipts will be made against presentation of the Instrument together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Instrument to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of an Instrument without the relative Receipt or the presentation of a Receipt without the Instrument to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

9A.03 Payment of amounts in respect of interest on Bearer Instruments will be made:

- (i) in the case of a Temporary Global Instrument or Permanent Global Instrument, against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument at the specified office of any of the Paying Agents outside (unless Condition 9A.04 applies) the United States and, in the case of a Temporary Global Instrument, upon due certification as required therein;
- (ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments at the specified office of any of the Paying Agents outside (unless Condition 9A.04 applies) the United States; and
- (iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Instruments, in either case at the specified office of any of the Paying Agents outside (unless Condition 9A.04 applies) the United States.

9A.04 Payments of amounts due in respect of interest on the Bearer Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 9A.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law. If paragraphs (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

9A.05 If the due date for payment of any amount due in respect of any Bearer Instrument is not a Relevant Financial Centre Day and a local banking day (both as defined in Condition 9D.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment, except in the case of Instruments where the Specified Currency is Renminbi, by cheque on any local banking day or, in the case of all currencies, will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located, and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in

Condition 5.06 (*Interest — Accrual of Interest*) or, if appropriate, Condition 5.10 (*Interest — Definitions*).

9A.06 Each Definitive Instrument initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

- (i) if the Final Terms specifies that this paragraph (i) of Condition 9A.06 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Definitive Instruments which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;
- (ii) if the Final Terms specifies that this paragraph (ii) of Condition 9A.06 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Instruments which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Definitive Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Definitive Instruments initially delivered with Receipts attached thereto, all Receipts relating to such Instruments in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 9A.06 notwithstanding, if any Definitive Instruments should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Definitive Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

9A.07 In relation to Definitive Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 9A.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 (*Prescription*) below. Each Talon shall, for the purpose of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

9B ***Payments — Registered Instruments***

9B.01 This Condition 9B (*Payments — Registered Instruments*) is applicable in relation to Instruments in registered form.

9B.02 Payment of the Redemption Amount (together with accrued interest) due in respect of Registered Instruments will be made by the relevant Paying Agent against presentation and, save in the case of partial payment of the Redemption Amount, surrender of the relevant Registered Instruments at the specified office of the relevant Registrar. If the due date for payment of the Redemption Amount of any Registered Instrument is not a Relevant Financial Centre Day (as defined in Condition 9D.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.06 (*Interest — Accrual of Interest*) or, as appropriate, Condition 5.10 (*Interest — Definitions*).

9B.03 Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar, in respect of Registered Instruments in global form, as at close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment or, in respect of Registered Instruments in definitive form, as at close of business on the fifteenth day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Registered Instrument is being held is open for business.

9B.04 Notwithstanding the provisions of Condition 9D.02, payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be made in the currency in which such amount is due, except in the case of Instruments where the Specified Currency is Renminbi, by cheque (in the case of payment in sterling, drawn on a town clearing branch of a bank in the city of London) and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.06) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the relevant Registrar and the relevant Registrar has acknowledged such application for payment to be made by the relevant Paying Agent to a designated account denominated in the relevant currency in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Relevant Financial Centre Day, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.06 (*Interest — Accrual of Interest*) or, as appropriate, Condition 5.10 (*Interest — Definitions*).

9C ***Payments in respect of Instruments where the Specified Currency is Renminbi***

All payments in respect of any Instruments where the Specified Currency is Renminbi will be made solely by credit to a Renminbi account maintained by the payee at a bank in Hong Kong, in the case of Registered Instruments the details of which appear on the Register at the close of business on the fifth business day before the due date for payment, and in all cases in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

9D ***Payments — General Provisions***

9D.01 Save as otherwise specified in these Terms and Conditions, this Condition 9D is applicable in relation to Instruments whether in bearer or in registered form.

9D.02 Payments of amounts due (whether principal, interest or otherwise) in respect of Instruments will be made in the currency in which such amount is due (a) except in the case of Instruments where the Specified Currency is Renminbi, by cheque (in the case of payment in sterling, drawn on a town clearing branch of a bank in the city of London) or (b) at the option of the payee, by transfer to an account denominated in the relevant currency specified by the payee. Payments will, without prejudice to the provisions of Condition 8 (*Taxation*), be subject in all cases to any applicable fiscal or other laws and regulations.

9D.03 For the purposes of these Terms and Conditions:

- (i) **"Relevant Financial Centre Day"** means, in the case of any currency other than Euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other place specified in the Final Terms or in the case of payment in Euro, a TARGET Settlement Day, and in the case of Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed; and
- (ii) **"local banking day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon.

9D.04 No commissions or expenses shall be charged to the holders of Instruments or Coupons in respect of such payments.

9E ***Payment of US Dollar Equivalent***

9E.01 This Condition 9E (*Payment of US Dollar Equivalent*) is applicable in relation to Instruments where the Specified Currency is Renminbi.

9E.02 Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest (in whole or in part) in respect of the Instruments when due in Renminbi, the Issuer shall, by sending an irrevocable notice not less than five or more than 30 calendar days prior to the due date for payment to the Holders and the Issue and Paying Agent, settle any such payment (in whole or in part) in US Dollars on the due date at the US Dollar Equivalent of any such Renminbi denominated amount. In case the Issuer needs to satisfy payments of principal or interest in part in Renminbi and in part in US Dollars, it shall to the extent possible make payment to each Holder in the same *pro rata* amount of Renminbi and US Dollar in accordance with the rules of the clearing system(s) from time to time.

9E.03 For the purposes of these Conditions, **"US Dollar Equivalent"** means the Renminbi amount converted into US Dollars using the Spot Rate for the relevant Determination Date.

For this purpose:

**"Determination Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, Beijing, London, TARGET and in New York City;

**"Determination Date"** means the day which is two Determination Business Days before the due date for any payment of the relevant amount under these Conditions;

**"Governmental Authority"** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the PRC and Hong Kong;



**"Hong Kong"** means the Hong Kong Special Administrative Region of the PRC;

**"Illiquidity"** means where the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Instruments as determined by the Issuer in good faith and in a commercially reasonable manner following consultation (if practicable) with two Renminbi Dealers;

**"Inconvertibility"** means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Instruments in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control or any other applicable laws in the Kingdom of Spain, to comply with such law, rule or regulation);

**"Non-transferability"** means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong and outside the PRC or from an account outside Hong Kong and outside the PRC to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control or any other applicable laws in Spain, to comply with such law, rule or regulation);

**"PRC"** means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan; and

**"Spot Rate"** means the spot CNY/US Dollar exchange rate for the purchase of US dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/US Dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

9F **Redenomination**

9F.01 Where Redenomination is specified in the relevant Final Terms as being applicable, the Issuer may, without the consent of the Holders of the Instruments, the Receipts and the Coupons, on giving at least 30 days' prior notice to the Paying Agents and to the Holders of the Instruments in accordance with Condition 14 (*Notices*), elect that, with effect from the Redenomination Date (as defined below) specified in the notice, the Instruments shall be redenominated in Euro.

9F.02 The election will have effect as follows:

- (i) each Specified Denomination (as defined below) and, in the case of Fixed Rate Instruments, each amount specified on the Coupons will be deemed to be denominated in such amount of Euro as is equivalent to its denomination or the amount of interest so specified in the Relevant Currency (as defined below) at the Established Rate (as defined below), rounded down to the nearest Euro 0.01;
- (ii) after the Redenomination Date, all payments in respect of the Instruments, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before

the Redenomination Date, will be made solely in Euro as though references in the Instruments to the Relevant Currency were to Euro. Payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee, or at the option of the payee, by a Euro cheque;

- (iii) if the Instruments are Fixed Rate Instruments and interest for any period ending on or after the Redenomination Date is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (i) the number of those days falling in a leap year divided by 366 and (ii) the number of those days falling in a non-leap year divided by 365);
- (iv) if the Instruments are Floating Rate Instruments the relevant Final Terms will specify any relevant changes to the provisions relating to interest; and
- (v) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Issue and Paying Agent, and as may be specified in the notice, to conform them to conventions then applicable to Instruments denominated in Euro or to enable the Instruments to be consolidated with Other Instruments (as defined below) whether or not originally denominated in the Specified Currency (as defined below) or Euro. Any such other changes will not take effect until after they have been notified to the Holders of the Instruments in accordance with Condition 14 (*Notices*).

#### 9G **Exchangeability**

Where Exchangeability is specified in the applicable Final Terms as being applicable, the Issuer may without the consent of the Holders of the Instruments, the Receipts and the Coupons, on giving at least 30 days' prior notice to the Holders of the Instruments in accordance with Condition 14 (*Notices*), elect that, with effect from the Redenomination Date or such later date for payment of interest under the Instruments as it may specify in the notice, the Instruments shall be exchangeable for Instruments expressed to be denominated in Euro in accordance with such arrangements as the Issuer may decide, with the approval of the Issue and Paying Agent and as may be specified in the notice, including arrangements under which Receipts and Coupons unmatured at the date so specified become void.

Definitions: In these Terms and Conditions, the following expressions have the following meanings:

- (i) **"Established Rate"** means the rate for conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into Euro established by the Council of the European Union pursuant to Article 1091(4) of the Treaty;
- (ii) **"Euro"** means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, as amended;
- (iii) **"Other Instruments"** means, at any time, any one or more series of other instruments of the Issuer which have the same or substantially the same terms and conditions (as then in effect and which have not lapsed and/or the rights in respect of which have not been exercised) as the Instruments (other than in relation to the currency of original denomination and/or denomination and/or the terms and conditions relating to business days or interest accrual bases and/or the stock exchange(s) if any on which such instruments are listed and/or the clearing system(s) on which such instruments are cleared and settled and/or redenomination into Euro and/or notices);
- (iv) **"Redenomination Date"** means any date for payment of interest under the Instruments or any date specified by the Issuer in the notice given to the Holders of Instruments pursuant of Condition 9D.01 above or, if the country of the Specified Currency is not one of the countries then participating in the third stage of European economic and monetary union

pursuant to the Treaty, the date which falls on or after such later date as it does so participate;

- (v) **"Specified Currency"** means the currency specified in the relevant Final Terms;
- (vi) **"Specified Denomination"** means the denomination specified in the relevant Final Terms; and
- (vii) **"Treaty"** means the Treaty establishing the European Communities as amended by the Treaty on European Union.

#### 10. **Prescription**

- 10.01 Claims against the Issuer for payment, whether of principal and interest or otherwise, in respect of Instruments will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date (as defined in Condition 8.02) for payment thereof.
- 10.02 In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 9A.06 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 10 (*Prescription*) or any Talon the maturity date of which would fall after the due date for redemption of the relevant Instrument.

#### 11. **The Paying Agents, the Registrar and the Calculation Agent**

- 11.01 The initial Paying Agents and Registrar and their respective initial specified offices are specified below. The Calculation Agent in respect of any Instruments shall be specified in the Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent (including the Issue and Paying Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent **provided that** they will at all times maintain (i) an Issue and Paying Agent, (ii) in the case of Registered Instruments, a Registrar, (iii) a Paying Agent (which may be the Issue and Paying Agent) with a specified office in a continental European city, (iv) so long as the Instruments are listed on the Official List and/or any other competent authority, stock exchange and/or quotation system and the rules of Euronext Dublin and/or such other competent authority, stock exchange and/or quotation system so require, a Paying Agent (which may be the Issue and Paying Agent) and a Registrar each with a specified office in Dublin and/or in such other place as may be required by such other stock exchange, (v) in the circumstances described in Condition 9A.04, a Paying Agent with a specified office in New York City and (vi) a Calculation Agent where required by the Terms and Conditions applicable to any Instruments (in the case of (i), (ii) and (iii) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer, failing whom the Guarantor, to the Holders in accordance with Condition 14 (*Notices*).
- 11.02 The Paying Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and the Guarantor and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

#### 12. **Replacement of Instruments**

If any Instrument, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the Final Terms (in the case of Bearer Instruments

and Coupons) or of the Registrar (in the case of Registered Instruments) ("**Replacement Agent**") and if the Instruments are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system, subject to all applicable laws and the requirements of any competent authority, stock exchange and/or quotation system on which the Instruments are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer, the Guarantor and the Replacement Agent may require. Mutilated or defaced Instruments, Receipts and Coupons must be surrendered before replacements will be delivered therefor. In case any such lost, stolen, mutilated, defaced or destroyed Instrument, Receipt or Coupon has become or is about to become due and payable, the Issuer in its discretion may, instead of delivering replacements therefor, pay such Instrument, Receipt or Coupon.

13. **Meetings of Holders of Instruments and Modification**

- (a) *Meetings of Holders of Instruments:* The Issue and Paying Agency Agreement contains provisions for convening meetings of Holders of Instruments to consider matters relating to the Instruments, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Holders of Instruments holding not less than one-tenth of the aggregate principal amount of the outstanding Instruments. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Instruments or, at any adjourned meeting, two or more persons being or representing Holders of Instruments whatever the principal amount of the Instruments held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Holders of Instruments at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Instruments form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Holders of Instruments or Coupons, whether present or not.

Any such meeting of the Holders of Instruments may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Issue and Paying Agent may determine in accordance with the provisions of the Issue and Paying Agency Agreement.

In addition, a resolution in writing signed by or on behalf of Holders of Instruments of not less than 75 per cent. in principal amount of the Instruments outstanding 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 Holders of Instruments.

- (b) *Modification:* The Instruments, these Conditions, the Deed of Guarantee and the Deed of Covenant may be amended without the consent of the Holders of Instruments or Coupons to correct a manifest error. In addition, the parties to the Issue and Paying Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Holders of Instruments, 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 Holders of Instruments.

14. **Notices**

*To Holders of Bearer Instruments*

- 14.01 Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified herein or in the Final Terms, be deemed to be validly given if

published in a leading daily newspaper having general circulation in London (which is expected to be the Financial Times) or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe or, in the case of Instruments represented by a Temporary Global Instrument or Permanent Global Instrument, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein. The Issuer and the Guarantor shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Instruments are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or, as the case may be, on the date of such delivery to Euroclear and Clearstream, Luxembourg and/or such other clearing system. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition.

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

- 14.02 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.

#### ***To the Issuer and the Guarantor***

- 14.03 Notices to the Issuer may be delivered to the Managing Director at the specified office for the time being of the Issuer. Notices to the Guarantor may be delivered to the Deputy General Manager of Capital Markets at the specified office for the time being of the Guarantor.

#### **15. Further Issues**

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

#### **16. Currency Indemnity**

The currency in which the Instruments are denominated or, if different, payable, as specified in the Final Terms or, in the case of Instruments which have been redenominated pursuant to Condition 9F (*Redenomination*), the Euro (the "**Contractual Currency**"), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Instruments, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of an Instrument or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss

suffered by the relevant Holder of an Instrument or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

17. **Waiver and Remedies**

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

18. **Substitution; Merger, Consolidation, etc. Only on Certain Terms**

18.01 Provided the Instruments remain subject to Law 10/2014 at all times, the Guarantor or any of its Subsidiaries (as defined below) (each a "**Substitute Debtor**") may, without the consent of the Holders of any Instruments, Receipts or Coupons, assume the obligations of the Issuer (or any previous Substitute Debtor) under and in respect of any Instruments upon:

- (a) **Deed poll:** the execution of a deed poll (the "**Deed Poll**") by the Substitute Debtor and (if the Substitute Debtor is not the Guarantor) the Guarantor in a form which gives full effect to such assumption and which includes (without limitation):
  - (i) a covenant by the Substitute Debtor in favour of the Holders of the relevant Instruments to be bound by these Terms and Conditions as if it had been named herein and therein as the Issuer;
  - (ii) if the Substitute Debtor is incorporated, domiciled or resident for tax purposes in a territory other than the Kingdom of Spain, a covenant by the Substitute Debtor corresponding to the provisions of Condition 8 (*Taxation*) with the addition of such territory to the references to the Kingdom of Spain;
  - (iii) if the Substitute Debtor is not the Guarantor, a covenant by the Guarantor in favour of the Holders of the relevant Instruments guaranteeing the obligations of the Substitute Debtor under and by virtue of the Deed Poll; and
  - (iv) an acknowledgment of the right of all Holders of the relevant Instruments to the production of the Deed Poll; and
- (b) **Legal opinion:** the delivery by the Issuer to the Issue and Paying Agent of an opinion of independent legal advisers of recognised standing to the effect that:
  - (i) the Deed Poll constitutes legal, valid, binding and enforceable obligations of the Substitute Debtor and, if the Substitute Debtor is not the Guarantor, the Guarantor;
  - (ii) the relevant Instruments constitute legal, valid, binding and enforceable obligations of the Substitute Debtor; and
  - (iii) if the Substitute Debtor is not the Guarantor, the Guarantee constitutes legal, valid, binding and enforceable obligations of the Guarantor in respect of all sums from time to time payable by the Substitute Debtor in respect of the relevant Instruments.

Upon the assumption by the Substitute Debtor of the Issuer's obligations under and in respect of the relevant Instruments, and **provided that** immediately after giving effect to such assumption, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, the Issuer shall be released from such obligations and, thereafter, all references in the relevant Instruments and the Coupons to the Issuer shall be deemed to be references to the Substitute Debtor.

"**Subsidiary**" means in relation to any Person, any other Person (whether or not now existing) which is controlled directly or indirectly, or more than 50 per cent. of whose issued equity share

capital (or equivalent) is then held or beneficially owned by, the first Person and/or any one or more of the first Person's Subsidiaries, and "**control**" means the power to appoint the majority of the members of the governing body or management of, or otherwise to control the affairs and policies of, that Person.

The Deed Poll shall be deposited with and held by the Issue and Paying Agent until all the obligations of the Issuer under and in respect of the relevant Instruments have been discharged in full. Notice of the assumption by the Substitute Debtor of the Issuer's obligations under and in respect of the relevant Instruments shall promptly be given to the Holders of the relevant Instruments.

18.02 Neither the Issuer nor the Guarantor shall consolidate with or merge (which term shall include for the avoidance of doubt a scheme of arrangement) into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and neither the Issuer nor the Guarantor shall permit any Person to consolidate with or merge into the Issuer or the Guarantor or convey, transfer or lease its properties and assets substantially as an entirety to the Issuer or the Guarantor, unless:

- (i) in the case the Issuer or the Guarantor shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Issuer or the Guarantor is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Issuer or the Guarantor substantially as an entirety shall be a corporation, partnership or trust, shall be organised and validly existing, under the laws of the jurisdiction of its organisation and shall expressly assume the due and punctual payment of the principal, premium (if any) and interest due in respect of the Instruments and the performance or observance of every covenant under these Terms and Conditions on the part of the Issuer to be performed or observed and, in the case of the Guarantor, the due and punctual payment of the principal, premium (if any) and interest due in respect of the Instruments and the performance or observance of every covenant under these Terms and Conditions on the part of the Guarantor to be performed or observed;
- (ii) if the Person formed by such consolidation or into which the Issuer or the Guarantor is merged or to whom the Issuer or the Guarantor has conveyed, transferred or leased its properties or assets is a Person organised and validly existing under the laws of a jurisdiction other than the Kingdom of Spain, such Person agrees to indemnify the Holders of the Instruments against (a) any tax, assessment or governmental charge imposed on any such Holder or required to be withheld or deducted from any payment to such Holder as a consequence of such consolidation, merger, conveyance, transfer or lease; and (b) any costs or expenses of the act of such consolidation, merger, conveyance, transfer or lease;
- (iii) immediately prior to the consummation of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred;
- (iv) the consummation of such transaction must not cause an Event of Default under these Terms and Conditions or the Guarantee which the Issuer or the Guarantor, as the case may be, does not reasonably believe that can be cured within 90 days from the date of such transaction; and
- (v) the Issuer or the Guarantor has delivered to the Issue and Paying Agent a certificate signed by one director of the Issuer or one director of the Guarantor and an opinion of counsel (as defined below), each stating that such consolidation, merger, conveyance, transfer or lease comply with this Condition and that all conditions precedent herein provided for relating to such transaction have been complied with.

Upon any consolidation of the Issuer or the Guarantor with, or merger of the Issuer or the Guarantor into, any other Person or any conveyance, transfer or lease of the properties and assets of the Issuer or the Guarantor substantially as an entirety in accordance with this Condition 18.02, the successor Person formed by such consolidation or into which the Issuer or the Guarantor is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may

exercise every right and power of, the Issuer or the Guarantor, as the case may be, under these Terms and Conditions with the same effect as if such successor Person had been named as the Issuer or the Guarantor herein, as the case may be, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under these Terms and Conditions and the Instruments.

For the purposes of this Condition 18.02, "**opinion of counsel**" means a written opinion of independent legal advisers of recognised standing or internal legal counsel for the Issuer or the Guarantor.

- 18.03 For so long as Law 10/2014 applies to the Instruments, the Guarantor shall maintain direct or indirect ownership of the whole of the voting rights in respect of the shares of the Issuer or, following a substitution in accordance with Condition 18.01, the relevant Substitute Debtor.

19. **Law and Jurisdiction**

- 19.01 Save as described below, the Instruments and all non-contractual obligations arising out of or in connection with the Instruments, the Issue and Paying Agency Agreement, the Deed of Guarantee (except Clause 5 (*Status*)) and the Deed of Covenant are governed by English law. Condition 3 (*Status of the Instruments and the Guarantee*) and Clause 5 (*Status*) of the Deed of Guarantee, are governed by Spanish law.

- 19.02 The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with the Instruments (including a dispute relating to the existence, validity or termination of the Instruments or any non-contractual obligations arising out of or in connection with the Instruments or the consequences of their nullity).

- 19.03 The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

- 19.04 Condition 19.03 is for the benefit of the Holders only. As a result, nothing in this Condition 19 (*Law and Jurisdiction*) prevents any Holder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts of a Member State under the Brussels Ia Regulation (in accordance with its Chapter II, Sections 1 and 2) or of a State that is a party to the Lugano II Convention (in accordance with Title II, Sections 1 and 2) with jurisdiction, where:

"**Brussels Ia Regulation**" means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (as amended or replaced); and

"**Lugano II Convention**" means the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007 (as amended or replaced).

To the extent allowed by law, Holders may take concurrent Proceedings in any number of competent jurisdictions in accordance with this Clause 19.

- 19.05 The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Telefónica Digital Ltd., Highdown House, Yeoman Way, Worthing, West Sussex BN99 3HH, United Kingdom, or, if different, its registered office for the time being or at any address of the Issuer in England at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall forthwith appoint a further person in England to accept service of process on its behalf in England and notify the name and address of such person to the Issue and Paying Agent and, failing such appointment within 15 days, any Holder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Issue and Paying Agent. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

*The Instruments are issued in accordance with requirements prescribed by Spanish company law. On the insolvency (concurso) of the Issuer or the Guarantor, the Spanish Insolvency Law will*



*determine the ranking of the Instruments and/or the Guarantee, and will prevail over certain provisions of Terms and Conditions of the Instruments and/or the Guarantee.*

20. **Rights of Third Parties**

No person shall have any right to enforce any term or condition of any Instrument under the Contracts (Rights of Third Parties) Act 1999.

## FORM OF GUARANTEE

*The text of the Deed of Guarantee is as follows:*

**THIS GUARANTEE** is issued on 11 April 2025

**BY**

**TELEFÓNICA, S.A.** (the "**Guarantor**")

**IN FAVOUR OF** the Holders (as defined in the Terms and Conditions of the Instruments) and the Relevant Account Holders (as defined in the Deed of Covenant referred to below, and together with the Holders, the "**Beneficiaries**").

### **WHEREAS**

- (A) Telefónica Emisiones, S.A.U. (the "**Issuer**"), the Guarantor and others have established a programme (the "**Programme**") for the issuance of debt instruments, in connection with which Programme they have entered into, *inter alia*, an amended and restated issue and paying agency agreement (the "**Issue and Paying Agency Agreement**") dated 11 April 2025 and made between the Issuer, the Guarantor, The Bank of New York Mellon, London Branch as issue and paying agent (the "**Issue and Paying Agent**", which expression shall include any successor issue and paying agent) and others and the Issuer has executed and delivered a deed of covenant (the "**Deed of Covenant**") dated 11 April 2025.
- (B) Instruments will be issued on a listed basis.
- (C) The Guarantor has agreed, upon the terms set out herein, to guarantee the payment of all sums expressed to be payable from time to time by the Issuer in respect of Instruments issued under the Programme and under the Deed of Covenant as of or subsequent to the date hereof.

**NOW THIS DEED WITNESSES** as follows:

### **1. INTERPRETATION AND BENEFIT OF DEED OF GUARANTEE**

- 1.1 Unless otherwise defined herein or unless the context requires otherwise, expressions defined in the Terms and Conditions of the Instruments (the "**Conditions**" and each a "**Condition**") or the Deed of Covenant have the same meanings in this Guarantee except where the context requires otherwise or unless otherwise stated.
- 1.2 Any Instruments issued under the Programme on or after the date of this Guarantee shall have the benefit of this Guarantee (other than any Instruments issued so as to be consolidated and form a single Series with the Instruments of any Series issued up to and including the date of this Deed) but shall not have the benefit of any subsequent deed of guarantee relating to the Programme (unless expressly so provided in any such subsequent deed).
- 1.3 Any reference in this Guarantee to a Clause is, unless otherwise stated, to a clause hereof.
- 1.4 All references in this Guarantee to an agreement, instrument or other document (including the Issue and Paying Agency Agreement and the Deed of Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time.
- 1.5 Any reference in this Guarantee to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.
- 1.6 Headings and sub-headings are for ease of reference only and shall not affect the construction of this Guarantee.

## 2. **GUARANTEE AND INDEMNITY**

2.1 The Guarantor hereby unconditionally and irrevocably guarantees:

- (a) to the Holder of each Instrument the due and punctual payment of all sums expressed to be payable from time to time by the Issuer in respect of such Instrument as and when the same become due and payable and accordingly undertakes to pay to such Holder, forthwith in the manner and currency prescribed by the relevant Instrument for payments by the Issuer in respect thereof, any and every sum or sums which the Issuer is at any time liable to pay in respect of such Instrument in accordance with the Terms and Conditions of such Instruments and which the Issuer has failed to pay; and
- (b) to each Relevant Account Holder the due and punctual payment of all sums which become payable from time to time by the Issuer to such Relevant Account Holder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Relevant Account Holder, forthwith in the manner and currency prescribed by the Terms and Conditions of the relevant Instruments for payments by the Issuer thereunder, any and every sum or sums which the Issuer is at any time liable to pay to such Relevant Account Holder in respect of the Direct Rights in accordance with the Deed of Covenant and which the Issuer has failed to pay.

2.2 The Guarantor undertakes to each Beneficiary that, if any sum referred to in Clause 2.1 is not recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Instrument or the Deed of Covenant (or any provision thereof) being or becoming void, unenforceable or otherwise invalid under any applicable law), then, notwithstanding that the same may have been known to such Beneficiary, the Guarantor will, forthwith upon demand by such Beneficiary, pay such sum by way of a full indemnity in the manner and currency prescribed by such Instrument or (as the case may be) the Deed of Covenant. This indemnity constitutes a separate and independent obligation from the other obligations under this Guarantee and shall give rise to a separate and independent cause of action.

## 3. **TAXATION**

The Guarantor covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be assumed by it in Condition 8 (*Taxation*).

## 4. **PRESERVATION OF RIGHTS**

4.1 The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

4.2 The obligations of the Guarantor hereunder shall be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and, in particular but without limitation, shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Issuer's obligations under or in respect of any Instrument or the Deed of Covenant and shall continue in full force and effect until all sums due from the Issuer in respect of the Instruments and under the Deed of Covenant have been paid, and all other obligations of the Issuer thereunder or in respect thereof have been satisfied, in full.

4.3 Neither the obligations expressed to be assumed by the Guarantor herein nor the rights, powers and remedies conferred upon the Beneficiaries by this Guarantee or by law shall be discharged, impaired or otherwise affected by:

- (a) the winding up, bankruptcy (*concurso*), moratorium or dissolution of the Issuer or analogous proceeding in any jurisdiction or any change in its status, function, control or ownership;
- (b) any of the obligations of the Issuer under or in respect of any of the Instruments or the Deed of Covenant being or becoming illegal, invalid or unenforceable;
- (c) time or other indulgence being granted or agreed to be granted to the Issuer in respect of its obligations under or in respect of any of the Instruments or the Deed of Covenant;

- (d) any amendment to, or any variation, waiver or release of, any obligation of the Issuer under or in respect of any of the Instruments or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof; or
  - (e) any other act, event or omission which, but for this Clause 4.3, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries by this Guarantee or by law.
- 4.4 Any settlement or discharge between the Guarantor and any of the Beneficiaries shall be conditional upon no payment to such Beneficiaries by the Issuer or any other person on the Issuer's behalf being avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency (*concurso*) or liquidation for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.
- 4.5 No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Guarantee or by law:
- (a) to make any demand of the Issuer, other than the presentation of the relevant Instrument;
  - (b) to take any action or obtain judgment in any court against the Issuer; or
  - (c) to make or file any claim or proof in a winding up or dissolution of the Issuer,
- and, save as aforesaid, the Guarantor hereby expressly waives, in respect of each Instrument, presentment, demand, protest and notice of dishonour.
- 4.6 The Guarantor agrees that, so long as any sums are or may be owed by the Issuer in respect of the Instruments or under the Deed of Covenant or the Issuer is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any right which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:
- (a) to claim any contribution from any other guarantor of the Issuer's obligations under or in respect of the Instruments or the Deed of Covenant;
  - (b) to take the benefit (in whole or in part) of any security enjoyed in connection with any of the Instruments or the Deed of Covenant by any Beneficiary; or
  - (c) to be subrogated to the rights of any Beneficiary against the Issuer in respect of amounts paid by the Guarantor under this Guarantee.

## 5. STATUS

The Guarantor undertakes that its obligations hereunder will at all times rank as described in Condition 3 (*Status of the Instruments and the Guarantee*).

## 6. DELIVERY

A duly executed original of this Guarantee shall be delivered promptly after execution to the Issue and Paying Agent and such original shall be held to the exclusion of the Guarantor until the date on which complete performance by the Guarantor of the obligations contained in this Guarantee and in all instruments then outstanding from time to time occurs and no further Instruments can be issued under the Programme. A certified copy of this Guarantee may be obtained by any Beneficiary from the Issue and Paying Agent at its specified office at the expense of such Beneficiary. Any Beneficiary may protect and enforce his rights under this Guarantee (in the courts specified in Clause 13 (*Law and Jurisdiction*) below) upon the basis described in the Deed of Covenant (in the case of a Relevant Account Holder) and a copy of this Guarantee certified as being a true copy by a duly authorised officer of the Issue and Paying Agent without the need for production in any court of the actual records described in the Deed of Covenant or this Guarantee.

Any such certification shall be binding, except in the case of manifest error or as may be ordered by any court of competent jurisdiction, upon the Guarantor and all Beneficiaries. This Clause shall not limit any right of any Beneficiary to the production of the originals of such records or documents or this Guarantee in evidence.

7. **CONTRACTUAL CURRENCY**

If any sum due from the Guarantor under this Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under this Guarantee or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgement given or made in relation to this Guarantee, the Guarantor shall indemnify each Beneficiary on demand against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Beneficiary may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Guarantor and shall give rise to a separate and independent cause of action.

8. **TERMS AND CONDITIONS OF THE INSTRUMENTS**

The Guarantor hereby undertakes to comply with and be bound by those provisions of the Conditions which relate to it or which are expressed to relate to it.

9. **BENEFIT OF GUARANTEE**

- 9.1 This Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.
- 9.2 The obligations expressed to be assumed by the Guarantor herein shall enure for the benefit of each Beneficiary, and each Beneficiary shall be entitled severally to enforce such obligations against the Guarantor.
- 9.3 The Guarantor may not assign or transfer all or any of its rights, benefits or obligations hereunder.
- 9.4 Any Instruments issued under the Programme on or after the date of this Guarantee shall have the benefit of this Guarantee but shall not have the benefit of any subsequent deed of guarantee relating to the Programme (unless expressly so provided in any such subsequent deed).

10. **PARTIAL INVALIDITY**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

11. **MODIFICATION**

This Guarantee may be modified by the Guarantor in respect of the Instruments of any Series with the sanction of an Extraordinary Resolution of Holders of the Instruments of such Series.

## 12. NOTICES

- 12.1 All communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

Address: Distrito Telefónica  
Edificio Central  
c/ Ronda de la Comunicación, s/n  
28050 Madrid  
Spain

Fax: +34 91 727 1397  
Email: [Francois.Decleve@telefonica.com](mailto:Francois.Decleve@telefonica.com)  
Attention: Francois Decleve

or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the Holders of the Instruments in the manner prescribed for the giving of notices in connection with the Instruments.

- 12.2 Every communication sent in accordance with Clause 12.1 shall be effective upon receipt by the Guarantor; and **provided, however, that** any such notice or communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

## 13. LAW AND JURISDICTION

- 13.1 This Guarantee and all non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law. The status of this Guarantee is governed by Spanish Law.

- 13.2 The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with this Guarantee (including a dispute relating to non-contractual obligations arising from or in connection with this Guarantee, or a dispute regarding the existence, validity or termination of this Guarantee) or the consequences of its nullity.

- 13.3 The Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

- 13.4 Notwithstanding Clause 13.2, the Beneficiaries may take proceedings relating to a Dispute ("**Proceedings**") in any other courts of a Member State under the Brussels Ia Regulation (in accordance with its Chapter II, Sections 1 and 2) or of a State that is a party to the Lugano II Convention (in accordance with Title II, Sections 1 and 2) with jurisdiction, where:

"**Brussels Ia Regulation**" means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (as amended or replaced); and

"**Lugano II Convention**" means the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007 (as amended or replaced).

To the extent allowed by law, the Beneficiaries may take concurrent Proceedings in any number of competent jurisdictions in accordance with this Clause 13.

- 13.5 The Guarantor agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Telefónica Digital Ltd., Highdown House, Yeoman Way, Worthing, West Sussex BN99 3HH, United Kingdom, or, if different, its registered office for the time being or at any address of the Guarantor in England at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Guarantor, the Guarantor shall, on the written demand of any Beneficiary addressed and delivered to the Guarantor appoint a further person in England to accept service of process on its behalf and, failing such appointment

within 15 days, any Beneficiary shall be entitled to appoint such a person by written notice addressed to the Guarantor and delivered to the Guarantor or to the specified office of the Issue and Paying Agent. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

**IN WITNESS** whereof this Guarantee has been executed as a deed by the Guarantor and is intended to be and is hereby delivered on the date first above written.

**EXECUTED** as a deed )  
By **TELEFÓNICA, S.A.** )  
acting by: )

## FORM OF FINAL TERMS

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

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

**[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is [eligible counterparties and professional clients only, each defined in [Directive 2014/65/EU (as amended, "**MiFID II**")/MiFID II]]; and (ii) [all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

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

**[Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Instruments are ["prescribed capital



markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

**Final Terms dated [•]**

**TELEFÓNICA EMISIONES, S.A.U.**

**LEI: 549300Y5MFC4SW5Z3K71**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments][ESG Instruments]  
Unconditionally and Irrevocably Guaranteed by TELEFÓNICA, S.A.  
under the EUR 40,000,000,000 Programme for the Issuance of Debt Instruments**

## **PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth on pages 24 to 75, inclusive, of the Base Prospectus dated 11 April 2025 [and the supplement(s) to it dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 8.4 of the Prospectus Regulation. These Final Terms contain the final terms of the Instruments and must be read in conjunction with such Base Prospectus.

Full information on the Issuer, the Guarantor and the offer of the Instruments described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement(s) to it] [is] [are] available for viewing at [www.telefonica.com](http://www.telefonica.com) and copies may be obtained from Gran Vía, 28, 28013 Madrid (being the registered office of the Issuer), at the offices of The Bank of New York Mellon, London Branch at 160 Queen Victoria Street, London, EC4V 4LA, and at the offices of The Bank of New York Mellon SA/NV, Luxembourg Branch at Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg.]

[Terms used herein shall be deemed to be defined as such for the purposes of the [2005/2006/2009/2010/2011/2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2022/2023/2024] Conditions (the "**Conditions**") incorporated by reference in the base prospectus dated [8 July 2005/5 July 2006/3 July 2009/23 June 2010/20 June 2011/12 June 2012/12 June 2013/10 June 2014/5 June 2015/13 September 2016/29 June 2017/19 June 2018/12 April 2019/14 April 2020/15 April 2021/6 April 2022/11 April 2023/11 April 2024]. This document constitutes the Final Terms relating to the issue of Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 11 April 2025 [and the supplement(s) to it dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes the Prospectus Regulation, save in respect of the Conditions which are set forth in the base prospectus dated [•] and are incorporated by reference in the Base Prospectus.

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

Full information on the Issuer, the Guarantor and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 11 April 2025 [and the supplement(s) to it dated [•] and [•]]. The Base Prospectuses [and the supplement(s) to it] are available for viewing at [www.telefonica.com](http://www.telefonica.com) and copies may be obtained from Gran Vía, 28, 28013 Madrid (being the registered office of the Issuer), at the offices of The Bank of New York Mellon, London Branch at 160 Queen Victoria Street, London, EC4V 4LA, and at the offices of The Bank of New York Mellon SA/NV, Luxembourg Branch at Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg.]

- |    |       |                 |                              |
|----|-------|-----------------|------------------------------|
| 1. | (i)   | Issuer:         | Telefónica Emisiones, S.A.U. |
|    | (ii)  | Guarantor:      | Telefónica, S.A.             |
| 2. | (i)   | Series Number:  | [•]                          |
|    | [(ii) | Tranche Number: | [•]]                         |

- [(iii) Date on which the Instruments become fungible: [Not Applicable/The Instruments shall be consolidated, form a single series and be interchangeable for trading purposes with the [•]on [[•]/the Issue Date/exchange of the Temporary Global Instrument for interests in the Permanent Global Instrument, as referred to in paragraph 23 below [which is expected to occur on or about [•]]]
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount: [[•]]
- [(i)] [Series]: [•]
- [(ii) Tranche: [•]]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•] (if applicable)]
6. (i) Specified Denominations: [•]
- (ii) Calculation Amount: [•]
7. (i) Trade Date: [•]
- (ii) Issue Date: [•]
- (iii) Interest Commencement Date: [[•]/Issue Date/Not Applicable]
8. Maturity Date: [•]/[Interest Payment Date falling in or nearest to [•]]
9. Interest Basis: [•] per cent. Fixed Rate]
- [[•] month [EURIBOR/SONIA/SOFR/€STR]+/-[•] per cent. Floating Rate]
- (See paragraph [14/15] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Instruments will be redeemed on the Maturity Date at [[•]/[100]] per cent. of their nominal amount
- (N.B. The scheduled redemption amount at maturity will be at least 100 per cent. of the principal amount of the Instruments)*
11. Put/Call Options: [Put Option]/[Not Applicable]
- [Call Option]/[Not Applicable][See paragraph [16/17] below]
12. (i) Status of the Instruments: [Senior/Subordinated]
- (ii) Status of the Guarantee: [Senior/Subordinated]
- [(iii)] [Date [Board] approval for issuance of Instruments obtained: [•] [and [•], respectively]]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Instrument Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [•] per cent. *per annum* [payable [annually/ semi-annually/quarterly/monthly] in arrear]
  - (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Additional Business Centre(s)]]/[not adjusted]
  - (iii) Fixed Coupon Amount[(s)]: [[•] per Calculation Amount]/[Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Instruments and to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong dollar denominated Fixed Rate Instruments, being rounded upwards]
  - (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] / [Not applicable]
  - (v) Day Count Fraction: [Actual/Actual (ICMA) / Actual/Actual (/ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
14. **Floating Rate Instrument Provisions** [Applicable/Not applicable]
- (i) Interest Period End Date(s): [•] / [As specified in the Conditions]
  - (ii) Specified Period: [[•]/Not Applicable]
  - (iii) Interest Payment Dates: [Not Applicable]/[Interest shall be payable [annually/semi-annually/quarterly/monthly] in arrear on [•], [•], [•] and [•]] in each year commencing on [•], up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below]
  - (iv) First Interest Payment Date: [[•]/Not Applicable]
  - (v) Business Day Convention: [FRN Convention/ Eurodollar Convention / Following Business Day Convention/ Modified Following Business Day Convention/ Modified Business Day Convention Preceding Business Day Convention/ No Adjustment]
  - (vi) Additional Business Centre(s): [[•]/Not Applicable]
  - (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]

- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issue and Paying Agent): [•] shall be the Calculation Agent
- (ix) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [[•] month  
[EURIBOR/SONIA/SOFR/€STR/SONIA  
compounded Index/SOFR Compounded Index]
  - Observation Method: [Lag / Observation Shift]
  - Lag Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
  - Observation Shift Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]
- (NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- D: [360/365/[ ]] / [Not Applicable]
  - Index Determination [Applicable/Not Applicable]
  - SONIA Compounded Index [Applicable/Not Applicable]
  - SOFR Compounded Index [Applicable/Not Applicable]
  - Relevant Decimal Place [ ] [5/7] *(unless otherwise specified in the Final Terms, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index)*
  - Relevant Number of Index Days [ ] [5] *(unless otherwise specified in the Final Terms, the Relevant Number shall be 5)*
  - Interest Determination Date(s): [•]
  - Relevant Screen Page: [•]
  - Relevant Time: [•]
  - Relevant Financial Centre: [•]
- (x) ISDA Determination: [Applicable/Not Applicable]
- ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]

- Floating Rate [•]  
Option:
- Designated [•]  
Maturity:
- Reset Date: [•]
- Compounding: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
  - Compounding Method: [Compounding with Lookback  
Lookback: [•] Applicable Business Days  
  
[Compounding with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business Days  
  
Observation Period Shift Additional Business Days: [•] / [Not Applicable]]  
  
[Compounding with Lockout  
Lockout: [•] Lockout Period Business Days  
  
Lockout Period Business Days: [•]/[Applicable Business Days]]
- Averaging [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
  - Averaging Method: [Averaging with Lookback  
    - Lookback: [•] Applicable Business Days]
[Averaging with Observation Period Shift  
    - Observation Period Shift: [•] Observation Period Shift Business Days
    - Observation Period Shift Additional Business Days: [[•]/Not Applicable]]
[Averaging with Lockout  
    - Lockout: [•] Lockout Period Business Days
    - Lockout Period Business Days: [[•]/Applicable Business Days]]
- Index Provisions: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
  - Index Method: Compounded Index Method with Observation Period Shift

		Observation Period Shift: [•] Observation Period Shift Business days
		Observation Period Shift Additional Business Days: [•] / [Not Applicable]
(xi)	[Linear Interpolation:	Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )]
(xii)	Margin(s):	[+/-][•] per cent. <i>per annum</i>
(xiii)	Minimum Rate of Interest:	[•] per cent. <i>per annum</i>
(xiv)	Maximum Rate of Interest:	[•] per cent. <i>per annum</i>
(xv)	Day Count Fraction:	[Actual/Actual (ICMA) / Actual/Actual (/ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/ 360 / 30E/360 (ISDA)]

## PROVISIONS RELATING TO REDEMPTION

15.	<b>Call Option</b>	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[•]
(ii)	Optional Redemption Amount(s) of each Instrument:	[[•] per Calculation Amount/Make-Whole Amount]
(iii)	If redeemable in part:	[Applicable/Not Applicable]
(iv)	Calculation Agent:	[•]
(v)	Reference Bond:	[[•]/FA Selected Bond/Not Applicable]
(vi)	Quotation Time:	[•]
(vii)	Redemption Margin:	[[•] per cent.][Not Applicable]
16.	<b>Put Option</b>	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[•]
(ii)	Optional Redemption Amount(s) of each Instrument:	[•] per Calculation Amount
17.	<b>Final Redemption Amount of each Instrument</b>	[•] per Calculation Amount
18.	<b>Early Redemption Amount</b>	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[Not applicable/[•] per Calculation Amount]

19. **Early Termination Amount** [Not applicable/[•] per Calculation Amount]
20. **Redemption following Substantial Purchase Event** a [Applicable/Not Applicable]

Substantial Purchase Event [•] per cent.  
Threshold:

21. **Residual Maturity Call Option** [Applicable/Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

22. **Form of Instruments:** **[Bearer Instruments:**  
[Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument]  
[Temporary Global Instrument exchangeable for Definitive Instruments on [•] days' notice]  
[Permanent Global Instrument exchangeable for Definitive Instruments on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument]  
**[Registered Instruments]**
23. New Global Instrument: [Yes]/[No]
24. Relevant Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/[•]]
25. Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): [No.] / [Yes. As the Instruments have more than 27 Coupon payments, Talons may be required if, on exchange into definitive form, more than 27 Coupon payments are still to be made.]
26. Details relating to Instalment Instruments: amount of each instalment, date on which each payment is to be made: [Not Applicable/[•]]
27. Redenomination, renominatisation and reconventioning provisions: [Not applicable/The provisions in Condition 9F (*Redenomination*) apply/ The provisions in Condition 9G (*Exchangeability*) apply]
28. Instruments where the Specified Currency is Renminbi: Party responsible for calculating the Spot Rate: [•] shall be the Calculation Agent
29. Commissioner: [Not Applicable/[•] (*specify for fungible issuances, if applicable*)]

**SIGNED** on behalf of  
**TELEFÓNICA EMISIONES, S.A.U.:**

By: .....  
Duly authorised

**SIGNED** on behalf of  
**TELEFÓNICA, S.A.:**

By: .....  
Duly authorised



## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Admission to trading [[Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on the regulated market of The Irish Stock Exchange plc, trading as Euronext Dublin, with effect from [•]]
- (ii) Estimate of total expenses related to admission to trading: [•]

### 2. RATINGS

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

[Standard & Poor's: [•]]

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

*[ratings definitions to be included if not as per the Base Prospectus]*

***Option 1 - CRA established in the EEA and registered under the EU CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"). *[[Insert legal name of particular credit rating agency entity providing rating]* appears on the latest update of the list of registered credit rating agencies (as of *[insert date of most recent list]*) on the ESMA website <http://www.esma.europa.eu>]. [The rating *[Insert legal name of particular credit rating agency entity providing rating]* has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] */[[Insert legal name of particular credit rating agency entity providing rating]* has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the

European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation** ").]/ *[[Insert legal name of particular credit rating agency entity providing rating]* has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK).]

***Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the CRA Regulation (UK)***

*[[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and has applied for registration under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] /*[[European Securities and Markets Authority]*. *[[Insert legal name of particular credit rating agency entity providing rating]* appears on the latest update of the list of registered credit rating agencies (as of *[[insert date of most recent list]*) on the ESMA website <http://www.esma.europa.eu>]. [The rating *[[Insert legal name of particular credit rating agency entity providing rating]* has given to the Notes is endorsed by *[[insert legal name of credit rating agency]*, which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**CRA Regulation (UK)**").] /*[[ Insert legal name of particular credit rating agency entity providing rating]* has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**CRA Regulation (UK)**").] /*[[Insert legal name of particular credit rating agency entity providing rating]* has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**CRA Regulation (UK)**") and the rating it has given to the Notes is not endorsed by a credit

rating agency established in the UK and registered under the CRA Regulation (UK).]

***Option 3 - CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu>]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation (UK)**").] /[[ Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

***Option 4 - CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of

domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**UK CRA Regulation**").  
 [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the FCA website: <https://data.fca.org.uk/#/cra/cradetails>. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes to be issued under the Programme is endorsed by [*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").] [*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").] [*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as amended (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

***Option 5 - CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation (EU) AND/OR under the CRA Regulation (UK)***

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but the rating it has given to the Notes to be issued under the Programme is endorsed by [*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**") [and] [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**UK CRA Regulation**")].

***Option 6 - CRA not established in the EEA or the UK and relevant rating is not endorsed under the CRA Regulation (EU) or the CRA Regulation (UK) but CRA is certified under the CRA Regulation (EU) AND/OR under the CRA Regulation (UK)***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but is certified under [Regulation (EC) No 1060/2009, as amended (the "EU CRA Regulation")][and][ Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRA Regulation")].

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.]/[•]/[Not Applicable]

4. **[REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Estimated Net Proceeds: [•]

[An amount equal to the net proceeds of the issuance of the Instruments will be allocated to [•]]/[Not Applicable]]

[An amount equal to the net proceeds of the issuance of the Instruments will be allocated to Eligible Projects]/ [Include further description if necessary]/[Not Applicable]]

5. **[Fixed Rate Instruments only – YIELD**

Indication of yield: [•] per cent. per annum

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

6. **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/[•]]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s): [•]

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

Relevant Benchmark[s]: [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof,

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

7. **DISTRIBUTION**

- |       |  |   |
|-------|--|---|
| (i)   | US Selling Restrictions                      | Reg. S Compliance Category 2 [TEFRA C/TEFRA D/TEFRA Not Applicable] |
| (ii)  | Prohibition of Sales to EEA Retail Investors | [Applicable/Not Applicable]   |
| (iii) | Prohibition of Sales to UK Retail Investors  | [Applicable/Not Applicable]   |

**[THIRD PARTY INFORMATION]**

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

## USE OF PROCEEDS

An amount equal to the net proceeds of the issue of each Tranche of Instruments will either be applied by the Issuer, the Guarantor and/or the Group to (i) meet part of their general financing requirements or (ii) to finance and/or refinance, in whole or in part, subject to specific eligibility criteria to be applied to new or existing projects, eligible projects ("**Eligible Projects**") as detailed in Telefónica's Sustainable Financing Framework (the "**Sustainable Financing Framework**") dated July 2023. The Sustainable Finance Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus. The Sustainability Financing Framework is in accordance with the Green Bond Principles 2021, Social Bond Principles 2023, Sustainability Bond Guidelines 2021, as well as the Green Loan Principles and Social Loan Principles both dated 2023, sponsored by the International Capital Market Association (ICMA), the Loan Market Association (LMA), the Loan Syndications and Trading Association (LSTA) and the Asia Pacific Loan Market Association (APLMA), respectively.

The Sustainable Financing Framework is available at:

<https://www.telefonica.com/es/wp-content/uploads/sites/4/2023/07/Telefonica-Framework-Green-Social-Bonds-20230731.pdf>

The Second Party Opinion from Sustainalytics B.V. dated 26 July 2023 (the "**Second Party Opinion**") is available at:

<https://www.telefonica.com/es/wp-content/uploads/sites/4/2023/07/Telefonica-SDG-Framework-Second-Party-Opinion-20230731.pdf>

Some examples of green Eligible Projects according to the Sustainable Financing Framework are:

- Energy efficiency of Telefónica's network infrastructure
- Transformation and modernisation of telecommunication networks, both fixed (fiber) and mobile (i.e., 5G), including devices and systems supporting the deployment and operation of these telecommunications networks and their interoperability.
- Improvement of supporting infrastructure with a view to making it more efficient (including but not limited to: free cooling systems, cooling optimisation, power modernisation, smart management, intelligent lighting or optimisation of power storage). This also includes digital process transformation, such as automatisisation of maintenance processes.
- Software aimed at reducing power consumption, such as, but not limited to, power saving features, servers virtualisation, remote and data management applications, machine learning and artificial intelligence applications.
- Renewable energy:
- Self-generation of electricity from renewable sources such as solar, wind, mini-hydro and geothermal (excluding hydro over 25 megawatts and geothermal with life cycle greenhouse gas emissions > 100 grams of carbon dioxide per kilowatt hour).
- Purchase of renewable energy pursuant to long-term power purchase agreements (minimum of 5 years) and tied to Telefónica's specific and identifiable renewable energy projects.
- Data-driven solutions:
- Development and implementation of digital products and services, based on but not limited to technologies like IoT, Big Data or artificial intelligence, with a focus on saving energy and/or natural resources.

The list of eligibility criteria within the Sustainable Financing Framework may be further updated as new technologies develop and other circumstances evolve.

Eligible Projects refer to new investments made after issuance as well as the refinancing of any existing projects financed up to 36 months prior to issuance of the Instruments.

A sustainable financing committee (the "**Sustainable Financing Committee**") will monitor the project selection and evaluation process as per the eligibility criteria set out in the Sustainable Financing Framework. This committee will be composed of senior management representatives from Telefónica's Finance, Sustainability and Control departments alongside representatives from other key technical areas.

The Sustainable Financing Committee will be responsible for:

- Review and validation of the selection of Eligible Projects based on the defined eligible categories listed above.
- Monitoring the Eligible Projects portfolio during the life of the Instruments. The Sustainable Financing Committee can decide to replace an Eligible Projects if it no longer meets the eligibility criteria.
- Management of any future updates to the Sustainable Financing Framework.
- Overseeing of, and validating, the allocation and impact reporting.

Telefónica may amend or update the Sustainable Financing Framework in the future. Any change to the Sustainable Financing Framework would be publicly announced. The Sustainable Financing Framework, including any changes thereto, will be available on <https://www.telefonica.com/en/shareholders-investors/rating/sustainable-finance/>.

For the avoidance of doubt, neither the Sustainable Financing Framework nor the Second Party Opinion are, nor shall either of them be deemed to be, incorporated in, and/or form part of, this Base Prospectus.



**TELEFÓNICA EMISIONES, S.A.U.**

Prospective investors should refer to "*Telefónica Emisiones, S.A.U.*" on pages 126 to 127 of the Subordinated Notes Programme Base Prospectus.

**TELEFÓNICA, S.A.**

Prospective investors should refer to "*Telefónica, S.A.*" on pages 128 to 157 of the Subordinated Notes Programme Base Prospectus.

## TAXATION AND DISCLOSURE OF INFORMATION IN CONNECTION WITH PAYMENTS

The tax laws of the investor's Member State and of the Issuer's and Guarantor's Member State of incorporation might have an impact on the income received from any Instruments. Prospective purchasers of Instruments should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Instruments and receiving payments of interest, principal and/or other amounts under the Instruments and the consequences of such actions under the tax laws of those countries.

*The information provided below does not purport to be a complete summary of tax law and practice applicable in the Kingdom of Spain as at the date of this Base Prospectus and is subject to any changes in law and the administrative interpretation and application thereof, which could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Instruments, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors should consult with their own professional advisers.*

*Also prospective investors should note that the appointment by an investor in Instruments, or any person through which an investor holds Instruments, of a custodian, collection agent or similar person in relation to such Instruments in any jurisdiction may have tax implications. Prospective investors should consult their own tax advisors in relation to the tax consequences for them of any such appointment.*

### Taxation in the Kingdom of Spain

#### Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Base Prospectus:

- (a) of general application, First Additional Provision of Law 10/2014, of 26 June on the regulation, supervision and solvency of credit entities ("**Law 10/2014**") and Royal Decree 1065/2007 of 27 July as amended, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes ("**Royal Decree 1065/2007**");
- (b) for individuals with tax residency in Spain who are personal income tax ("**Personal Income Tax**") tax payers, Law 35/2006, of 28 November on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law (the "**Personal Income Tax Law**") as amended and Royal Decree 439/2007, of 30 March promulgating the Personal Income Tax Regulations as amended, along with Law 19/1991, of 6 June on Wealth Tax as amended, Law 29/1987, of 18 December on Inheritance and Gift Tax as amended and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes (the "**Solidarity Tax Law**");
- (c) for legal entities resident for tax purposes in Spain which are corporate income tax ("**Corporate Income Tax**") taxpayers, Law 27/2014, of 27 November and Royal Decree 634/2015, of 10 July promulgating the corporate income tax regulations (the "**Corporate Income Tax Regulations**"); and
- (d) for individuals and legal entities who are not resident for tax purposes in Spain and are non-resident income tax ("**Non-Resident Income Tax**") taxpayers, Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the Non-Resident Income Tax Law, as amended and Royal Decree 1776/2004, of 30 July promulgating the Non-Resident Income Tax Regulations, along with Law 19/1991, of 6 June on Wealth Tax as amended, Law 29/1987, of 18 December on Inheritance and Gift Tax, as amended and the Solidarity Tax Law.

Whatever the nature and residence of the holder of a beneficial interest in the Instruments (a "**Holder**"), the acquisition and transfer of the Instruments will be exempt from indirect taxes in Spain, for example it will be exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from value added tax, in accordance with Law 37/1992, of 28 December regulating such tax.

## 1. **Individuals with Tax Residency in Spain**

### 1.1 ***Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)***

Payments of both interest periodically received and income deriving from the transfer, redemption, repayment or exchange of the Instruments constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and must be included in each Holder's Personal Income Tax savings taxable base pursuant to the provisions of the aforementioned law, and taxed according to the then-applicable rate. The savings taxable base is currently subject to the rate of 19 per cent. up to EUR 6,000.00, 21 per cent. for taxable income between EUR 6,000.01 and EUR 50,000.00, 23 per cent. for taxable income between EUR 50,000.01 and EUR 200,000.00, 27 per cent. for taxable income between EUR 200,000.01 and EUR 300,000.00 and 30 per cent. for taxable income in excess of EUR 300,000.00.

No withholding on account of Personal Income Tax will be imposed on interest as well as on income derived from the redemption or repayment of the Instruments by individual Holders subject to Personal Income Tax, **provided that** certain requirements are met (including that the Instruments are listed in a regulated market, multilateral trading facility or other organised market and the Issue and Paying Agent provides the Issuer and the Guarantor, in a timely manner, with a duly executed and completed Payment Statement). See "*Information about the Instruments in Connection with Payments*".

If the Issue and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold the relevant percentage (19 per cent. as of the date of this Base Prospectus) and will not pay additional amounts with respect to any such withholding.

In any event, the individual Holder may credit the withholding against his or her Personal Income Tax liability for the relevant year.

### 1.2 ***Reporting Obligations***

The Issuer and the Guarantor will comply with the reporting obligations set out in the Spanish tax laws with respect to Holders who are individual residents in Spain for tax purposes.

### 1.3 ***Wealth Tax and Solidarity Tax (Impuesto sobre el Patrimonio e Impuesto Temporal de Solidaridad de las Grandes Fortunas)***

Individuals with tax residency in Spain that hold Instruments at 31 December of any year are subject to Spanish Wealth Tax to the extent that their net worth exceeds a certain limit. This limit has been set at EUR 700,000. Therefore, they should take into account the average market value of the Instruments during the last quarter of the year and the applicable rates ranging between 0.2 per cent. and 3.5 per cent. The autonomous communities may have different provisions and additional relief in this respect.

In addition, the solidarity provisional wealth tax for high-net-worth individuals (the so-called "**Solidarity Tax**") was approved in December 2022 by the Solidarity Tax Law. The Solidarity Tax is a direct and personal tax that complements the Wealth Tax in which the taxable event is a natural person's ownership of at least EUR3 million in net assets on 31 December of each year.

The rates of the Solidarity Tax are (i) 1.7 per cent. on a net worth between EUR 3 million and EUR 5,347,998.03, (ii) 2.1 per cent. on a net worth between EUR 5,347,998.04 and EUR 10,695,996.06 and (iii) 3.5 per cent. on a net worth of more than EUR 10,695,996.06. Note that the Solidarity Tax Law lays down a minimum exempt amount of EUR 700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, is greater than EUR 3.7 million. The Solidarity Tax Law allows the Spanish Wealth Tax amount payable to be deducted from the Solidarity Tax.

Whilst the Solidarity Tax was initially established for a 2-year period (2022 and 2023), it has been extended indefinitely.

1.4 ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Individuals with tax residency in Spain who acquire ownership or other rights over any Instruments by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with the applicable Spanish regional or state rules. The applicable tax rates as at the date of this Base Prospectus range between 7.65 per cent. and 34 per cent. Relevant factors applied (such as previous net wealth or family relationship among transferor and transferee) do determine the final effective tax rate that range between 0 per cent. and 81.6 per cent. as at the date of this Base Prospectus.

2. **Legal Entities with Tax Residency in Spain**

2.1 ***Corporate Income Tax (Impuesto sobre Sociedades)***

Payments of both interest periodically received and income deriving from the transfer, redemption or repayment of the Instruments must be included in the profit and taxable income of legal entities with tax residency in Spain for Corporate Income Tax purposes in accordance with the rules for Corporate Income Tax. The current general tax rate is 25 per cent.

No withholding on account of Corporate Income Tax will be imposed on interest as well as on income derived from the redemption or repayment of the Instruments paid to Spanish CIT holder of Instruments, **provided that** certain requirements are met (including that the Instruments are listed in a regulated market, multilateral trading facility or other organised market and the Issue and Paying Agent provides the Issuer and the Guarantor, in a timely manner, with a duly executed and completed Payment Statement). See "*Information about the Instruments in Connection with Payments*".

If the Issue and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold the relevant percentage (19 per cent. as of the date of this Base Prospectus) and will not pay additional amounts with respect to any such withholding.

In any event, legal entities with tax residency in Spain Holders may credit the withholding against their Corporate Income Tax liability for the relevant year.

2.2 ***Reporting Obligations***

The Issuer and the Guarantor will comply with the reporting obligations set out in the Spanish tax laws with respect to Holders who are legal persons or entities resident in Spain for tax purposes.

2.3 ***Wealth Tax (Impuesto sobre el Patrimonio)***

Spanish resident legal entities are not subject to Wealth Tax.

2.4 ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Legal entities with tax residency in Spain which acquire ownership or other rights over the Instruments by inheritance, gift or legacy are not subject to Inheritance and Gift Tax and must include the market value of the Instruments in their taxable income for Spanish Corporate Income Tax purposes.

3. **Individuals and Legal Entities with no tax residency in Spain**

3.1 ***Non-resident Income Tax (Impuesto sobre la Renta de No Residentes)***

(a) *Non-Spanish tax resident investors acting through a permanent establishment in Spain*

Ownership of the Instruments by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Instruments form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, such permanent establishment will be subject to Non-Resident Income Tax on similar terms as those previously set out for Spanish Corporate Income Tax taxpayers.

(b) *Non-Spanish tax resident investors not acting through a permanent establishment in Spain*

Both interest payments periodically received and payments of income deriving from the transfer, redemption or repayment of the Instruments, obtained by individuals or legal entities without tax residency in Spain who are not resident in Spain for tax purposes and do not act, with respect to the Instruments, through a permanent establishment in Spain are exempt from Non-Resident Income Tax and therefore no withholding on account of Non-Resident Income Tax shall be levied on such income provided certain requirements are met.

In order to be eligible for the exemption from Non-Resident Income Tax, certain requirements must be met, including the Instruments are listed in a regulated market, multilateral trading facility or other organised market and the provision by the Issue and Paying Agent of certain information relating to the Instruments, in a timely manner as detailed under "*Information about the Instruments in Connection with Payments*" as laid down in section 44 of Royal Decree 1065/2007, as amended. If the Issue and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold the relevant percentage (19 per cent. as of the date of this Base Prospectus) and will not pay additional amounts with respect to any such withholding.

Holders of Instruments not resident in Spain for tax purposes and entitled to exemption from Non-Resident Income Tax but, in respect of whose Instruments, the Issuer and the Guarantor do not receive information from the Issue and Paying Agent in a timely manner as detailed under "*Information about the Instruments in Connection with Payments*", would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish Non-Resident Income Tax law.

3.2 ***Wealth Tax and Solidarity Tax (Impuesto sobre el Patrimonio e Impuesto Temporal de Solidaridad de las Grandes Fortunas)***

Spanish non-resident tax individuals will be subject to Spanish Wealth Tax, which imposes a tax on property and rights in excess of EUR 700,000 that are located in Spain, or can be exercised within the Spanish territory, on the last day of any year.

However, to the extent that income derived from the Instruments is exempt from Non-Resident Income tax, individual Holders not resident in Spain for tax purposes who hold Instruments on the last day of any year will be exempt from Spanish Wealth Tax. Furthermore, Holders who benefit from a convention for the avoidance of double taxation with respect to wealth tax that provides for taxation only in the Holder's country of residence will not be subject to Spanish Wealth Tax.

If the provisions of the foregoing paragraph do not apply, non-Spanish tax resident individuals whose net worth related to property located, or rights that can be exercised, in Spain is above EUR 700,000 and who hold Instruments on the last day of any year, would therefore be subject to Spanish Wealth Tax for such year at marginal rates varying between 0.2 per cent. and 3.5 per cent. of the average market value of the Instruments during the last quarter of such year. Non-Spanish tax resident individuals may apply the rules approved by the autonomous region where the assets and rights with more value are situated. As such, prospective investors should consult their tax advisers.

In addition, the Solidarity Tax was approved in December 2022 by the Solidarity Tax Law. The Solidarity Tax is a direct and personal tax, that applies, in general terms and under certain conditions, to those Non-Spanish tax resident individuals whose properties and rights are located in Spain, or that can be exercised within the Spanish territory on 31 December of each year.

The rates of the Solidarity Tax are (i) 1.7 per cent. on a net worth between EUR 3 million and EUR 5,347,998.03, (ii) 2.1 per cent. on a net worth between EUR 5,347,998.04 and EUR 10,695,996.06 and (iii) 3.5 per cent. on a net worth of more than EUR 10,695,996.06. Prospective investors are advised to seek their own professional advice in this regard. Note that the Solidarity Tax Law lays down a minimum exempt amount of EUR 700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, is greater than EUR 3.7 million. The

Solidarity Tax Law allows the Spanish Wealth Tax amount payable to be deducted from the Solidarity Tax.

Whilst the Solidarity Tax was initially established for a 2-year period (2022 and 2023), it has been extended indefinitely.

Non-Spanish resident legal entities are not subject to Wealth Tax nor to the Solidarity Tax.

### 3.3 ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Individuals who do not have tax residency in Spain who acquire ownership or other rights over the Instruments by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a convention for the avoidance of double taxation in relation to Inheritance and Gift Tax will be subject to the relevant convention for the avoidance of double taxation.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to Inheritance and Gift Tax in accordance with the applicable Spanish regional and state legislation, to the extent that rights deriving from the Instruments can be exercised within the Spanish territory. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities which acquire ownership or other rights over the Instruments by inheritance, gift or legacy are not subject to Inheritance and Gift Tax. They will be subject to Non-Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

## 4. **Tax Rules for payments made by the Guarantor**

Payments made by the Guarantor to Holders will be subject to the same tax rules previously set out for payments made by the Issuer.

## 5. **Information about the Instruments in Connection with Payments**

As described above, interest and other income paid with respect to the Instruments will not be subject to Spanish withholding tax unless the Issue and Paying Agent fails or for any reason is unable to provide the Issuer and the Guarantor, in a timely manner, with the information described in Exhibit I of this Base Prospectus.

The information obligations to be complied with in order to apply the exemption are those laid down in Section 44 of Royal Decree 1065/2007, as amended.

In accordance with Section 44.5, before the close of business on the Business Day (as defined in the Terms and Conditions of the Instruments) immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Instruments (each, a "**Payment Date**") is due, the Issuer and the Guarantor must receive from the Issue and Paying Agent the following information about the Instruments:

- (a) the identification of the Instruments with respect to which the relevant payment is made;
- (b) the date on which the relevant payment is made;
- (c) the total amount of the relevant payment;
- (d) the amount of the relevant payment paid to each entity that manages a clearing and settlement system for securities situated outside of Spain (such as Euroclear and Clearstream).

In particular, the Issue and Paying Agent must certify the information above about the Instruments by means of a certificate, the form of which is attached as Exhibit I of this Base Prospectus.

In light of the above, the Issuer, the Guarantor and the Issue and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Instruments by the close of business on the Business Day immediately preceding each relevant Payment Date. If,

despite these procedures, the relevant information is not received by the Issuer and the Guarantor on each Payment Date, the Issuer will withhold tax at the then-applicable rate (as at the date of this Base Prospectus, 19 per cent.) from any payment in respect of the relevant Instruments. Neither the Issuer nor the Guarantor will pay any additional amounts with respect to any such withholding.

Notwithstanding the above, if, before the tenth calendar day of the month following the month in which the relevant income is paid, the Issuer and Paying Agent provides the required information, the Issuer will reimburse the amounts withheld. In addition, Holders may apply directly to the Spanish tax authorities for any refund to which they may be entitled.

Prospective Holders should note that none of the Issuer, the Guarantor or the Dealers accepts any responsibility relating to the procedures established for the collection of information concerning the Instruments. Accordingly, none of the Issuer, the Guarantor or the Dealers will be liable for any damage or loss suffered by any Holder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective. Moreover, neither the Issuer nor the Guarantor will pay any additional amounts with respect to any such withholding. See "*Risk Factors - Risks relating to Withholding*".

*The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.*



## EXHIBIT 1

**Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007**

**Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos**

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

**Don (nombre), con número de identificación fiscal (...)<sup>(1)</sup>, en nombre y representación de (entidad declarante), con número de identificación fiscal (...)<sup>(1)</sup> y domicilio en (...) en calidad de (marcar la letra que proceda):**

Mr. (name), with tax identification number (...)<sup>(1)</sup>, in the name and on behalf of (entity), with tax identification number (...)<sup>(1)</sup> and address in (...) as (function - mark as applicable):

**(a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**

(a) Management Entity of the Public Debt Market in book entry form.

**(b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**

(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.

**(c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**

(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.

**(d) Agente de pagos designado por el emisor.**

(d) Issue and Paying Agent appointed by the issuer.

**Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:**

Makes the following statement, according to its own records:

**1 En relación con los apartados 3 y 4 del artículo 44:**

1 In relation to paragraphs 3 and 4 of Article 44:

**1.1 Identificación de los valores .....**

1.1 Identification of the securities .....

**1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**

1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

**1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados) .....**

- 1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)
- 1.4 **Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora .....**
- 1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved .....
- 1.5 **Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).**
- 1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).
- 2 **En relación con el apartado 5 del artículo 44.**
- 2 In relation to paragraph 5 of Article 44.
- 2.1 **Identificación de los valores .....**
- 2.1 Identification of the securities.....
- 2.2 **Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados) .....**
- 2.2 Income payment date (or refund if the securities are issued at discount or are segregated).....
- 2.3 **Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados).....**
- 2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)
- 2.4 **Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**
- 2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.
- 2.5 **Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**
- 2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.
- 2.6 **Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.**
- 2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

**Lo que declaro en .....a .... de.....de ....**

I declare the above in ..... on the.... of..... of....

- (1) **En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia**

- (1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

### **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Instruments where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the Commission's Proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Instruments are advised to seek their own professional advice in relation to the FTT.

### **Spanish Tax on Financial Transactions (the "Spanish FTT")**

Spain approved the Spanish law which implements its own Spanish FTT on 7 October 2020.

The Spanish FTT came into force on 16 January 2021 and charges a 0.2 per cent. rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds EUR 1 billion (EUR 1,000,000,000), regardless of the jurisdiction of residence of the parties involved in the transaction. Therefore, the Spanish FTT will not affect the Instruments.

Prospective holders of Instruments are advised to seek their own professional advice in relation to the Spanish FTT.

### **US Foreign Account Tax Compliance Withholding**

Under certain provisions of the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations promulgated thereunder (commonly referred to as "**FATCA**"), a 30 per cent. withholding tax may apply to certain "foreign passthru payments" made by a foreign financial institution (an "**FFI**"), including an FFI in the chain of ownership between an ultimate beneficial owner and the issuer of an obligation that has entered into an agreement with the U.S. Internal Revenue Service (the "**IRS**") pursuant to which it agrees to certain due diligence, reporting and withholding functions (such an FFI referred to as a "**PFFI**"). FATCA withholding may apply to payments made by a PFFI to (a) an FFI that is not a PFFI and is not otherwise exempt from FATCA and to (b) certain other payees who fail to provide sufficient identifying information (including, in certain cases, regarding their U.S. owners). Certain aspects of the application of these rules are modified by intergovernmental agreements between the United States and certain other countries ("**Intergovernmental Agreements**"), including Spain. The term "foreign passthru payment" is not defined currently and withholding on foreign passthru payments will not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment". It is uncertain how foreign passthru payment withholding will apply under Intergovernmental Agreements, if at all. Given the uncertainty of the FATCA provisions, although the Issuer does not expect FATCA withholding to apply to payments it makes on the Instruments, FATCA may impact payments by custodians or intermediaries in the payment chain between the Issuer and the ultimate beneficial owner of the Instruments. The Issuer and the Guarantor have no responsibility for any FATCA withholding applied by

any such custodians or intermediaries in the ownership chain and would not be required to pay any additional amounts were any amount deducted or withheld from any payment pursuant to FATCA.

Investors should consult their own tax advisors with respect to FATCA and its application to the Instruments and should consider carefully the FATCA compliance status of any financial intermediaries in the chain of ownership through which they hold Instruments.

## SUBSCRIPTION AND SALE

Instruments may be sold from time to time by the Issuer to any one or more of Banco Bilbao Vizcaya Argentaria, S.A., Banco de Sabadell, S.A., Banco Santander, S.A., Barclays Bank Ireland PLC, BNP PARIBAS, BofA Securities Europe SA, CaixaBank, S.A, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe, Intesa Sanpaolo S.p.A., J.P. Morgan SE, Mediobanca – Banca di Credito Finanziario S.p.A., Mizuho Bank Europe N.V., Morgan Stanley Europe SE, MUFG Securities (Europe) N.V., Natixis, NatWest Markets N.V., SMBC Bank EU AG, Société Générale and UniCredit Bank GmbH (the "**Dealers**"). Instruments may also be sold by the Issuer direct to institutions who are not Dealers. The arrangements under which Instruments may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a dealership agreement dated 11 April 2025 (as amended, supplemented, restated or replaced from time to time, the "**Dealership Agreement**") and made between the Issuer, the Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Instruments under or pursuant to the Dealer Agreement prior to the closing of the issue of such Instruments, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Instruments. In this situation, the issuance of such Instruments may not be completed. Investors will have no rights against the Issuer or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

**United States of America:** *Regulation S; Category 2; TEFRA D, unless TEFRA C is specified as applicable in the relevant Final Terms*

Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to US persons, except in certain transactions permitted by US tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Instruments, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Instruments comprising the relevant Tranche within the United States or to or for the account or benefit of US persons, and such Dealer will have sent to each dealer to which it sells Instruments during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to or for the account or benefit of US persons.

In addition, until 40 days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **Prohibition of Sales to EEA Retail Investors**

Unless the Final Terms in respect of any Instruments specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the

offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one or more of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

#### **Prohibition of sales to UK Retail Investors**

Unless the Final Terms in respect of any Instruments specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

#### **Other UK regulatory restrictions**

In relation to each Tranche of Instruments, each Dealer subscribing for or purchasing such Instruments has represented to and agreed with, and each further Dealer appointed under the Programme will be required to represent to and agree with, the Issuer, the Guarantor and each other such Dealer (if any) that:

- (a) **No deposit-taking:** in relation to any Instruments having a maturity of less than one year from the date of their issue:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

## The Kingdom of Spain

Neither the Instruments nor this Base Prospectus have been registered with the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Instruments may not be offered, sold or distributed, nor may any subsequent resale of Instruments be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain. In addition, each Dealer has represented and agreed that the Notes may not be offered, sold or distributed in Spain without complying with all legal and regulatory requirements under Spanish securities laws.

Each Dealer has represented and agreed that the Instruments may only be offered or sold in Spain by institutions authorised under the Spanish Law 6/2023, of 17 March on the Securities Markets and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (the "**Spanish Securities Markets and Investment Services Law**"), Royal Decree 813/2023 of 8 November on the legal regime applicable to investment services companies and other entities that provide investment services (*Real Decreto 813/2023, de 8 de noviembre, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*), as amended or replaced from time to time, and related legislation to provide investment services in Spain and in accordance with the provisions of the Spanish Securities Markets and Investment Services Law and further developing legislation.

## Belgium

With regard to Instruments having a maturity of less than 12 months (and which therefore fall outside the scope of the Prospectus Regulation), the Base Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Financial Services and Markets Authority. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall refrain from taking any action that would be characterised as or result in a public offering of these Instruments in Belgium in accordance with the Belgian Law on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time. The Instruments are not intended to be sold to Belgian Consumers, and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not advertised, offered, sold or delivered and will not advertise, offer, sell or deliver, directly or indirectly, such Instruments to any Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, the Base Prospectus, the relevant Final Terms or any other offering material relating to such Instruments, directly or indirectly, to any Belgian Consumer.

For these purposes, a "**Belgian Consumer**" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.

## Japan

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Instruments in Japan or to, or for the benefit of, a resident of Japan or to others for re-

offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Corporations Act**")) in relation to the Programme or any of the Instruments has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**") or any other regulatory authority in Australia. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Instruments in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any information memorandum, prospectus or any other offering material or advertisement relating to the Programme or any Instruments in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- (ii) such action complies with applicable laws, regulations and directives;
- (iii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for Instruments under this Base Prospectus, each person to whom Instruments are issued (an "**Investor**"):

- (a) will be deemed by the Issuer, the Guarantor and each of the Dealers to have acknowledged that if any Investor on-sells Instruments within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
  - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer Instruments in Australia without a prospectus or other disclosure document lodged with ASIC; or
  - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer, the Guarantor and each of the Dealers to have undertaken not to sell those Instruments in any circumstances other than those described in paragraphs (a)(1) and (a)(2) above for 12 months after the date of issue of such Instruments.

This Base Prospectus is not, and under no circumstances is to be construed as, an advertisement or public offering of the Instruments in Australia.

This Base Prospectus may only be distributed to investors in Australia and any offer of Instruments may only be made to investors in Australia, in each case subject to the conditions set out above, on behalf of a Dealer by its affiliate holding an Australian Financial Services Licence permitting such licence holder to distribute this Base Prospectus and to offer the Instruments to investors in Australia.



## **Hong Kong**

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Instruments, other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "Prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

## **People's Republic of China**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Instruments will not be offered or sold directly or indirectly within the People's Republic of China (which, for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan (the "PRC")). This Base Prospectus, the Instruments and any material or information contained or incorporated by reference herein in relation to the Instruments have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("CSRC") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Instruments in the PRC. Neither this Base Prospectus nor any material or information contained or incorporated by reference herein constitutes an offer to sell or the solicitation of an offer to buy any securities in the PRC.

The Instruments may only be invested by PRC investors that are authorised to engage in the investment in the Instruments of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, any which may be required from the State Administration of Foreign Exchange, CSRC, the China Banking and Insurance Regulatory Commission and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or overseas investment regulations.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Instruments or caused the Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell any Instruments or cause the Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## **Switzerland**

No Instruments may be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit any Instruments to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to any Instruments constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to any Instruments may be publicly distributed or otherwise made publicly available in Switzerland.

## **General**

Each Dealer has represented, warranted and undertaken to the Issuer and the Guarantor, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake that, to the best of its knowledge and belief, it has complied and will comply with all applicable securities laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Instruments or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense.

Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer and the Guarantor.

## GENERAL INFORMATION

### Listing

1. Any Tranche of Instruments intended to be admitted to the Official List and to trading on the regulated market of Euronext Dublin will be so admitted upon submission to the Euronext Dublin of the relevant Final Terms and any other information required by the Euronext Dublin, subject to the issue of the relevant Instruments.

However, Instruments may be issued pursuant to the Programme which will be listed with such competent authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree.

2. The admission of the Programme to listing on the Official List and to trading on the regulated market of Euronext Dublin is expected to take place on or around 11 April 2025.
3. Matheson LLP is acting solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the application for admission of the Instruments to the Official List and trading on the regulated market of Euronext Dublin.

### Authorisations

4. The establishment of the Programme was authorised by a resolution of the sole shareholder of the Issuer passed on 30 December 2004 and the giving of the Guarantee by the Guarantor in relation to the update of the Programme was authorised by a resolution of the Executive Commission of the Board of Directors of the Guarantor passed on 20 March 2024. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Instruments, if any.

### Clearing and Settlement

5. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Instruments of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.
6. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Issue and Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Instruments.

### Legend Concerning US Persons

7. Bearer Instruments (other than Temporary Global Instruments (as defined in "*Terms and Conditions of the Instruments - Form and Denomination*")) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bearer Instrument or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

### Legal and Arbitration Proceedings

8. Save as described in "*Risk Factors – Risks relating to the Issuer and the Guarantor – Telefónica and Telefónica Group companies are party to lawsuits, antitrust, tax claims and other legal proceedings*" on page 34 of the Subordinated Notes Programme Base Prospectus, under "*Telefónica, S.A. – Legal Proceedings*" on pages 142 through 148 of the Subordinated Notes Programme Base Prospectus and under "*Telefónica, S.A. – Tax Proceedings*" on pages 148 through 153 of the Subordinated Notes Programme Base Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of

which the Issuer or the Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or the Guarantor and its subsidiaries.

### **Significant/Material Change**

9. Since 31 December 2024 there has been no material adverse change in the prospects of the Issuer and no significant change in the financial position or financial performance of the Issuer.
10. Since 31 December 2024 there has been no material adverse change in the prospects of the Guarantor and the Group. Since 31 December 2024 there has been no significant change in the financial position or financial performance of the Guarantor and the Group, save as described in "*Telefónica, S.A. – Recent Developments*" on pages 128 to 131 of the Subordinated Notes Programme Base Prospectus.

### **Auditors**

11. The consolidated financial statements of the Guarantor for each of the financial years ended 31 December 2024 and 31 December 2023 were audited by PricewaterhouseCoopers Auditores, S.L., with its registered address at Torres PwC, Paseo de la Castellana, 259B, 28046 Madrid, Spain, registered in the ROAC under number S0242 and unqualified opinions were reported thereon.

PricewaterhouseCoopers Auditores, S.L. audited the annual accounts of the Issuer for each of the financial years ended 31 December 2024 and 31 December 2023 and unqualified opinions were reported thereon.

### **Documents on Display**

12. For so long as the Programme remains in effect or any Instruments shall be outstanding, copies of the following documents (and, where applicable, direct and accurate translation into English) may be inspected during normal business hours at the specified office of the Issue and Paying Agent and the Registrar (or other, the specified office(s) of the Paying Agent(s) in the United Kingdom) and at the registered/head office of the Issuer and the Guarantor or at [www.telefonica.com](http://www.telefonica.com), namely:
  - (a) the constitutional documents of the Issuer and the by-laws of the Guarantor together with translations into English (in each case as the same may be updated from time to time);
  - (b) this Base Prospectus, together with any supplements thereto;
  - (c) the Issue and Paying Agency Agreement;
  - (d) the Deed of Covenant;
  - (e) the Deed of Guarantee;
  - (f) English language translations of the audited consolidated financial statements of the Guarantor, and the reports referred to therein for the years ended 31 December 2024 and 31 December 2023;
  - (g) English language translations of the annual accounts of the Issuer, and the reports referred to therein, for the years ended 31 December 2024 and 31 December 2023; and
  - (h) any Final Terms relating to Instruments which are listed on any stock exchange.

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

This Base Prospectus will be available, in electronic format, on the website of Euronext Dublin ([www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin)).

## Legal Entity Identifiers

13. The Issuer's Legal Entity Identifier is 549300Y5MFC4SW5Z3K71. The Guarantor's Legal Entity Identifier is 549300EEJH4FEPDBBR25.

## Credit Ratings

14. Telefónica has been assigned long term credit ratings of BBB- (stable outlook), Baa3 (stable outlook), BBB (stable outlook), respectively, by S&P, Moody's and Fitch. Telefónica has been assigned short term credit ratings of A-3, P-3 and F-2, respectively, by S&P, Moody's and Fitch. Each of S&P, Moody's and Fitch is established in the European Union and is registered under the EU CRA Regulation. The ratings S&P, Moody's and Fitch have assigned to Telefónica have been endorsed by S&P Global Ratings UK Limited, Moody's Investors Service Ltd and Fitch Ratings Ltd., respectively, which are established in the United Kingdom and registered under the UK CRA Regulation.

In accordance with S&P's ratings definitions available as at the date of this Base Prospectus on [https://www.standardandpoors.com/en\\_EU/delegate/getPDF?articleId=2017758&type=COMMENTS&subType=REGULATORY](https://www.standardandpoors.com/en_EU/delegate/getPDF?articleId=2017758&type=COMMENTS&subType=REGULATORY), (i) a long term credit rating of "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligations and (ii) a short-term credit rating of "A-3" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken an obligor's capacity to meet its financial commitments on the obligation. In accordance with Moody's ratings definitions available as at the date of this Base Prospectus on <https://www.moody.com/sites/products/AboutMoodyRatingsAttachments/MoodysRatingSymbolsandDefinitions.pdf>, (i) a long term credit rating of "Baa3" indicates obligations which are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics and (ii) a short-term credit rating of "P-3" indicates an acceptable ability to repay short-term obligations. In accordance with Fitch's ratings definitions available as at the date of this Base Prospectus on <https://www.fitchratings.com/products/rating-definitions> (i) a long term credit rating of "BBB" indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity and (ii) a short term credit rating of "F-2" indicates a good capacity for timely payment of financial commitments relative to other issuers or obligations in the same country or monetary union. However, the margin of safety is not as great as in the case of the higher ratings.

## Conflicts of Interests

15. Certain Dealers and/or their affiliates (including parent companies) may have engaged in various general financing and banking transactions with, and provided financial advisory and investment banking services to the Issuer, the Guarantor and their parent and group companies.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Guarantor, or the Issuer's or the Guarantor's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer or the Guarantor routinely hedge their credit exposure to the Issuer or the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of positions in securities, including potentially any Instruments issued. Any such positions could adversely affect future trading prices of any Instruments issued. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, positions in such securities and instruments. For the purposes of this paragraph the term "affiliates" includes also the relevant parent companies of the Dealers. The Dealers may also receive fees for their role in any issuance of Instruments.

## REGISTERED AND HEAD OFFICE OF THE ISSUER

### **Telefónica Emisiones, S.A.U.**

Gran Vía, 28  
28013 Madrid  
Spain

## REGISTERED AND HEAD OFFICE OF THE GUARANTOR

### **Telefónica, S.A.**

Gran Vía, 28  
28013 Madrid  
Spain

## DEALERS

### **Banco Bilbao Vizcaya Argentaria, S.A.**

Ciudad BBVA  
Calle Saucedo 28, Edificio Asia  
28050 Madrid  
Spain

### **Banco de Sabadell, S.A.**

Plaça de Sant Roc, 20  
08201 Sabadell  
Spain

### **Banco Santander, S.A.**

Ciudad Grupo Santander – Avda. de Cantabria  
Ed. Encinar, First Floor  
28660 Boadilla del Monte Madrid  
Spain

### **Barclays Bank Ireland PLC**

One Molesworth Street  
Dublin 2  
D02 RF29  
Ireland

### **BNP PARIBAS**

16, boulevard des Italiens  
75009 Paris  
France

### **BofA Securities Europe SA**

51 rue La Boétie  
75008 Paris  
France

### **CaixaBank, S.A.**

Pintor Sorolla, 2-4  
46002 Valencia  
Spain

### **Citigroup Global Markets Europe AG**

Börsenplatz 9  
60313 Frankfurt am Main  
Germany

### **Commerzbank Aktiengesellschaft**

Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

### **Crédit Agricole Corporate and Investment Bank**

12 place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France

### **Deutsche Bank Aktiengesellschaft**

Mainzer Landstrasse 11-17  
60329 Frankfurt am Main  
Germany

### **Goldman Sachs Bank Europe SE**

Marienturm Taunusanlage 9-10  
D-60329 Frankfurt am Main  
Germany

### **HSBC Continental Europe**

38, avenue Kléber  
75116 Paris  
France

### **Intesa Sanpaolo S.p.A.**

Divisione IMI Corporate & Investment Banking  
Via Manzoni 4  
20121 Milan  
Italy

### **J.P. Morgan SE**

Taunustor 1 (TaunusTurm)

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

60310 Frankfurt am Main  
Germany

Piazzetta E. Cuccia 1  
20121 Milan  
Italy

**Mizuho Bank Europe N.V.**  
Atrium Amsterdam, 3rd Floor  
Strawinskylaan 3053  
1077 ZX Amsterdam,  
The Netherlands

**Morgan Stanley Europe SE**  
Grosse Gallusstrasse 18  
60312 Frankfurt am Main  
Germany

**MUFG Securities (Europe) N.V.**  
World Trade Center, Tower Two, 5th Floor  
Strawinskylaan 1887  
1077 XX Amsterdam  
The Netherlands

**Natixis**  
07 promenade Germaine Sablon  
75013 Paris  
France

**NatWest Markets N.V.**  
Claude Debussylaan 94  
Amsterdam 1082 MD  
The Netherlands

**SMBC Bank EU AG**  
Neue Mainzer Straße 52-58  
60311 Frankfurt  
Germany

**Société Générale**  
29 boulevard Haussmann  
75009 Paris  
France

**UniCredit Bank GmbH**  
Arabellastrasse, 12  
81925 Munich  
Germany

#### **AUDITORS OF THE ISSUER AND THE GUARANTOR**

**PricewaterhouseCoopers Auditores, S.L.**  
Torre PwC  
Paseo de la Castellana, 259B  
28046 Madrid  
Spain

#### **ISSUE AND PAYING AGENT**

**The Bank of New York Mellon SA/NV, London Branch**  
160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom

#### **REGISTRAR**

**The Bank of New York Mellon SA/NV, Luxembourg Branch**  
Vertigo Building – Polaris  
2-4 rue Eugene Ruppert  
L-2453 Luxembourg

#### **PAYING AGENT**

**The Bank of New York Mellon SA/NV, Luxembourg Branch**  
Vertigo Building – Polaris  
2-4 rue Eugene Ruppert  
L-2453 Luxembourg

#### **LISTING AGENT**

**Matheson LLP**  
70 Sir John Rogerson's Quay  
Dublin 2, Ireland

## **LEGAL ADVISERS**

*To the Issuer and the Guarantor as to Spanish tax law*

**Uría Menéndez Abogados, S.L.P.**

Príncipe de Vergara, 187  
28002 Madrid  
Spain

*To the Dealers as to English and Spanish law*

**Clifford Chance, S.L.P.**

Paseo de la Castellana, 110  
28046 Madrid  
Spain

**Clifford Chance LLP**

10 Upper Bank Street  
London E14 5JJ  
United Kingdom